

FINANCIAL STATEMENTS and SCHEDULES

2020 | 2019

BE BOLD. Shape the Future.
New Mexico State University



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Ross Justus
Associate Controller

Carolina Muñoz
*Manager of Accounting and
Financial Reporting*

March 19, 2021

It is my pleasure to share the annual financial report of New Mexico State University (NMSU) for the fiscal years (FYs) ended June 30, 2020 and 2019.

The accompanying financial statements of the University are prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board. KPMG LLP, independent auditors, has examined the financial statements, and their unmodified opinion is presented beginning on page 3 of the report. The financial and physical resource management of the University is guided by the priorities established in our strategic plan NMSU LEADS 2025.

The plan points to the mission of the New Mexico State University system to serve the diverse needs of the state through comprehensive programs of education, research, extension and outreach, and public service. As the state's land-grant and space-grant University, and as a Hispanic-Serving Institution, NMSU fosters learning, inquiry, diversity and inclusion, social mobility, and service to the broader community.

As expected, the COVID-19 pandemic has clearly played a major role in the decision of many students whether to attend college this fall. While overall enrollment is down this fall for the NMSU System, I am pleased to report that we have stabilized enrollment at the NMSU main campus over the past few years.

Over the summer, the New Mexico Legislature met in a special session to address a projected state revenue shortfall, reducing their recently passed budget by approximately \$2 billion for the coming fiscal year. New Mexico is an energy exporter, and most of our state revenues are generated by that industry. Because of COVID-19 and the simultaneous global economic crisis, and downturns in the energy sector, our state's economic picture has been dramatically impacted.

Our mission to serve the diverse needs of the state through comprehensive programs of education, research, extension and outreach, and public service will not change. We will develop budget plans, in concert with our NMSU LEADS 2025 strategic plan, to ensure we're able to continue serving the people of New Mexico. Any changes we institute will be designed to minimize the impact on student success and our ability to maintain excellence in research, scholarship and creative activity.

As we deal with our current budget situation, our strategic plan will guide our decisions. Across the state, we will find efficiencies in our operations and plan over a multiple of years. We will be strategic in reducing costs and intend to make structural changes based on benchmarking of best practices at peer institutions and performance data relative to each of our functional units.

Aggie pride and spirit continues to be apparent at our beautiful campuses as we enhance the learning experiences of students through enhanced technology and facilities. Many dedicated students still reside on campus through the pandemic and all of our students are resiliently adapting to the remote delivery of instruction.

I want to ensure stakeholders that we will be mindful of our values of leadership, excellence, access, diversity and inclusion, and student-centered as we shape the future for NMSU. These values are encapsulated as: BE BOLD. Shape the future. The future is still bright for our great university.

Sincerely,



Dan E. Arvizu, Ph.D.
Chancellor



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

Independent Auditors' Report

Board of Regents
New Mexico State University
And
Mr. Brian Colón, 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 discretely presented component unit of New Mexico State University (the University), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities, and the discretely presented component unit of New Mexico State University, as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.



Emphasis of Matter

Adoption of New Accounting Guidance

As discussed in Note 2 to the financial statements, in fiscal year 2020, the University adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84 (*Fiduciary Activities*). Our opinion is not modified with respect to this matter.

Financial Statements Limited to the University

As discussed in Note 2, the financial statements of the University are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities and fiduciary activities of the State of New Mexico that is attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2020 and 2019, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles. 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 Changes in Net Other Post-Employment Benefits Liability and Related Ratios in accordance with GASB Statement 75 (schedule 5), and the Schedule of Proportionate Share of Net Pension Liability and Employer Contributions (schedule 6), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying Chancellor's Letter, Combining Statements of Net Position (schedule 1), Combining Statements of Revenues, Expenses, and Changes in Net Position (schedule 2), Budgetary Comparison Schedules (schedule 3), Bank Balances, Pledged Collateral Requirements and Pledged Collateral by Financial Institution (schedule 4), and Schedule of Expenditures of Federal Awards (schedule 7), as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Combining Statements of Net Position (schedule 1), Combining Statements of Revenues, Expenses, and Changes in Net Position (schedule 2), Budgetary Comparison Schedules (schedule 3), Bank Balances, Pledged Collateral Requirements and Pledged Collateral by Financial Institution (schedule 4), and Schedule of Expenditures of Federal Awards (schedule 7) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with



auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements of Net Position (schedule 1), Combining Statements of Revenues, Expenses, and Changes in Net Position (schedule 2), Budgetary Comparison Schedules (schedule 3), Bank Balances, Pledged Collateral Requirements and Pledged Collateral by Financial Institution (schedule 4), and Schedule of Expenditures of Federal Awards (schedule 7) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Chancellor's Letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2021 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 solely 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 the effectiveness of the University's 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 University's internal control over financial reporting and compliance.

KPMG LLP

Albuquerque, New Mexico
March 19, 2021

Management's Discussion and Analysis For the Years Ended June 30, 2020 and 2019 (Unaudited)

Overview of Financial Statements and Financial Analysis

Management's Discussion and Analysis is designed to provide an easily readable analysis of New Mexico State University's (the University) financial activities for the fiscal years ended June 30, 2020 and 2019. This overview is based on facts, decisions and conditions known as of the date of the independent auditors' report. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Please read this analysis in conjunction with the University's financial statements and accompanying notes to the financial statements. Separately issued component unit financial statements are available as detailed in Note 11.

Using This Annual Report

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

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

The Statement of Cash Flows presents detailed information about the cash activity of the University during the fiscal year. The statement is divided into five sections. The first section deals with operating cash flows and shows the net cash used by operating activities. The second section includes cash flows from non-capital financing activities. It includes the cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section includes cash flows from capital and related financing activities. This section includes the cash used for the acquisition and construction of capital and related items. The fourth section includes the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth and final section reconciles the net cash used for operations to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

The final two statements presented are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements present balances and activities held by the University for the benefit of student and departmental groups, as well as deposits from local taxing authorities.

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

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

For the years ended June 30, 2020, 2019 and 2018, the University's financial position was as follows:
(In thousands)

<i>Condensed Net Position</i>	June 30, 2020	June 30, 2019	June 30, 2018
ASSETS			
Current assets	166,478	114,812	121,661
Capital assets, net	499,188	506,752	494,320
Non-current assets	164,247	211,129	192,913
TOTAL ASSETS	829,913	832,693	808,894
DEFERRED OUTFLOWS OF RESOURCES	123,558	197,892	246,880
LIABILITIES			
Current liabilities	62,925	60,319	56,607
Net pension liability	487,324	792,236	750,674
Other post-employment benefit liability	160,555	139,913	128,375
Other non-current liabilities	139,679	160,437	170,038
TOTAL LIABILITIES	850,483	1,152,905	1,105,694
DEFERRED INFLOWS OF RESOURCES	58,359	36,206	42,046
NET POSITION			
Net investment in capital assets	377,779	383,627	386,310
Restricted	85,389	73,209	58,270
Unrestricted	(418,539)	(615,362)	(536,546)
TOTAL NET POSITION	\$ 44,629	\$ (158,526)	\$ (91,966)
<i>Condensed Revenues, Expenses and Changes in Net Position</i>			
Operating revenues:			
Student tuition and fees (net)	\$ 68,451	\$ 65,361	\$ 66,520
Federal appropriations, grants and contracts	88,589	86,468	82,542
Other operating revenues	60,373	58,010	58,835
TOTAL OPERATING REVENUES	217,413	209,839	207,897
EXPENSES			
Operating expenses:			
Instruction	78,630	176,922	164,631
Research	56,164	98,695	92,299
Other operating expenses	227,042	330,550	315,164
TOTAL OPERATING EXPENSES	361,836	606,167	572,094
Net operating loss	(144,423)	(396,328)	(364,197)
Non-operating revenues and expenses:	312,395	294,054	268,007
Income (loss) before other revenues	167,972	(102,274)	(96,190)
Other revenues	35,183	35,714	12,928
Increase (decrease) in net position	203,155	(66,560)	(83,262)
NET POSITION			
Beginning of year, as previously reported	(158,526)	(91,966)	92,370
Change in accounting principle	-	-	(101,074)
Beginning of year, as restated	(158,526)	(91,966)	(8,704)
End of year	\$ 44,629	\$ (158,526)	\$ (91,966)

General Overview for 2020 and 2019

In fiscal year 2020, total assets of the institution decreased by \$3 million primarily related to decreases in net capital assets and student loans receivable. Cash and cash equivalents increased by \$77 million while investments decreased \$72 million. Deferred outflows decreased by \$74 million, due to the amortization of prior changes in assumptions related to the pension liability. Total liabilities decreased by \$302 million and deferred inflows increased by \$22 million.

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

- Decreases in the pension liability of \$(305) million, and the related changes in deferred outflows and deferred inflows. These items are related to the adjustments made to the pension liability due to changes in legislation that increased contributions to the fund.
- Decreases in investments of \$72 million offset by an increase in cash and cash equivalents of \$77 million due to the drop in interest rates and shift from long term investments to short term investments for a better return on investment. Many of the University investments were called and could not be replaced at the same interest rate.
- Increase in the other post-employment benefit liability of \$21 million, and the related change in deferred outflows and deferred inflows. These items are related to the adjustments made to the OPEB as required by GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB).
- Decrease in other long-term liabilities of \$21 million related to refunding of revenue bonds.

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

Primary components that added to the \$203 million net increase in net position from the prior year include:

- A decrease in operating expense of \$244 million after the allocation of pension expense.
- An increase in state appropriations of \$12 million.
- An increase in federal appropriations, grants and contracts of \$2 million.
- An increase in other non-operating revenue of \$6 million.

The increase were offset in part by the following:

- An decrease in investment income of \$3.5 million.

The Statement of Cash Flows shows a net increase in cash. The majority of the increase was from investing activities and attributable to proceeds from the sales and maturities of investments. The largest source of cash from operating activities was from grant and contract revenues, followed by tuition and fees, while the largest source of cash from non-capital financing activities was from state appropriations. The most significant uses of cash were for payments to employees and for employee benefits and payments to suppliers.

General Overview for 2019 and 2018

In fiscal year 2019, total assets of the institution increased by \$24 million primarily related to increases in cash and cash equivalents and net capital assets. Deferred outflows decreased by \$49 million, due to the changes in assumptions related to the pension liability. Total liabilities increased by \$47 million and deferred inflows decreased by \$6 million.

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

- Increases in the pension liability of \$42 million, and the related changes in deferred outflows and deferred inflows. These items are related to the adjustments made to the pension liability as required by GASB 68, Accounting and Financial Reporting for Pensions.
- Increase in the other post-employment benefit liability of \$12 million, and the related change in deferred outflows and deferred inflows. These items are related to the adjustments made to the OPEB as required by GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB).
- Increase in net capital assets of \$12 million related to completed construction projects and construction work in progress.

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

Primary components that added to the \$67 million net decrease in net position from the prior year include:

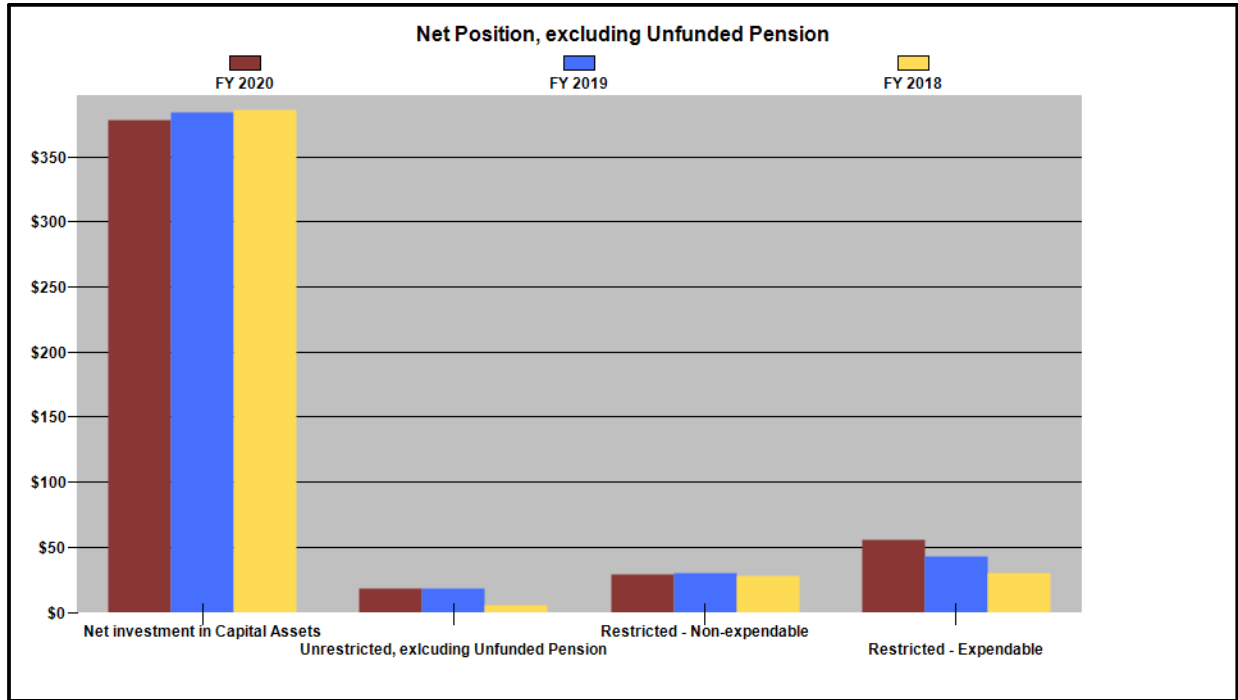
- An increase in operating expense of \$22 million prior to the allocation of pension expense.
- An increase in pension expense of \$12 million.
- An increase in scholarship allowances of \$4.9 million.

The decreases were offset in part by the following:

- An increase in capital appropriations of \$14.9 million.
- An increase in state appropriations of \$9 million.
- An increase in capital grants, gifts and other income of \$8.2 million.
- Increases in investment income of \$6.5 million, state lottery scholarship of \$3.5 million, gift and non-exchange grants of \$0.2 million and local tax levy of \$4 million.

The Statement of Cash Flows shows a net increase in cash. The largest source of cash from operating activities was from grant and contract revenues, followed by tuition and fees, while the largest source of cash from non-capital financing activities was from state appropriations. The most significant uses of cash were for payments to employees and for employee benefits and payments to suppliers.

The following graph illustrates the comparison of net position (in millions) by category for fiscal years 2020, 2019 and 2018. The effect of the implementation of GASB 68 related to the net unfunded pension liability has been excluded from the graph to provide a clearer picture of the unrestricted net position. The significant drop in Unrestricted in fiscal year 2018 was due to the recognition of additional OPEB liability for GASB 75. The decrease in Restricted – Non-expendable in fiscal years 2018 was due to the removal of the Land Grant Permanent Fund.



Operating Revenues for 2020 and 2019

Net operating revenues increased by \$8 million in fiscal year 2020 compared to 2019. A main contributor to the increase was related to federal appropriations, grants and contracts one of the larger operating revenue sources, which increased by approximately \$2 million or 2.5% increase from prior year, followed by student tuition and fees net of scholarship allowances of \$3 million or 4.7% and state grants and contracts of \$2.5 million 25.9%.

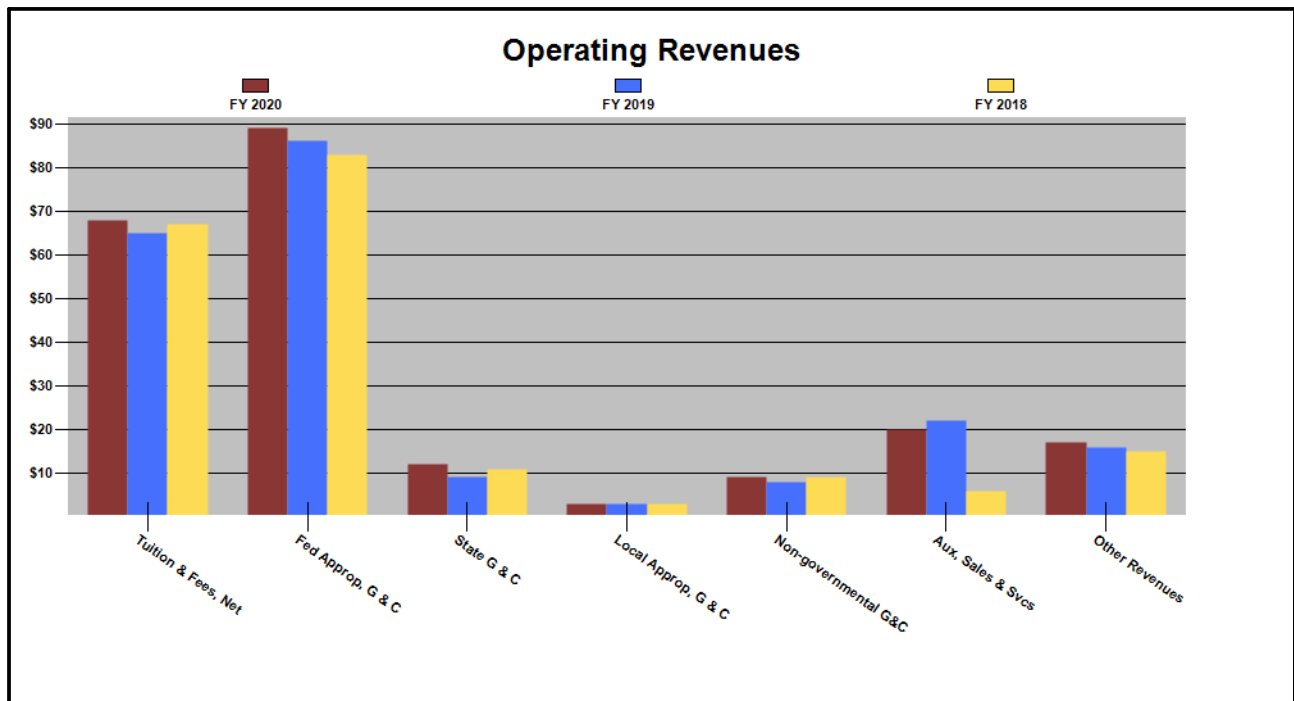
Operating Revenues for 2019 and 2018

Net operating revenues increased by \$2 million in fiscal year 2019 compared to 2018. The main contributor to the increase was related to federal appropriations, grants and contracts one of the larger operating revenue sources, which increased by approximately \$4 million or 4.8% offset by a decrease in state grants and contracts of \$2 million or 16.7%.

Other changes in operating revenues were as follows:

- Decrease in non-governmental grants and contracts of \$1.5 million (16.7%) related to private and foreign awards.
- Increase in sales and services of \$1.2 million (20.2%) attributed primarily to livestock sales.
- Increase in student tuition and fees of \$3.7 million (3.4%) offset by an increase in scholarship allowances of \$4.9 million (11.5%).
- Increase in other operating revenue of \$1.5 million (10.2%) primarily related to Athletic game guarantees.

The following graph illustrates a comparison of operating revenues (in millions) by type for fiscal years 2020, 2019 and 2018.



Operating Expenses for 2020 and 2019

Operating expenses decreased by \$244 million in fiscal year 2020 from the prior year. The decrease in pension expense \$286 million over the prior year is a significant change in overall operating expenses. Although pension expense is allocated to the various expense functions based on salary expense, for purposes of this analysis, it has been removed in order to analyze the remaining expenses. After removing the pension expense allocation for both years, operating expenses increased by \$42 million. The largest dollar changes in operating expense, excluding pension expense, were as follows:

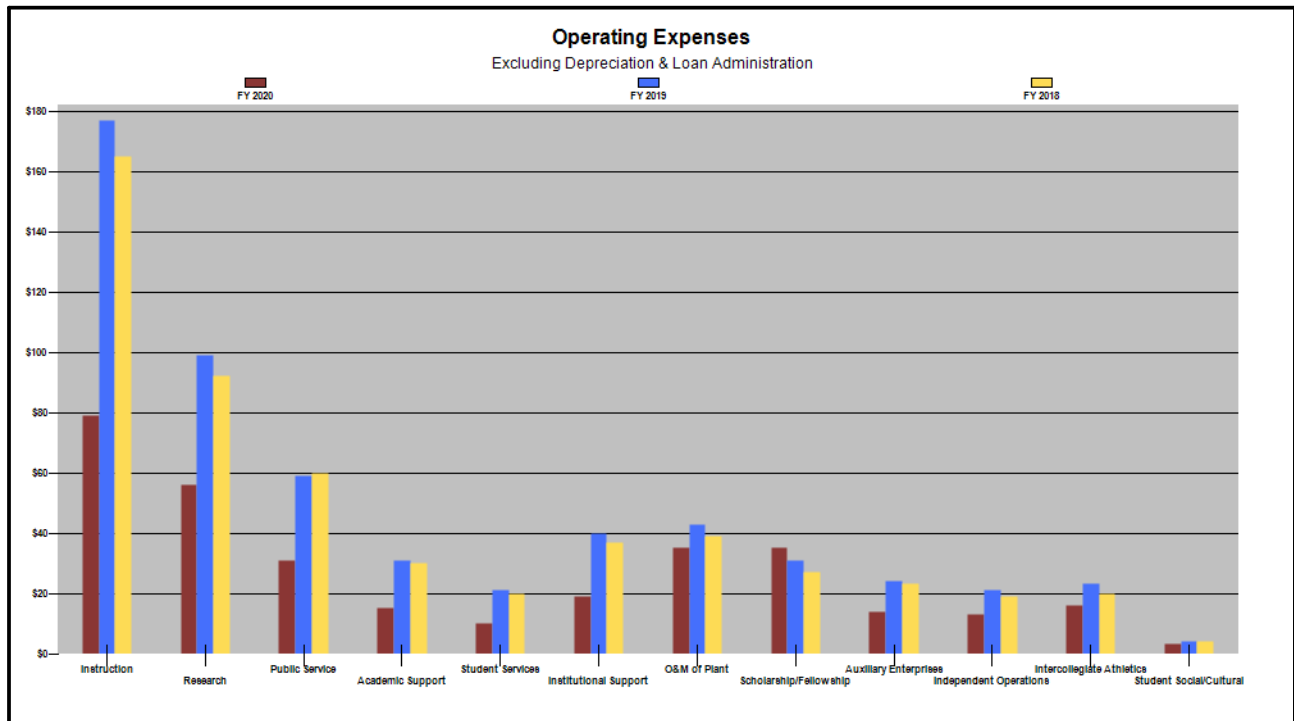
- An increase in instruction expense of \$10 million, primarily related to salary and fringe expense.
- An increase in scholarships and fellowships of \$6.2 million, partially due to CARES Act payments made to students.
- An increase in research expense of \$4.7 million.
- An increase in operation and maintenance of \$3.9 million.

Operating Expenses for 2019 and 2018

Operating expenses increased by \$34 million in fiscal year 2019 from the prior year. The increase in pension expense of \$12 million over the prior year is a significant change in overall operating expenses. Although pension expense is allocated to the various expense functions based on salary expense, for purposes of this analysis, it has been removed in order to analyze the remaining expenses. After removing the pension expense allocation for both years, operating expenses increased by \$22 million. The largest dollar changes in operating expense, excluding pension expense, were as follows:

- An increase in instruction expense of \$7.9 million, primarily related to salary and fringe expense.
- An increase in research expense of \$4.5 million, primarily related to an increase in DOD awards.
- An increase in operation and maintenance of \$3.8 million.
- An increase in scholarships and fellowships of \$3.2 million.

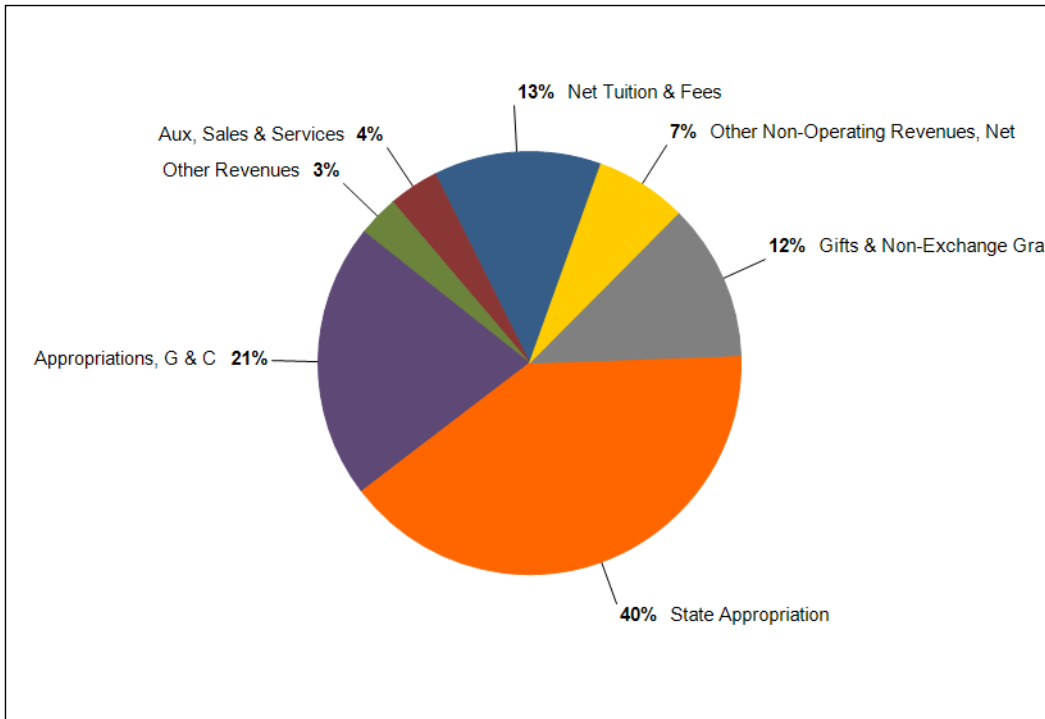
The following graph illustrates a comparison of operating expense (in millions) by function, excluding depreciation and loan administration but including the impact of pension and OPEB adjustments, for fiscal years 2020, 2019 and 2018.



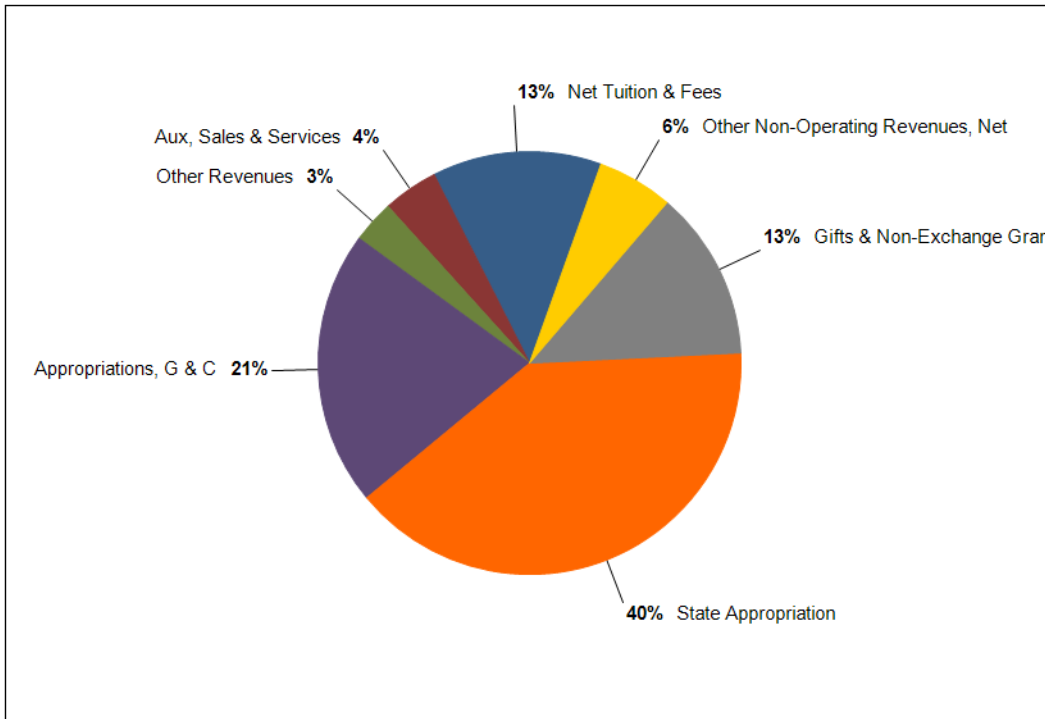
The Statement of Revenues, Expenses, and Changes in Net Position reflects a net income before other revenues of \$168 million in fiscal year 2020 and a net loss before other revenues of \$102.3 million and \$96.2 million in fiscal years 2019 and 2018, respectively.

The following graphs reflect the University's sources of revenue available to meet current operating costs for fiscal years 2020, 2019 and 2018.

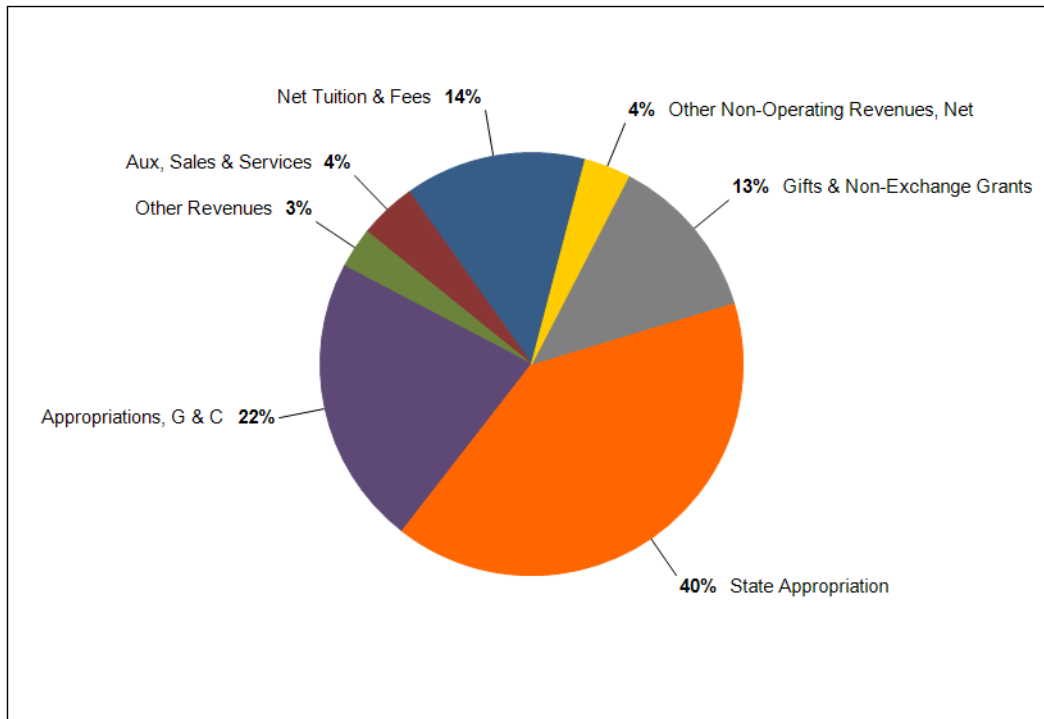
2020 Revenues



2019 Revenues



2018 Revenues



Capital Asset and Debt Administration

During fiscal year 2020, net capital assets decreased (1.5%), due to lower levels of construction and renovation activities. Projects that increased capital assets included current period expenditures for the new art building, Devasthali Hall of \$4 million, the DACC Gadsden Expansion of \$4 million, and the new housing facility, Juniper Hall of \$3 million. In addition to construction costs, there were increases in capital assets related to capital equipment purchases of \$5.8 million and capital library purchases of \$3.6 million, which were offset by total depreciation expense of \$34.7 million. Debt from bonds decreased by \$22.5 million and contracts decreased by \$294,557 in 2020.

During fiscal year 2019, net capital assets increased (2.5%), due to construction and renovation activities. The projects that increased capital assets included current period expenditures for construction of the new housing facility, Juniper Hall of \$15.6 million, the new art building, Devasthali Hall of \$13.9 million, and the Grants Child Development Center of \$2.3 million. In addition to construction costs, there were increases in capital assets related to capital equipment purchases of \$5.4 million and capital library purchases of \$3.3 million, which were offset by total depreciation expense of \$34.2 million. Debt from bonds decreased by \$7.9 million and contracts increased by \$0.3 million in 2019.

Budget Comparison

In comparing the total original budgeted revenue to the revised budgeted revenue for fiscal year 2020, there was a net increase of approximately \$68.7 million, and an increase of approximately \$105 million in revised budgeted expenditures. The significant changes to the revenue budget were in federal government sources of \$33.2 million, increased revenue in local government appropriations of \$5.1 million, and other sources of \$10.4 million. The increase in federal government revenue sources is due in part to the Federal CARES Act funding award totaling \$14 million, which includes \$7 million for student financial assistance and \$7 million for institutional costs associated with significant changes to the delivery of instruction. The budgeted increase in local appropriations is a result of an increase in local tax levies, primarily in Carlsbad. There was an increase of \$.9 million in state appropriations due to additional

capital appropriations awarded from the state. The increase in projected revenues for other sources was a result of projected increases to provide budget expenditure authority in several areas including research, public service, auxiliary enterprises, athletics, and independent operations. Expenditure budgets increased more than usual for instruction and general as well as student aid grants and stipends and auxiliaries to allow for expenditure authority contingencies in anticipation of the federal CARES Act funding. In addition, capital outlay expenditures increased based on scheduled projects and debt service expenditures were increased as a result of debt refinancing.

Actual revenues earned in fiscal year 2020 were lower than the revised budget by \$14.5 million and actual expenditures were lower than the revised budget by \$95.6 million. The main contributors to the revenue budget variance were federal revenue and other sources offset by capital. The main contributors to the expense budget variance were in the Instruction and General and capital outlay (53% of the variance). Because the University budgets capital projects in their entirety, multi-year projects may result in mismatches of budget to actual revenues and expenses in any one year. Total expenditures were less than revenues, resulting in an increase in the overall fund balance of \$45.8 million. Capital Outlay contributed \$37.3 million, renewal and replacement contributed \$4 million, and current funds contributed \$4.4 million to this increase.

Factors Impacting Future Periods

As a result of COVID-19, the state has experienced an economic decline for fiscal year 2021. However, the University's enrollment appears to be stable. In response to the state revenue decline, the University's fiscal year 2021 recurring state appropriation decreased by 3.3% or \$7 million from fiscal year 2020. The University has made short and long-term plans for strategic reductions in expenditures to mitigate this decline in state appropriations.

First time freshman enrollment has remained at approximately 2,200 students for the last three Fall semesters after increasing 10% in the previous two Fall semesters. For Fall 2020, the University system-wide enrollment is indicating an overall decline of 7%, with the main Las Cruces campus enrollment remaining relatively flat.

In September 2020, the New Mexico Legislative Finance Committee General Fund Recurring Revenue Outlook indicated stronger than expected revenue projections for the state of New Mexico. Revenues for FY21 and FY22 are challenging to forecast with several unknowns regarding the future with respect to federal support, the path of the virus and vaccine, and oil and natural gas prices. The state is projecting that fiscal year 2022 revenues will range between \$6.8 billion and \$7.6 billion with a recurring appropriation of \$7.2 billion. The economic outlook for New Mexico is anticipated to result in further reductions to state appropriations to higher education during the spring 2021 legislative session for fiscal year 2022.

New Mexico State University
Statements of Net Position
As of June 30, 2020

	University	Discrete Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 77,759,008	\$ 27,680,094
Restricted cash and cash equivalents	8,714,140	-
Cash and cash equivalents held in trust by component unit for NMSU	5,847,476	5,847,476
Short-term investments	15,764,162	300,964
Accounts receivable, net	51,188,601	11,291,316
Due from component unit	1,554,371	-
Inventories	3,273,358	-
Prepaid expenses and other assets	1,721,668	585,143
Loans receivable - current portion, net	655,556	-
Total current assets	166,478,340	45,704,993
Non-current assets		
Unrestricted cash and cash equivalents	51,811,151	4,566,822
Restricted cash and cash equivalents	35,767,380	-
Investments held by others	-	3,115,445
Investments held in trust by component unit for NMSU	39,853,338	39,853,338
Other long-term investments	29,989,525	133,190,747
Loans receivable, net	6,825,000	-
Capital assets, net	499,188,132	49,585
Total non-current assets	663,434,526	180,775,937
Total assets	829,912,866	226,480,930
DEFERRED OUTFLOWS OF RESOURCES	123,557,926	-
LIABILITIES		
Current liabilities		
Accounts payable	12,274,431	1,770,446
Due to NMSU	-	1,554,371
Other accrued liabilities	17,008,281	-
Accrued interest payable	1,313,101	-
Held in trust for NMSU	-	5,847,476
Unearned revenue	14,664,114	464,575
Long-term liabilities - current portion	17,665,364	242,242
Total current liabilities	62,925,291	9,879,110
Non-current liabilities		
Accrued benefit reserves	659,630	-
Held in trust for NMSU	-	39,853,338
Other long-term liabilities	139,018,774	2,407,444
Net pension liability	487,324,359	-
Other post-employment benefit liability	160,555,023	-
Total non-current liabilities	787,557,786	42,260,782
Total liabilities	850,483,077	52,139,892
DEFERRED INFLOWS OF RESOURCES	58,359,047	-
NET POSITION		
Net investment in capital assets	377,779,252	49,585
Restricted for:		
Donor	-	162,499,035
Non-expendable:		
Endowments	28,902,450	-
Expendable:		
Endowments	1,979,513	-
General activities	6,548,114	-
Federal student loans	10,131,040	-
Capital projects	34,588,036	-
Related entity activities	3,238,926	-
Unrestricted	(418,538,663)	11,792,418
Total net position	\$ 44,628,668	\$ 174,341,038

New Mexico State University
Statements of Net Position
As of June 30, 2019

	University	Discrete Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,346,083	\$ 16,994,039
Restricted cash and cash equivalents	5,527,651	-
Cash and cash equivalents held in trust by component unit for NMSU	5,313,291	5,313,291
Cash and cash equivalents held in trust by others	347,051	-
Short-term investments	35,315,164	362,588
Accounts receivable, net	50,040,350	11,395,404
Due from component unit	2,150,697	-
Inventories	2,535,124	-
Prepaid expenses	2,430,153	312,582
Loans receivable - current portion, net	805,960	-
Total current assets	<u>114,811,524</u>	<u>34,377,904</u>
Non-current assets		
Unrestricted cash and cash equivalents	50,382,419	4,578,460
Restricted cash and cash equivalents	30,588,616	-
Investments held by others	-	2,877,161
Investments held in trust by component unit for NMSU	42,404,246	42,404,246
Investments held in trust for others	-	365,497
Restricted long-term investments	14,514,392	-
Other long-term investments	65,061,784	137,409,215
Loans receivable, net	8,178,641	-
Capital assets, net	506,751,594	76,546
Total non-current assets	<u>717,881,692</u>	<u>187,711,125</u>
Total assets	<u>832,693,216</u>	<u>222,089,029</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>197,892,002</u>	<u>-</u>
LIABILITIES		
Current liabilities		
Accounts payable	15,690,837	105,098
Due to NMSU	-	2,150,697
Other accrued liabilities	15,389,128	-
Accrued interest payable	1,729,812	-
Held in trust for NMSU	-	5,313,291
Unearned revenue	10,287,777	398,379
Long-term liabilities - current portion	17,221,479	242,242
Total current liabilities	<u>60,319,033</u>	<u>8,209,707</u>
Non-current liabilities		
Accrued benefit reserves	659,630	-
Held in trust for NMSU	-	42,404,247
Other long-term liabilities	159,777,115	2,115,797
Net pension liability	792,236,144	-
Other post-employment benefit liability	139,913,186	-
Total non-current liabilities	<u>1,092,586,075</u>	<u>44,520,044</u>
Total liabilities	<u>1,152,905,108</u>	<u>52,729,751</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>36,205,662</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	383,627,323	76,546
Restricted for:		
Donor	-	163,569,571
Non-expendable:		
Endowments	30,080,928	-
Expendable:		
Endowments	1,962,258	-
General activities	6,348,287	-
Federal student loans	12,912,159	-
Capital projects	20,719,686	-
Related entity activities	1,185,364	-
Unrestricted	(615,361,557)	5,713,161
Total net position	<u>\$ (158,525,552)</u>	<u>\$ 169,359,278</u>

New Mexico State University
Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

	University	Discrete Component Unit
REVENUES		
Operating revenues:		
Student tuition and fees (gross)	\$ 115,994,019	\$ -
Less: scholarship allowances	(47,542,989)	-
Student tuition and fees (net)	68,451,030	-
Federal appropriations, grants and contracts	88,589,399	-
State grants and contracts	11,947,929	-
Local appropriations, grants and contracts	2,819,166	14,647,989
Non-governmental grants, contracts and gifts	8,556,640	1,507,423
Sales and services	6,639,775	-
Auxiliary enterprises (net of scholarship allowances)	13,646,408	-
Other operating revenues	16,763,269	-
Total operating revenues	217,413,616	16,155,412
EXPENSES		
Operating expenses:		
Instruction	78,630,132	-
Research	56,164,075	-
Public service	31,113,580	-
Academic support	14,852,601	-
Student services	10,411,755	-
Institutional support	18,659,483	-
Operation and maintenance of plant	34,744,133	-
Scholarships and fellowships	34,668,003	-
Auxiliary enterprises	13,790,426	-
Independent operations	13,185,507	-
Intercollegiate athletics	16,237,171	-
Student social and cultural	2,579,152	-
Loan administration (net)	2,009,009	-
Depreciation	34,791,220	26,962
Other operating expenses	-	15,061,319
Total operating expenses	361,836,247	15,088,281
Net operating income (loss)	(144,422,631)	1,067,131
Non-operating revenues (expenses):		
State appropriations	212,257,252	-
Federal Pell grants	41,979,051	-
State lottery scholarship	14,150,345	-
Local tax levy revenue	20,825,560	-
Gifts and non-exchange grants	7,209,179	-
Investment income	4,767,715	4,332,861
Land lease and permanent fund revenue	4,370,598	-
Building fees	4,401,547	-
Loss on disposal of plant	(110,983)	-
Gain on sale of land	148,880	-
Additions to quasi endowments	82,323	-
Interest and other expenses on capital asset-related debt	(4,685,137)	-
Other non-operating revenues (expenses)	6,997,942	(418,232)
Net non-operating revenues	312,394,272	3,914,629
Income before other revenues	167,971,641	4,981,760
Capital appropriations	30,976,801	-
Capital grants, gifts, and other income	2,203,248	-
Additions to permanent endowments	2,002,530	-
Increase in net position	203,154,220	4,981,760
NET POSITION		
Beginning of year	(158,525,552)	169,359,278
End of year	\$ 44,628,668	\$ 174,341,038

New Mexico State University
Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019

	University	Discrete Component Unit
REVENUES		
Operating revenues:		
Student tuition and fees (gross)	\$ 112,522,576	\$ -
Less: scholarship allowances	(47,162,065)	-
Student tuition and fees (net)	65,360,511	-
Federal appropriations, grants and contracts	86,468,214	-
State grants and contracts	9,489,426	-
Local appropriations, grants and contracts	2,837,727	-
Non-governmental grants, contracts and gifts	7,514,905	15,805,632
Sales and services	7,339,055	1,778,094
Auxiliary enterprises (net of scholarship allowances)	14,441,402	-
Other operating revenues	16,387,992	-
Total operating revenues	<u>209,839,232</u>	<u>17,583,726</u>
EXPENSES		
Operating expenses:		
Instruction	176,921,957	-
Research	98,694,960	-
Public service	58,820,800	-
Academic support	31,103,109	-
Student services	20,924,078	-
Institutional support	40,407,160	-
Operation and maintenance of plant	42,781,681	-
Scholarships and fellowships	30,663,564	-
Auxiliary enterprises	23,730,357	-
Independent operations	20,806,851	-
Intercollegiate athletics	22,932,490	-
Student social and cultural	4,264,322	-
Loan administration (net)	(134,540)	-
Depreciation	34,249,951	29,762
Other operating expenses	-	15,761,802
Total operating expenses	<u>606,166,740</u>	<u>15,791,564</u>
Net operating loss	<u>(396,327,508)</u>	<u>1,792,162</u>
Non-operating revenues (expenses):		
State appropriations	199,928,700	-
Federal Pell grants	42,359,877	-
State lottery scholarship	13,501,706	-
Local tax levy revenue	18,690,646	-
Gifts and non-exchange grants	9,078,670	-
Investment income (loss)	8,258,564	6,539,945
Land lease and permanent fund revenue	4,381,727	-
Building fees	4,041,764	-
Loss on disposal of plant	(322,081)	-
Gain on sale of land	1,140,379	-
Additions to quasi endowments	80,398	-
Interest and other expenses on capital asset-related debt	(6,221,298)	-
Other non-operating expenses	(865,525)	(237,293)
Net non-operating revenues (expenses)	<u>294,053,527</u>	<u>6,302,652</u>
Loss before other revenues	<u>(102,273,981)</u>	<u>8,094,814</u>
Capital appropriations	22,482,681	-
Capital grants, gifts, and other income	10,913,002	-
Additions to permanent endowments	2,318,296	-
Increase (decrease) in net position	<u>(66,560,002)</u>	<u>8,094,814</u>
NET POSITION		
Beginning of year	<u>(91,965,550)</u>	<u>161,264,464</u>
End of year	<u>\$ (158,525,552)</u>	<u>\$ 169,359,278</u>

New Mexico State University

Statement of Cash Flows

For the Year Ended June 30, 2020

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees and other student payments received	\$ 68,138,095
Grants and contracts received	108,452,840
Payments to suppliers	(124,079,568)
Payments for travel	(10,222,758)
Payments to employees and for employee benefits	(335,616,438)
Disbursement of net aid to students	(42,741,453)
Receipts from sales, services, and auxiliary enterprises	27,287,498
Other operating revenues	17,359,595
Net cash used by operating activities	<u>(291,422,189)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State appropriations	212,257,252
Gifts and grants for other than capital purposes	63,338,575
Tax levy revenue	20,825,560
Private gifts for endowment	6,530,014
Other non-operating revenues	6,997,942
Net cash provided by non-capital financing activities	<u>309,949,343</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt and leases	28,095,614
Proceeds from sale of capital assets	150,000
Capital gifts, grants and contracts	33,262,372
Purchases/construction/renovation of capital assets	(26,182,366)
Principal paid on capital debt and leases	(50,900,326)
Interest and fees paid on capital debt and leases	(6,259,343)
Building fees received from students	4,401,547
Net cash used by capital and related financing activities	<u>(17,432,502)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	131,569,798
Proceeds held in trust by NMSU Foundation	534,185
Interest on investments	6,451,557
Purchase of investments	(62,256,148)
Net cash provided by investing activities	<u>76,299,392</u>
Net increase in cash and cash equivalents	77,394,044
Cash and cash equivalents - beginning of year	102,505,111
Cash and cash equivalents - end of year	<u>\$ 179,899,155</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (144,422,631)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	34,791,220
Change in assets and liabilities:	
Increase in accounts receivable	(551,925)
Decrease in prepaid expenses	708,485
Increase in inventory	(738,234)
Decrease in loans receivable	1,504,045
Increase in accounts payable and other accrued liabilities	1,177,002
Increase in unearned revenue	4,376,337
Decrease in net pension/OPEB liability and related deferred inflows/outflows of resources	(188,266,488)
Net cash used by operating activities	<u>\$ (291,422,189)</u>

New Mexico State University
Statement of Cash Flows
For the Year Ended June 30, 2019

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees and other student payments received	\$ 64,086,959
Grants and contracts received	106,489,906
Payments to suppliers	(98,858,589)
Payments for travel	(13,271,252)
Payments to employees and for employee benefits	(326,447,091)
Disbursement of net aid to students	(33,058,901)
Receipts from sales, services, and auxiliary enterprises	23,647,804
Other operating revenues	16,369,653
Net cash used by operating activities	<u>(261,041,511)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State appropriations	199,928,700
Gifts and grants for other than capital purposes	64,940,253
Tax levy revenue	18,690,646
Private gifts for endowment	1,948,970
Other non-operating expense	(865,525)
Net cash provided by non-capital financing activities	<u>284,643,044</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt and leases	675,780
Proceeds from sale of capital assets	1,135,871
Capital gifts, grants and contracts	33,476,081
Purchases/construction/renovation of capital assets	(45,841,971)
Principal paid on capital debt and leases	(8,312,020)
Interest and fees paid on capital debt and leases	(7,477,466)
Building fees received from students	4,041,764
Net cash provided by capital and related financing activities	<u>(22,301,961)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	51,987,916
Proceeds held in trust by NMSU Foundation	791,984
Interest on investments	10,126,048
Purchase of investments	(40,404,479)
Net cash provided by investing activities	<u>22,501,469</u>
Net increase in cash and cash equivalents	23,801,041
Cash and cash equivalents - beginning of year	78,704,070
Cash and cash equivalents - end of year	<u>\$ 102,505,111</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (396,327,508)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	34,249,951
Change in assets and liabilities:	
Decrease in accounts receivable	226,973
Decrease in prepaid expenses	1,280,825
Increase in inventory	(50,742)
Decrease in loans receivable	1,484,287
Increase in accounts payable and other accrued liabilities	1,056,351
Increase in unearned revenue	528,118
Increase in net pension liability and related deferred inflows and outflows of resources	96,510,234
Net cash used by operating activities	<u>\$ (261,041,511)</u>

New Mexico State University
Statement of Fiduciary Net Position
As of June 30, 2020 and 2019

	Custodial Funds 2020	Custodial Funds 2019
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 5,685,384	\$ 4,383,347
Accounts receivable	26,497	789,710
Total assets	<u>5,711,881</u>	<u>5,173,057</u>
LIABILITIES		
Accounts payable	45,045	850
Unearned revenue	3,038	2,938
Total liabilities	<u>48,083</u>	<u>3,788</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	5,663,798	5,169,269
Total net position	<u>\$ 5,663,798</u>	<u>\$ 5,169,269</u>

New Mexico State University
Statement of Changes in Fiduciary Net Position
For the Years Ended June 30, 2020 and 2019

	Custodial Funds 2020	Custodial Funds 2019
	<u>2020</u>	<u>2019</u>
ADDITIONS		
Tax remittance from other governments	\$ 4,560,102	4,539,722
Miscellaneous	472,571	322,542
Total additions	<u>5,032,673</u>	<u>4,862,264</u>
DEDUCTIONS		
Debt payments for other governments	4,118,570	3,566,830
Other expense	419,574	479,357
Total deductions	<u>4,538,144</u>	<u>4,046,187</u>
Net increase in fiduciary net position	494,529	816,077
NET POSITION		
Beginning of year	<u>5,169,269</u>	<u>4,353,192</u>
End of year	<u>\$ 5,663,798</u>	<u>\$ 5,169,269</u>

Note 1 – Organization

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

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

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

Note 2 – Summary of Significant Accounting Policies

Reporting Entity. The Governmental Accounting Standards Board’s (GASB) Statement No. 39, Determining Whether Certain Organizations are Component Units, GASB Statement No. 61, Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34 and GASB Statements No. 80, Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14, provide additional guidance to determine whether certain organizations, for which the primary government is not financially accountable, should be reported as component units, based on the nature and significance of their relationship with the primary government.

Under GASB 39 and GASB 61 criteria, the Foundation meets the criteria for discrete component unit presentation. The Foundation is a nonprofit corporation which provides financial benefit to the University by acquiring and managing charitable gifts, including endowed funds, to be used solely for the benefit of the University. Under GASB 39 and GASB 80 criteria, Arrowhead Center, Inc. meets the criteria for blended presentation. Arrowhead Center Inc. provides a financial benefit to the University and was established to foster economic development within the State through the development of research parks and University real property as well as to protect, license, and market intellectual property developed by faculty, staff and students of the University, as well as members of the community. The University and its blended component unit are shown as the University column in the financial statements. The component units have separately audited financial statements, which can be obtained at their administrative offices. Aggie Development Inc. is a blended component unit that did not require audited financial statements and therefore its activity is included in the NMSU audited financial statements, but its information is not included in Note 11 - Component Units. The mailing addresses for each of the component units are included in Note 11.

GASB Statement 84, *Fiduciary Activities*, was adopted in fiscal year 2020 and requires that funds held for the benefit of others be separately reported as fiduciary funds. The University holds funds for the benefit of student and departmental groups, as well as deposits from local taxing authorities. All holdings are considered custodial funds. Certain external deposits are excluded from the fiduciary fund statements as they were short-term in nature.

Implementation of GASB 84 impacted the previously reported University balances as well as the current year balances. A reconciliation of the original balances with the fiduciary adjustments are shown below:

Line Item	2020		
	Original Amount	Fiduciary Adjustment	Revised Amount
Assets			
Restricted cash and cash equivalents	\$ 14,399,524	\$ 5,685,384	\$ 8,714,140
Accounts receivable	\$ 51,215,098	\$ 26,497	\$ 51,188,601
Liabilities			
Accounts payable	\$ 12,319,476	\$ 45,045	\$ 12,274,431
Unearned revenue	\$ 14,667,152	\$ 3,038	\$ 14,664,114
Fiduciary net position (Fiduciary Statement Only)	\$ -	\$ 5,663,798	\$ 5,663,798

Line Item	2019		
	Original Amount	Fiduciary Adjustment	Revised Amount
Assets			
Restricted cash and cash equivalents	\$ 9,910,998	\$ 4,383,347	\$ 5,527,651
Accounts receivable	\$ 50,830,060	\$ 789,710	\$ 50,040,350
Liabilities			
Accounts payable	\$ 15,691,687	\$ 850	\$ 15,690,837
Other accrued liabilities	\$ 14,635,943	\$ (753,185)	\$ 15,389,128
Unearned revenue	\$ 10,290,715	\$ 2,938	\$ 10,287,777
Held in Trust by NMSU	\$ 5,922,454	\$ 5,922,454	\$ -
Fiduciary net position (Fiduciary Statement Only)	\$ -	\$ 5,169,269	\$ 5,169,269

Basis of Accounting. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the GASB and the American Institute of Certified Public Accountants' (AICPA) guide.

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented in a single column using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Eliminations are not performed between the University and the Foundation. The University is an enterprise fund of the State of New Mexico and, as such, is included in the State of New Mexico's Comprehensive Annual Financial Report. The University's financial statements are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities of the State of New Mexico that is attributable to the transactions of the University.

Current Assets. Current assets consist of unrestricted assets which are available for current operations or which will be available within one year and restricted assets that will be used in current operations. All other assets are classified as non-current assets.

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

The University accounts for its investments at fair value in accordance with GASB Statement No.72 (Fair Value Measurement and Application). Changes in the unrealized gain (loss) on the carrying value of investments are reported as a component of investment income (loss) in the Statement of Revenues, Expenses, and Changes in Net Position.

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

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

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

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

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

Investments Held in Trust. Trust assets held by the Foundation are measured at fair value as of the date of receipt. The corresponding trust liability, included in other long-term liabilities, is measured at

the present value of expected future cash flows to be paid to the beneficiary. Upon death of the income beneficiary, substantially all of the principal balance passes to the Foundation to be used in accordance with the donor's wishes.

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

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

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

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

<u>Category</u>	<u>Useful Life</u>
Software	5 or 10 years
Equipment	6 or 15 years
Infrastructure	10 to 20 years
Componentized buildings	12 to 50 years
Library books	15 years
Non-componentized buildings	25 or 40 years

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

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

Current Liabilities. Current liabilities include accounts payable, other accrued liabilities and accrued interest payable. Other accrued liabilities include accrued current payroll and fringe benefits and current portion of unclaimed property. The benefits included consist of the employee and employer portions of taxes, insurance, retirement and other compensation related withholdings. Also included in current liabilities is the current portion of long-term debt and unearned revenue. Unearned revenue represents revenue collected but not earned as of June 30, 2020 and 2019. This amount is primarily composed of revenue for grants and contracts, prepaid student tuition and fees and special events. The University did not have any outstanding short-term debt for the years ended June 30, 2020 and

2019.

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

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

Annual and Sick Leave Policies.

- **Annual leave:** Until June 30, 2019, regular full-time exempt and non-exempt employees earned annual leave at a rate of 20 working days per year. Effective July 1, 2019, regular full-time exempt and non-exempt employees will earn annual leave at a rate of 21 working days per year. Annual leave accrual will be based on the employee's period of continuous service of employment at the University. Leave is prorated for regular employees working at least half-time. University policy allows employees to accumulate a maximum of 30 unused annual leave days. Up to 240 hours accumulated annual leave may be carried forward each July 1st, and may be paid upon termination of employment for regular employees only. Due to the COVID-19 pandemic, employees may carry forward up to 280 hours of annual leave after June 30, 2020. This annual leave balance can be used throughout fiscal year 2021, July 1, 2020 to June 30, 2021. This is 40 hours over the standard amount that can be carried forward. This is a temporary exception and will not alter the set payout maximum of 240 hours. The maximum annual leave balance will return to 240 hours at the end of June 2021. Accumulated annual leave is paid upon termination for regular employees only. Effective June 30, 2017, leave accrued in excess of 30 working days at the close of business on June 30 of each year shall be forfeited.
- **Sick leave:** Regular full-time exempt and non-exempt employees earn sick leave at a rate of 12 working days per year. Employees may carry forward up to 100 days (800 hours) of sick leave. Prior to July 1, 2016, employees were paid for earned sick leave over 600 hours (not to exceed 200 hours) upon termination. Effective July 1, 2016, the sick leave payout benefit upon termination was discontinued; however, employees with sick leave balances of greater than 600 hours on that date will receive a grandfathered benefit. Upon termination, they will be paid for the number hours over 600 (not to exceed 200 hours) that they had on July 1, 2016 or the number that they have upon termination, whichever is less. The sick leave payment is made at a rate of 50 percent of the employee's straight-time hourly salary.
- **Faculty care leave:** The University provides regular nine-month faculty with a paid leave benefit that can be used for any qualifying event under the federal Family and Medical Leave Act (FMLA). This benefit is referred to as "Faculty Care Leave". All regular nine-month faculty are eligible to participate in the benefit. No payment will be provided for accrued Faculty Care Leave balances upon separation from the University nor upon death.

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

- **Net investment in capital assets** – Represents the University's total capital assets, net of accumulated depreciation, outstanding debt obligations related to those capital assets and debt related deferred inflows and outflows. Debt that has been incurred but not yet expended for capital assets is not

included as a component of net investment in capital assets.

- *Restricted net position, non-expendable* – Consists of endowment and similar type assets for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income.
- *Restricted net position, expendable* – Includes resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- *Unrestricted net position* – Represents all other resources, including those derived from student tuition and fees, state appropriations, sales and services, unexpended plant, renewal and replacement and quasi endowments. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff. Unrestricted net position of the Component Unit represents resources that may be used at the discretion of the governing board of the Component Unit to meet current expenses for any purpose.

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

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

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

The Foundation is exempt from federal income taxes under Internal Revenue Code section 501 (a) as an organization described in section 501(c)(3).

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

- *Operating revenues:* Operating revenues of the University include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises; (3) certain federal, state and local grants and contracts and federal appropriations; and (4) non-governmental grants, contracts and gifts. Operating revenues of the Discrete Component Unit consist of gifts, grants, and fundraising activities in support of Foundation and University programs.
- *Non-operating revenues:* Non-operating revenues of the University include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations,

certain grants, tax levy revenue, investment income, and other revenue sources that are defined as non-operating revenues by GASB 9, Reporting Cash Flows Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB 34, Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments. These revenue streams are recognized under GASB 33, Accounting and Financial Reporting for Non-exchange Transactions. Revenues are recognized when all applicable eligibility requirements have been met. Non-operating revenues of the Discrete Component Unit consists of investment income.

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

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

Scholarship Discounts and Allowances. Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the student’s behalf. To the extent that revenues such as federal Pell grants and state lottery scholarships are used to satisfy tuition and fees and other student charges, the University has recorded scholarship discount and allowance as a contra-revenue. A pro rata share of the discounts and allowances are allocated to Auxiliary Enterprises.

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

The legal level of budgetary control is at the fund type and functional level, in accordance with NMAC 5.3.4.10. The modified accrual basis of accounting is used for budgetary comparison. If expenditures by budgetary control line by campus are expected to exceed the approved budget, the University is required to submit a budget adjustment request which has been approved by the Board of Regents to the HED which is subsequently forwarded to the DFA.

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

Loans Receivable. Loans receivable are shown net of allowance for doubtful accounts in the accompanying Statements of Net Position. Federal Perkins Loans make up approximately 88% and 90% of the loans receivable at June 30, 2020 and 2019, respectively. Loans receivable from students

are generally repayable in installments to the University over a 10 year period commencing 6 or 9 months after the date of separation from the University. Collections on these student loans are primarily handled through a third party servicer. Under this program, the federal government provided funds for approximately 75% of the total contribution for student loans, with the University providing the balance. The school's revolving Perkins loan fund is replenished by ongoing activities, such as collections by the school on outstanding Perkins loans made by the school and reimbursements from the Department of Education for the cost of certain statutory loan cancellation provisions. Perkins borrowers are eligible for loan cancellation for teacher service at low-income schools and under certain other circumstances specified in the Higher Education Act. Students may defer repayment of the loan while enrolled (at least half-time) at a postsecondary school. A borrower who has difficulty repaying a Perkins Loan may be eligible for a deferment or forbearance based on economic hardship or other circumstances. Under federal law, the authority for schools to make new Perkins loans ended September 30, 2017, and final disbursements were permitted through June 30, 2018. As a result, students can no longer receive Perkins Loans. Collections of the Perkins Loans portion funded by the federal government are periodically remitted to the federal government.

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

Other Post Employment Benefits (OPEB). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the University contracts with external actuaries utilizing the economic resource measurement focus. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Outflow of Resources. Consumption of net assets by the University that is applicable to a future reporting period.

Deferred Inflow of Resources. Acquisition of net assets by the University that is applicable to a future reporting period.

Amounts reported as deferred outflows of resources and deferred inflows of resources are as follows:

	2020	2019
Deferred Outflows of Resources		
Related to net pension liability	\$ 96,853,438	\$ 191,743,275
Related to net OPEB liability	25,118,426	5,770,519
Net loss on defeasance	1,586,062	378,208
Total deferred outflows of resources	<u>123,557,926</u>	<u>197,892,002</u>
Deferred Inflows of Resources		
Related to net pension liability	\$ 45,947,193	\$ 32,835,343
Related to net OPEB liability	12,377,396	3,307,840
Unamortized bond premiums	34,458	62,479
Total deferred inflows of resources	<u>\$ 58,359,047</u>	<u>\$ 36,205,662</u>

Reclassifications. Certain amounts in the 2019 financial statements and notes thereto have been reclassified to conform to 2020 financial statement presentation.

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

Note 3 - Cash and Investments

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

The Foundation (see Note 11) invests endowment and similar funds for the benefit of the University under the terms of a revocable agreement. These assets are invested in the Pool and as of June 30, 2020 and 2019, the University owned 281,427 and 294,912 shares which represented 23.99% and 24.54% of the total shares in the pool, respectively. The fair value per share as of June 30, 2020 and 2019 was \$149.58 and \$151.24, respectively.

Cash. The University's deposits are in demand and time deposit accounts at local financial institutions. The University requires a minimum of 50 percent collateralization of all uninsured funds deposited with a financial institution, with the exception of overnight repurchase agreements, which require 102 percent collateralization. All collateral is held in third-party safekeeping in the name of the University. The majority of the total deposits were invested in interest bearing accounts at June 30, 2020 and 2019.

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

Investments. The Senior Vice President for Administration and Finance, the Controller, the Associate Controller, and the Banking, Investment and Tax Manager are authorized to purchase and to sell investments of the University. Investments are required to be made in a prudent manner so as to ensure an acceptable yield with a minimum risk within the guidelines of the University's investment policy, which requires investment in securities or other financial instruments which are not contrary to Section 6-10-10 and 46-9A-1 through 46-9A-10 NMSA 1978, existing bond covenants, or other externally placed restrictions. At June 30, 2020 and 2019, all investments are either held in the name of the University by its agent, or held by the University. Investments that will mature in less than one year are considered short-term. The investments not held by the Foundation consisted of U.S. agency securities, U.S. treasury notes, municipal securities, brokered negotiable certificates of deposit with an original maturity of two to five years, and corporate stocks and bonds at June 30, 2020 and 2019. The Foundation's short-term investments in marketable securities consisted entirely of U.S Government and Agency securities at June 30, 2020 and 2019.

Endowment investments were \$39,853,338 and \$42,404,246 at June 30, 2020 and 2019, respectively, and represent longer term investments in debt and equity securities, including, but not limited to, pooled or common trust funds holding such types of securities, subject to any specific limitation set forth in the applicable gift instrument.

At June 30, 2020 and 2019, the investments of the University and its Discrete Component Unit consisted of the following:

	2020 Fair Value	2019 Fair Value
University		
U.S. Agency Securities	\$ 6,171,372	\$ 70,984,948
U.S. Treasury Securities	6,380,058	33,375,246
Certificates of Deposit	6,558,966	4,788,538
Domestic Equity Securities and Corporate Bonds	26,643,291	5,742,608
Pooled Investments Held by Others		
Corporate Stocks and Bonds	26,142,965	28,345,046
U.S. Government and Agency Securities	249,493	174,311
Mortgage Backed Securities	1,104,054	1,537,231
Limited Partnerships - Alternative	11,318,659	11,357,469
Real Estate Holdings	1,038,167	990,189
Total Investments	<u>\$ 85,607,025</u>	<u>\$ 157,295,586</u>
Foundation		
Corporate Stocks and Bonds	\$ 89,750,753	\$ 94,177,458
U.S. Government and Agency Securities	776,876	521,171
Certificates of Deposit	104,170	103,601
Other Time Deposits	196,794	258,987
Mortgage Backed Securities	3,498,088	4,726,958
Limited Partnerships - Alternative	35,862,078	34,923,985
Other Investments	3,302,952	3,059,643
Total Investments	<u>\$ 133,491,711</u>	<u>\$ 137,771,803</u>

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

Beneficial Interest. The New Mexico Land Grant Permanent Fund (LGPF) was originally established pursuant to the Enabling Act for New Mexico passed by the U.S. Congress on June 20, 1910 (which encompassed the Ferguson Act of 1898) and was made the law of New Mexico by its reference in the New Mexico Constitution. The Enabling Act (and its acceptance in the New Mexico Constitution) set forth certain parcels of land granted by the United States in trust to the State for the purposes of establishing a permanent fund which could only be used for the purposes set out in the Enabling Act, namely, the funding of schools and state institutions throughout New Mexico. Highly restrictive criteria governing permitted uses of the assets of the LGPF are specifically prescribed in the New Mexico Constitution. The beneficiaries of the LGPF are also specifically prescribed in the New Mexico Constitution and in state statute. The University is one of the specific entities identified that has a beneficial interest in the LGPF. However, with the adoption of the State's new policy on July 1, 2016, the University's beneficial interest in the LGPF will now be presented within a special revenue fund in the State CAFR and will no longer be presented in the educational institution enterprise fund.

As an entity with a beneficial interest, the University receives monthly distributions of income from the LGPF as required by law. The University's beneficial interest and income received from this beneficial interest as of and for the years ending June 30, 2020 and 2019 are as follows:

	2020	2019
Balance of the University's beneficial interest as of June 30	\$70,031,543	\$72,651,971
Income received from the University's beneficial interest in the LGPF for the period ending June 30	\$ 2,979,812	\$ 2,979,991

Assets held by the Foundation for the University. The following is a schedule of the makeup of pooled cash and investments held by the Discrete Component Unit for the University at June 30, 2020 and 2019.

	2020	2019
Equities	77 %	83 %
Fixed income	3 %	4 %
Cash and cash equivalents	18 %	11 %
Investments not securities	2 %	2 %
	<u>100 %</u>	<u>100 %</u>

Collateralization of Deposits. At June 30, 2020 and 2019, the recorded values of the University's cash and time deposits with financial institutions were \$48,212,856 and \$17,932,803, respectively. Bank balances, which differ from the reported values due to reconciling items, are categorized and presented in the following table:

	2020	2019
University		
Amount insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 551,093	\$ 560,941
Amount collateralized with securities held by the pledging financial institution	51,885,989	19,783,733
Uncollateralized	60,725	18,208
Total cash and time deposit bank balances	<u>52,497,807</u>	<u>20,362,882</u>
Reconciling Items:		
Add: cash equivalents	131,524,207	83,642,364
Add: cash equivalents held by others	5,847,476	5,313,291
Less: other reconciling items	<u>(4,284,951)</u>	<u>(2,430,079)</u>
Total reported cash balance	<u>\$185,584,539</u>	<u>\$106,888,458</u>
Foundation		
Amount insured by the FDIC	\$ 500,000	\$ 500,000
Amount in excess of FDIC, Lloyd's of London and Security Investor Protection Corporation (SIPC)	29,247,101	18,572,499
Amount at Merrill Lynch insured by SIPC, Lloyd's of London and the FDIC	<u>2,500,000</u>	<u>2,500,000</u>
Total reported cash balance	<u>\$ 32,247,101</u>	<u>\$ 21,572,499</u>

The following table provides information on the University's cash and cash equivalents at June 30, 2020:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Fiduciary Fund Accounts				
First National Bank of Alamogordo				
Operational	Debt Service	\$ 539,140	\$ -	\$ 539,140
Wells Fargo Bank of New Mexico				
Operational	Debt Service	4,740,356	-	4,740,356
Operational	Cash Management	405,888	-	405,888
Total Cash and Cash Equivalents - Fiduciary Funds		<u>\$ 5,685,384</u>	<u>\$ -</u>	<u>\$ 5,685,384</u>
Wells Fargo Bank of New Mexico				
Operational	Checking	-	(4,203,791)	(4,203,791)
Operational	Student ACH	-	29,452	29,452
Operational	General	-	49,150	49,150
Operational	Payroll	-	(305,207)	(305,207)
Operational	Credit Card	-	93,631	93,631
Operational	Money Market (WFS)	121,397,836	-	121,397,836
Operational	Cash Management	46,761,331	-	46,761,331
Operational	Money Market (Trust)	2,014,882	-	2,014,882
Western Commerce Bank of Carlsbad				
Operational	Deposit	19,972	467	20,439
Cash on Hand				
Cash on hand	Cash	-	51,347	51,347
Citizen's Bank of Las Cruces				
Certificate of deposit	Time Deposit	31,121	-	31,121
Federated Investment Manager				
Dividend reinvestment	Money Market	8,111,488	-	8,111,488
New Mexico State University Foundation, Inc.				
NMSU endowments	Cash	5,847,476	-	5,847,476
Total Cash and Cash Equivalents		<u>\$ 184,184,106</u>	<u>\$ (4,284,951)</u>	<u>\$ 179,899,155</u>
Total Cash and Cash Equivalents		<u>\$ 189,869,490</u>	<u>\$ (4,284,951)</u>	<u>\$ 185,584,539</u>

The following table provides information on the University's cash and cash equivalents at June 30, 2019:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Fiduciary Fund Accounts				
First National Bank of Alamogordo				
Operational	Debt Service	\$ 496,622	\$ -	\$ 496,622
Wells Fargo Bank of New Mexico				
Operational	Debt Service	3,549,475	-	3,549,475
Operational	Cash Management	337,250	-	337,250
Total Cash and Cash Equivalents - Fiduciary Funds		<u>\$ 4,383,347</u>	<u>\$ -</u>	<u>\$ 4,383,347</u>
Wells Fargo Bank of New Mexico				
Operational	Checking	-	(2,373,943)	(2,373,943)
Operational	Student ACH	-	4,270	4,270
Operational	General	-	89,613	89,613
Operational	Payroll	-	(254,174)	(254,174)
Operational	Credit Card	-	56,139	56,139
Operational	Deposit	-	2,205	2,205
Operational	Money Market (WFS)	64,800,000	-	64,800,000
Operational	Cash Management	15,918,594	-	15,918,594
Operational	Money Market (Trust)	7,313,012	-	7,313,012
Western Commerce Bank of Carlsbad				
Operational	Deposit	29,823	-	29,823
Cash on Hand				
Cash on hand	Cash	-	45,811	45,811
Citizen's Bank of Las Cruces				
Certificate of deposit	Time Deposit	31,118	-	31,118
New Mexico Finance Authority				
General obligation bond proceeds	Money Market	347,051	-	347,051
Federated Investment Manager				
Dividend reinvestment	Money Market	11,182,301	-	11,182,301
New Mexico State University Foundation, Inc.				
NMSU endowments	Cash	5,313,291	-	5,313,291
Total Cash and Cash Equivalents		<u>\$ 104,935,190</u>	<u>\$ (2,430,079)</u>	<u>\$ 102,505,111</u>
Total Cash and Cash Equivalents		<u>\$ 109,318,537</u>	<u>\$ (2,430,079)</u>	<u>\$ 106,888,458</u>

The following table provides information on the the University's investments, including reconciling items, at June 30, 2020.

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
FHN Financial				
Domestic corporate bonds	Investment	4,144,950	-	4,144,950
FHN Financial				
Certificate of deposit	Investment	4,794,264	-	4,794,264
FTN Financial				
U.S. treasury notes	Investment	-	-	-
Wells Fargo Advisors				
Domestic equity securities	Investment	227,234	-	227,234
Raymond James				
U.S. agency securities	Investment	4,131,556	-	4,131,556
Raymond James				
Domestic corporate bonds	Investment	19,837,945	-	19,837,945
Wells Fargo Securities				
Certificate of deposit	Investment	1,764,702	-	1,764,702
Wells Fargo Securities				
U.S. agency securities	Investment	2,039,816	-	2,039,816
Wells Fargo Trust				
U.S. treasury securities	Investment	6,364,922	-	6,364,922
Wells Fargo Trust				
Domestic corporate bonds	Investment	2,013,622	-	2,013,622
Sandia Motorsports Park, Inc.				
Domestic equity securities	Investment	32,427	-	32,427
Eberhardt Memorial				
Domestic equity securities	Investment	2,464	-	2,464
Principal Funds				
Domestic equity securities	Investment	278,919	-	278,919
Franklin Templeton				
Domestic equity securities	Investment	32,202	-	32,202
Legacy Treasury Direct				
U.S. treasury Securities	Investment	15,136	-	15,136
Innovation				
Domestic equity securities	Investment	73,528	-	73,528
New Mexico State University Foundation, Inc.				
NMSU endowments	Investment	39,853,338	-	39,853,338
Total Investments		<u>\$ 85,607,025</u>	<u>\$ -</u>	<u>\$ 85,607,025</u>

The following table provide information on the the University's investments, including reconciling items, at June 30, 2019.

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
FTN Financial				
U.S. agency securities	Investment	28,883,526	-	28,883,526
FTN Financial				
Certificate of deposit	Investment	2,782,074	-	2,782,074
FTN Financial				
U.S. treasury notes	Investment	14,898,183	-	14,898,183
Wells Fargo Advisors				
Domestic equity securities	Investment	265,674	-	265,674
Raymond James				
U.S. agency securities	Investment	20,458,109	-	20,458,109
Raymond James				
Domestic corporate bonds	Investment	5,134,340	-	5,134,340
Wells Fargo Securities				
Certificate of deposit	Investment	2,006,464	-	2,006,464
Wells Fargo Securities				
U.S. agency securities	Investment	19,938,436	-	19,938,436
Wells Fargo Trust				
U.S. treasury securities	Investment	18,416,345	-	18,416,345
Wells Fargo Trust				
U.S. agency securities	Investment	1,704,877	-	1,704,877
Sandia Motorsports Park, Inc.				
Domestic equity securities	Investment	32,427	-	32,427
Eberhardt Memorial				
Domestic equity securities	Investment	2,464	-	2,464
Principal Funds				
Domestic equity securities	Investment	261,023	-	261,023
Franklin Templeton				
Domestic equity securities	Investment	36,267	-	36,267
Legacy Treasury Direct				
U.S. treasury Securities	Investment	60,717	-	60,717
Innovation				
Domestic equity securities	Investment	10,414	-	10,414
New Mexico State University Foundation, Inc.				
NMSU endowments	Investment	42,404,246	-	42,404,246
Total Investments		<u>\$ 157,295,586</u>	<u>\$ -</u>	<u>\$ 157,295,586</u>

Information on the Foundation's cash and cash equivalents and deposit accounts and investments, including reconciling items, at June 30, 2020, is provided below:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Wells Fargo Bank of New Mexico				
Operations	Checking	\$ 1,346,916	\$ (1,162)	\$ 1,345,754
Program	ACH	2,336,149	-	2,336,149
Program	Wire	228,082	-	228,082
Program	Checking	4,130,229	(951)	4,129,278
Program	Transfer	2,678,117	-	2,678,117
Citizens Bank of Las Cruces				
Program	Money Market	1,048,133	-	1,048,133
Merrill Lynch				
Operations	Checking	1,605,694	-	1,605,694
Program	Money Market	12,946,551	-	12,946,551
Program-Cash Gift Annuity	Checking & Money Market	70,010	(31,859)	38,151
Program-NMSU Business College	Money Market	11,039	-	11,039
OWH II LLC	Money Market	3,292,658	-	3,292,658
Less Cash Allocated to NMSU for AHIT (Program)	Held in Trust	(1,979,513)	-	(1,979,513)
Investment cash - Merrill Lynch				
Managers:				
Tortoise MLP	Money Market	690	-	690
Private Equity	Money Market	69,875	-	69,875
WCMA	Money Market	567,810	-	567,810
Cambiar Intl Value	Money Market	1,217,239	-	1,217,239
Earnest SCV	Money Market	49,014	-	49,014
Tag - Emerging	Money Market	228,733	-	228,733
Eagle SCG	Money Market	222,602	-	222,602
Invesco	Money Market	8,506	-	8,506
Short Term Investment Fund	Money Market	732,320	-	732,320
Eagle LCV	Money Market	1,058,143	-	1,058,143
Armstrong	Money Market	3,347,168	-	3,347,168
Western	Money Market	104,714	-	104,714
Title V	Money Market	27,678	-	27,678
Cohen and Steers	Money Market	62,648	-	62,648
ALT Investments	Money Market	434,601	-	434,601
Santa Barbara	Money Market	185,597	-	185,597
Loomis - TMA	Money Market	117,448	-	117,448
Less Cash Allocated to NMSU for AHIT	Held in Trust	(3,867,963)	-	(3,867,963)
Total Cash and Cash Equivalents		<u>\$ 32,280,888</u>	<u>\$ (33,972)</u>	<u>\$ 32,246,916</u>
Corporate Stocks and Bonds	Investment	\$ 51,802,752	-	\$ 51,802,752
U.S. Government and Agency Securities	Investment	776,876	-	776,876
Mortgage Backed Securities	Investment	2,746,071	-	2,746,071
Mortgage Backed Securities - Foreign	Investment	752,017	-	752,017
Limited Partnerships - Alternative	Investment	35,862,078	-	35,862,078
Mutual Funds	Investment	37,948,001	-	37,948,001
Real Estate Holdings				
Real Estate Holdings	Investment	3,289,333	-	3,289,333
Short-term Investments	Investment	300,964	-	300,964
Accrued Investment Interest	Investment	13,619	-	13,619
Total Investments		<u>\$ 133,491,711</u>	<u>\$ -</u>	<u>\$ 133,491,711</u>

Information on the Foundation's cash and cash equivalents and deposit accounts and investments, including reconciling items, at June 30, 2019, is provided below:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Wells Fargo Bank of New Mexico				
Operations	Checking	\$ 331,215	\$ (15,158)	\$ 316,057
Program	ACH	1,074,349	-	1,074,349
Program	Wire	118,082	-	118,082
Program	Checking	3,901,736	(7,832)	3,893,904
Program	Transfer	1,927,427	-	1,927,427
Citizens Bank of Las Cruces				
Program	Money Market	1,033,171	-	1,033,171
Merrill Lynch				
Operations	Checking	2,282,403	-	2,282,403
Program	Money Market	7,994,566	164,889	8,159,455
Program-Cash Gift Annuity	Checking & Money Market	175,425	(31,859)	143,566
Program-NMSU Business College	Money Market	7,883	-	7,883
Less Cash Allocated to NMSU for AHIT (Program)	Held in Trust	(1,962,258)	-	(1,962,258)
Investment cash - Merrill Lynch Managers:				
Tortoise MLP	Money Market	127,298	-	127,298
Private Equity	Money Market	112,417	-	112,417
WCMA	Money Market	363,525	-	363,525
Cambiar Intl Value	Money Market	716,416	-	716,416
Earnest SCV	Money Market	25,832	-	25,832
NWQ	Money Market	294,690	-	294,690
Tag - Emerging	Money Market	172,032	-	172,032
Eagle SCG	Money Market	238,671	-	238,671
Invesco	Money Market	1,003,915	-	1,003,915
Short Term Investment Fund	Money Market	2,475,465	-	2,475,465
Eagle LCV	Money Market	787,610	-	787,610
Armstrong	Money Market	954,716	-	954,716
Western	Money Market	80,124	-	80,124
Title V	Money Market	31,936	-	31,936
Cohen and Steers	Money Market	70,330	-	70,330
ALT Investments	Money Market	3,873	-	3,873
Santa Barbara	Money Market	229,303	-	229,303
Loomis - TMA	Money Market	241,340	-	241,340
Less Cash Allocated to NMSU for AHIT	Held in Trust	(3,351,033)	-	(3,351,033)
Total Cash and Cash Equivalents		\$ 21,462,459	\$ 110,040	\$ 21,572,499
Corporate Stocks and Bonds	Investment	\$ 71,120,545	-	\$ 71,120,545
U.S. Government and Agency Securities	Investment	521,171	-	521,171
Mortgage Backed Securities	Investment	3,395,083	-	3,395,083
Mortgage Backed Securities - Foreign	Investment	1,331,875	-	1,331,875
Limited Partnerships - Alternative	Investment	34,923,985	-	34,923,985
Mutual Funds	Investment	23,056,913	-	23,056,913
Real Estate Holdings				
Real Estate Holdings	Investment	3,044,811	-	3,044,811
Short-term Investments	Investment	362,588	-	362,588
Accrued Investment Interest	Investment	14,832	-	14,832
Total Investments		\$ 137,771,803	\$ -	\$ 137,771,803

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

A summary of the investments at June 30, 2020, and their exposure to interest rate risk based on the length of the investment follows:

	Fair Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater than 10 Years
University					
U.S. agency securities	\$ 6,171,372	\$ -	\$ 6,171,372	\$ -	\$ -
Domestic corporate bonds	25,996,516	9,190,060	16,806,456	-	-
U.S. treasury securities	6,380,058	15,136	6,364,922	-	-
Certificates of deposit	6,558,966	6,558,966	-	-	-
Pooled Investments					
Mortgage-backed securities	1,104,054	-	1,104,054	-	-
Domestic corporate bonds	252,954	-	33,420	162,518	57,016
US government and agency securities	245,195	-	42,655	49,031	153,509
	<u>46,709,115</u>	<u>\$ 15,764,162</u>	<u>\$ 30,522,879</u>	<u>\$ 211,549</u>	<u>\$ 210,525</u>
Items not subject to interest rate risk:					
Equity securities	646,774				
Pooled Investments					
Accrued interest	4,298				
Corporate stocks	25,890,012				
Limited partnerships - Alternative	11,318,659				
Real estate holdings (Investments not securities)	1,038,167				
Total Investments	<u>\$ 85,607,025</u>				
Foundation					
U.S. government and agency securities	\$ 776,876	\$ -	\$ 135,147	\$ 155,351	\$ 486,378
Certificates of deposit	104,170	104,170	-	-	-
Other time deposits	196,794	196,794	-	-	-
Corporate bonds	801,452	-	105,886	514,914	180,652
Mortgage-backed securities	3,498,088	-	3,498,088	-	-
		<u>\$ 300,964</u>	<u>\$ 3,739,121</u>	<u>\$ 670,265</u>	<u>\$ 667,030</u>
Items not subject to interest rate risk:					
Corporate stocks	88,949,301				
Limited partnerships - Alternative	35,862,078				
Other investments	3,302,952				
Total Investments	<u>\$133,491,711</u>				

A summary of the investments at June 30, 2019, and their exposure to interest rate risk based on the length of the investment follows:

	Fair Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater than 10 Years
University					
U.S. agency securities	\$ 70,984,948	\$ 1,704,877	\$ 69,280,071	\$ -	\$ -
Domestic corporate bonds	5,134,340	-	5,134,340	-	-
U.S. treasury securities	33,375,246	33,360,091	15,155	-	-
Certificates of deposit	4,788,538	250,196	4,538,342	-	-
Pooled Investments					
Mortgage-backed securities	1,537,231	-	1,537,231	-	-
Domestic corporate bonds	238,973	-	58,840	119,566	60,567
US government and agency securities	169,488	-	19,299	-	150,189
	<u>116,228,764</u>	<u>\$ 35,315,164</u>	<u>\$ 80,583,278</u>	<u>\$ 119,566</u>	<u>\$ 210,756</u>
Items not subject to interest rate risk:					
Equity securities	608,268				
Pooled Investments					
Accrued interest	4,823				
Corporate stocks	28,106,073				
Limited partnerships - Alternative	11,357,469				
Real estate holdings (Investments not securities)	990,189				
Total Investments	<u>\$157,295,586</u>				
Foundation					
U.S. government and agency securities	\$ 521,171	\$ -	\$ 59,341	\$ -	\$ 461,830
Certificates of deposit	103,601	103,601	-	-	-
Other time deposits	258,987	258,987	-	-	-
Corporate bonds	734,845	-	180,931	367,669	186,245
Mortgage-backed securities	4,726,958	-	4,726,958	-	-
		<u>\$ 362,588</u>	<u>\$ 4,967,230</u>	<u>\$ 367,669</u>	<u>\$ 648,075</u>
Items not subject to interest rate risk:					
Corporate stocks	93,442,613				
Limited partnerships - Alternative	34,923,985				
Other investments	3,059,643				
Total Investments	<u>\$137,771,803</u>				

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

A summary of the investments at June 30, 2020, and their exposure to credit risk follows:

	Rating	Fair Value
University		
U.S. agency securities	S&P/Moody's - AA+/Aaa	\$ 6,171,374
Certificates of deposits	Federally insured	6,484,000
Certificates of deposits	Subject to custodial credit risk	74,966
U.S. treasury securities	Not rated	6,380,058
Corporate bonds	S&P/Moody's - AA+/Aaa	25,996,516
Domestic equity securities	Not rated	646,775
Pooled Investments		
U.S. government and agency securities	Aaa	249,493
Mortgage-backed securities	Not rated	1,104,054
Domestic equity securities	Not rated	22,539,130
Corporate bonds	A1 to BAA1	252,954
Foreign equity securities	Not rated	3,350,879
Limited partnerships - Alternative	Not rated	11,318,659
Real estate holdings (investments not securities)	Not rated	1,038,167
Total Investments		<u>\$ 85,607,025</u>
Foundation		
U.S. government and agency securities	Moody's---Aaa	\$ 776,876
Certificates of deposit	Federally insured	104,170
Other time deposits	Not rated	196,794
Corporate bonds	A1 to BAA1	801,452
Domestic equity securities	Not rated	40,384,362
Mutual funds	Not rated	37,948,001
Foreign equity securities	Not rated	10,616,938
Mortgage-backed securities	Not rated	3,498,088
Limited partnerships - Alternative	Not rated	35,862,078
Real estate holdings (investments not securities)	Not rated	3,302,952
Total Investments		<u>\$ 133,491,711</u>

A summary of the investments at June 30, 2019, and their exposure to credit risk follows:

	Rating	Fair Value
University		
U.S. agency securities	S&P/Moody's - AA+/Aaa	\$ 70,984,948
Certificates of deposits	Federally insured	4,750,000
Certificates of deposits	Subject to custodial credit risk	38,538
U.S. treasury securities	Not rated	33,375,246
Corporate bonds	S&P/Moody's - AA+/Aaa	5,134,340
Domestic equity securities	Not rated	608,268
Pooled Investments		
U.S. government and agency securities	Aaa	174,311
Mortgage-backed securities	Not rated	1,537,231
Domestic equity securities	Not rated	20,727,454
Corporate bonds	A1 to BAA1	238,973
Foreign equity securities	Not rated	7,378,619
Limited partnerships - Alternative	Not rated	11,357,469
Real estate holdings (investments not securities)	Not rated	990,189
Total Investments		<u>\$ 157,295,586</u>
Foundation		
U.S. government and agency securities	Moody's---Aaa	\$ 521,171
Certificates of deposit	Federally insured	103,601
Other time deposits	Not rated	258,987
Corporate bonds	A1 to BAA1	734,845
Domestic equity securities	Not rated	47,696,597
Mutual funds	Not rated	23,056,913
Foreign equity securities	Not rated	22,689,103
Mortgage-backed securities	Not rated	4,726,958
Limited partnerships - Alternative	Not rated	34,923,985
Real estate holdings (investments not securities)	Not rated	3,059,643
Total Investments		<u>\$ 137,771,803</u>

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

Custodial Credit Risk – Deposits. This is the risk that in the event of a bank failure, the University's deposits may not be returned. Neither the University, nor its discretely presented component unit, the Foundation, has a deposit policy for custodial credit risk. As of June 30, 2020 and 2019, total bank balances of the University were \$184,022,014 and \$103,658,195, respectively. None of these balances are subject to custodial credit risk.

Custodial Credit Risk – Investments. This is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the investments are subject to custodial credit risk.

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

Level 1

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

Level 2

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

Level 3

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

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

In certain cases, both observable and unobservable inputs may be used to determine the fair value of investments and, in such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The degree of judgment exercised in determining fair value is greatest for investments in Level 3. Because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material. Level 3 investments at the University consist of land and buildings held at the Foundation.

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

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

Hedge Fund and Venture Capital Investments, which are not readily marketable, are carried at estimated fair values. Fair value is based upon information provided by the management of each Fund, including audited financial statements and any other relevant factors. Because of the absence of a readily determinable fair value and the inherent uncertainty of valuation, the estimated fair value may differ significantly from the value that would have been used had a ready market for the investment existed, and the difference could be material. These investments are not immediately redeemable at the reporting date. These investments have significant unobservable inputs and are classified as NAV.

Real Estate is valued at current appraisal or fair value. Real estate is classified within Level 3 of the valuation hierarchy.

Equity Securities are valued at the closing price reported on the active market on which the individual securities are traded and are classified within Level 1 of the valuation hierarchy. Nonredeemable securities are not reported on the active market and are classified within Level 3 of the valuation hierarchy.

The following table presents the fair value measurements of University assets recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020.

2020	Balance as of June 30, 2020	Quoted Prices in Active Markets For Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
U.S. treasury securities	\$ 6,380,058	\$ 6,380,058	\$ -	\$ -
Agency securities (GSEs)	6,171,372	-	6,171,372	-
Corporate bonds	25,996,517	-	25,996,517	-
Certificate of deposit (NCD)	6,558,966	-	6,558,966	-
Total Debt Securities	<u>45,106,913</u>	<u>6,380,058</u>	<u>38,726,855</u>	<u>-</u>
Equity Securities				
Common	501,760	501,760	-	-
Preferred	71,486	71,486	-	-
Nonredeemable securities	73,528	-	-	73,528
Total Equity Securities	<u>646,774</u>	<u>573,246</u>	<u>-</u>	<u>73,528</u>
Total Investments by Fair Value Level	<u>45,753,687</u>	<u>\$ 6,953,304</u>	<u>\$ 38,726,855</u>	<u>\$ 73,528</u>
Investments held by Foundation				
Corporate stocks and bonds	\$ 16,335,974	\$ 16,083,022	\$ 252,952	\$ -
Mutual funds	9,806,991	9,806,991	-	-
Mortgage backed securities	1,104,054	909,484	194,570	-
Government bonds	245,195	-	245,195	-
Real estate holdings	1,038,167	-	-	1,038,167
Total investments Held by Foundation by Fair Value Level	<u>28,530,381</u>	<u>\$ 26,799,497</u>	<u>\$ 692,717</u>	<u>\$ 1,038,167</u>
Investments Held by Foundation measured by NAV				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund Investments				
Multi-strategy	\$ 8,065,058	\$ 417,402	Quarterly	90 Days
Equity long/short	1,713,657	4,630,749	None	None
Total Hedge Fund Investments	<u>9,778,715</u>	<u>5,048,151</u>		
Domestic Venture Capital Investments				
Venture capital	1,539,944	-		
Total Domestic Venture Capital Investments	<u>1,539,944</u>	<u>-</u>	None	None
Total Investments Held by Foundation measured by NAV	<u>11,318,659</u>	<u>\$ 5,048,151</u>		
Other Investments held by Foundation				
Accrued interest income	4,298			
Total Investments	<u>\$ 85,607,025</u>			

The following table presents the fair value measurements of University assets recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2019.

2019	Balance as of June 30, 2019	Quoted Prices in Active Markets For Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
U.S. treasury securities	\$ 33,375,246	\$ 33,375,246	\$ -	\$ -
Agency securities (GSEs)	70,984,948	-	70,984,948	-
Corporate bonds	5,134,340	-	5,134,340	-
Certificate of deposit (NCD)	4,788,538	-	4,788,538	-
Total Debt Securities	<u>114,283,072</u>	<u>33,375,246</u>	<u>80,907,826</u>	<u>-</u>
Equity Securities				
Common	525,566	525,566	-	-
Preferred	72,288	72,288	-	-
Nonredeemable securities	10,414	-	-	10,414
Total Equity Securities	<u>608,268</u>	<u>597,854</u>	<u>-</u>	<u>10,414</u>
Total Investments by Fair Value Level	<u>114,891,340</u>	<u>\$ 33,973,100</u>	<u>\$ 80,907,826</u>	<u>\$ 10,414</u>
Investments held by Foundation				
Corporate stocks and bonds	\$ 23,116,561	\$ 22,877,588	\$ 238,973	\$ -
Mutual funds	5,228,485	5,228,485	-	-
Mortgage backed securities	1,537,231	1,281,451	255,780	-
Government bonds	169,488	-	169,488	-
Real estate holdings	990,189	-	-	990,189
Total investments Held by Foundation by Fair Value Level	<u>31,041,954</u>	<u>\$ 29,387,524</u>	<u>\$ 664,241</u>	<u>\$ 990,189</u>
Investments Held by Foundation measured by NAV				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund Investments				
Multi-strategy	\$ 8,328,046	\$ 1,287,671	Quarterly	90 Days
Equity long/short	1,647,015	1,933,086	None	None
Total Hedge Fund Investments	<u>9,975,061</u>	<u>3,220,757</u>		
Domestic Venture Capital Investments				
Venture capital	1,382,408	-		
Total Domestic Venture Capital Investments	<u>1,382,408</u>	<u>-</u>	None	None
Total Investments Held by Foundation measured by NAV	<u>11,357,469</u>	<u>\$ 3,220,757</u>		
Other Investments held by Foundation				
Accrued interest income	4,823			
Total Investments	<u>\$ 157,295,586</u>			

Note 4 – Accounts Receivable and Unearned Revenue

Accounts receivable consists of the following at June 30, 2020 and 2019:

	2020	2019
University		
Student tuition and fees	\$ 56,472,053	\$ 54,394,729
Federal, state, and private grants and contracts	32,551,086	30,429,806
Other	4,405,179	5,326,198
Due from Component Unit	1,554,371	2,150,697
Less: allowance for doubtful accounts	<u>(42,239,717)</u>	<u>(40,110,383)</u>
Net accounts receivable	<u>\$ 52,742,972</u>	<u>\$ 52,191,047</u>
Fiduciary Fund		
Net miscellaneous accounts receivable	<u>\$ 26,497</u>	<u>\$ 789,710</u>
Foundation		
Net miscellaneous accounts receivable	<u>\$ 11,291,316</u>	<u>\$ 11,395,404</u>

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

Unearned revenue consists of the following at June 30, 2020 and 2019:

	2020	2019
University		
Student tuition and fees	\$ 1,787,971	\$ 2,152,916
Federal, state, and private grants and contracts	4,703,157	6,042,171
Other	<u>8,172,986</u>	<u>2,092,690</u>
Total unearned revenue	<u>\$ 14,664,114</u>	<u>\$ 10,287,777</u>
Fiduciary Fund		
Unearned revenue	<u>\$ 3,038</u>	<u>\$ 2,938</u>
Foundation		
Total unearned revenue	<u>\$ 464,575</u>	<u>\$ 398,379</u>

Note 5 – Capital Assets

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

The University's main campus has New Mexico State District Court endorsed water rights equaling 11,454 acre feet per annum. As there is no cost basis for these assets, neither the water rights nor the livestock bred by the University are presented in the accompanying Statements of Net Position.

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

Changes in capital asset balances for the year ended June 30, 2020, were as follows:

	Balance July 1 2019	Additions	Transfers	Retirements	Balance June 30 2020
University					
Capital assets not depreciated:					
Land and land improvements	\$ 10,657,569	\$ 1,786,634	\$ -	\$ (1,120)	\$ 12,443,083
Construction in progress	39,540,446	15,980,150	(45,877,986)	-	9,642,610
Total capital assets not being depreciated	<u>\$ 50,198,015</u>	<u>\$ 17,766,784</u>	<u>\$ (45,877,986)</u>	<u>\$ (1,120)</u>	<u>\$ 22,085,693</u>
Capital assets being depreciated:					
Buildings	\$ 786,594,082	\$ 33,516	\$ 45,293,640	\$ -	\$ 831,921,238
Infrastructure	86,514,215	10,626	584,346	-	87,109,187
Equipment	115,517,462	5,824,749	-	(2,071,410)	119,270,801
Software	15,236,758	36,770	-	(16,750)	15,256,778
Library books	92,216,727	3,667,416	-	(166,952)	95,717,191
Total other capital assets	<u>1,096,079,244</u>	<u>9,573,077</u>	<u>45,877,986</u>	<u>(2,255,112)</u>	<u>1,149,275,195</u>
Less accumulated depreciation for:					
Buildings	(410,184,208)	(22,166,230)	-	-	(432,350,438)
Infrastructure	(55,675,241)	(3,050,724)	-	-	(58,725,965)
Equipment	(90,371,632)	(6,087,290)	-	1,960,427	(94,498,495)
Software	(14,462,609)	(206,740)	-	16,750	(14,652,599)
Library books	(68,831,975)	(3,280,236)	-	166,952	(71,945,259)
Total accumulated depreciation	<u>(639,525,665)</u>	<u>(34,791,220)</u>	<u>-</u>	<u>2,144,129</u>	<u>(672,172,756)</u>
Capital assets being depreciated, net	<u>\$ 456,553,579</u>	<u>\$ (25,218,143)</u>	<u>\$ 45,877,986</u>	<u>\$ (110,983)</u>	<u>\$ 477,102,439</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 50,198,015	\$ 17,766,784	\$ (45,877,986)	\$ (1,120)	\$ 22,085,693
Other capital assets, at cost	1,096,079,244	9,573,077	45,877,986	(2,255,112)	1,149,275,195
Total cost of capital assets	<u>1,146,277,259</u>	<u>27,339,861</u>	<u>-</u>	<u>(2,256,232)</u>	<u>1,171,360,888</u>
Less: accumulated depreciation	<u>(639,525,665)</u>	<u>(34,791,220)</u>	<u>-</u>	<u>2,144,129</u>	<u>(672,172,756)</u>
Capital assets, net	<u>\$ 506,751,594</u>	<u>\$ (7,451,359)</u>	<u>\$ -</u>	<u>\$ (112,103)</u>	<u>\$ 499,188,132</u>
Foundation					
Capital assets	\$ 755,733	\$ -	\$ -	\$ -	\$ 755,733
Less: accumulated depreciation	(679,187)	(26,961)	-	-	(706,148)
Capital assets, net	<u>\$ 76,546</u>	<u>\$ (26,961)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,585</u>

Changes in capital asset balances for the year ended June 30, 2019, were as follows:

	Balance July 1 2018	Additions	Transfers	Retirements	Balance June 30 2019
University					
Capital assets not depreciated:					
Land and land improvements	\$ 10,662,240	\$ -	\$ -	\$ (4,671)	\$ 10,657,569
Construction in progress	15,995,430	37,674,315	(14,129,299)	-	39,540,446
Total capital assets not being depreciated	<u>\$ 26,657,670</u>	<u>\$ 37,674,315</u>	<u>\$ (14,129,299)</u>	<u>\$ (4,671)</u>	<u>\$ 50,198,015</u>
Capital assets being depreciated:					
Buildings	\$ 772,848,615	\$ 391,549	\$ 13,353,918	\$ -	\$ 786,594,082
Infrastructure	85,727,112	11,722	775,381	-	86,514,215
Equipment	113,817,010	5,428,849	-	(3,728,397)	115,517,462
Software	15,100,084	145,674	-	(9,000)	15,236,758
Library books	88,960,312	3,347,357	-	(90,942)	92,216,727
Total other capital assets	<u>1,076,453,133</u>	<u>9,325,151</u>	<u>14,129,299</u>	<u>(3,828,339)</u>	<u>1,096,079,244</u>
Less accumulated depreciation for:					
Buildings	(389,018,671)	(21,165,537)	-	-	(410,184,208)
Infrastructure	(52,595,848)	(3,079,393)	-	-	(55,675,241)
Equipment	(87,286,507)	(6,500,620)	-	3,415,495	(90,371,632)
Software	(14,140,045)	(331,564)	-	9,000	(14,462,609)
Library books	(65,750,080)	(3,172,837)	-	90,942	(68,831,975)
Total accumulated depreciation	<u>(608,791,151)</u>	<u>(34,249,951)</u>	<u>-</u>	<u>3,515,437</u>	<u>(639,525,665)</u>
Capital assets being depreciated, net	<u>\$ 467,661,982</u>	<u>\$ (24,924,800)</u>	<u>\$ 14,129,299</u>	<u>\$ (312,902)</u>	<u>\$ 456,553,579</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 26,657,670	\$ 37,674,315	\$ (14,129,299)	\$ (4,671)	\$ 50,198,015
Other capital assets, at cost	1,076,453,133	9,325,151	14,129,299	(3,828,339)	1,096,079,244
Total cost of capital assets	<u>1,103,110,803</u>	<u>46,999,466</u>	<u>-</u>	<u>(3,833,010)</u>	<u>1,146,277,259</u>
Less: accumulated depreciation	<u>(608,791,151)</u>	<u>(34,249,951)</u>	<u>-</u>	<u>3,515,437</u>	<u>(639,525,665)</u>
Capital assets, net	<u>\$ 494,319,652</u>	<u>\$ 12,749,515</u>	<u>\$ -</u>	<u>\$ (317,573)</u>	<u>\$ 506,751,594</u>
Foundation					
Capital assets	\$ 755,245	\$ 1,547	\$ -	\$ (1,059)	\$ 755,733
Less: accumulated depreciation	(649,602)	(29,762)	-	177	(679,187)
Capital assets, net	<u>\$ 105,643</u>	<u>\$ (28,215)</u>	<u>\$ -</u>	<u>\$ (882)</u>	<u>\$ 76,546</u>

Note 6 – Long-Term Liabilities

A summary of changes in long-term liabilities for the University and Discrete Component Unit for the year ended June 30, 2020, follows:

	Balance July 1 2019	Additions	Reductions	Balance June 30 2020	Current Portion (due in 2021)	
University						
Bonds and contracts payable:						
Revenue bonds payable	\$ 143,561,287	\$ 28,040,944	\$ (49,606,099)	\$ 121,996,132	\$ 7,390,000	
Subordinate revenue note, notes from direct borrowing	11,285,000	-	(945,000)	10,340,000	1,015,000	
Contracts payable	840,090	54,670	(349,227)	545,533	299,972	
	<u>155,686,377</u>	<u>28,095,614</u>	<u>(50,900,326)</u>	<u>132,881,665</u>	<u>8,704,972</u>	
Total bonds and contracts						
Other liabilities:						
Accrued compensated absences	15,486,823	5,758,994	(2,818,860)	18,426,957	3,685,392	
Other post employment benefits	145,672,186	39,157,067	(18,999,230)	165,830,023	5,275,000	
Net pension liability	792,236,144	-	(304,911,785)	487,324,359	-	
Accrued benefit reserve	659,630	-	-	659,630	-	
Other	66,394	34,122	-	100,516	-	
	<u>954,121,177</u>	<u>44,950,183</u>	<u>(326,729,875)</u>	<u>672,341,485</u>	<u>8,960,392</u>	
Total other liabilities						
Total long-term liabilities	<u>\$ 1,109,807,554</u>	<u>\$ 73,045,797</u>	<u>\$ (377,630,201)</u>	<u>\$ 805,223,150</u>	<u>\$ 17,665,364</u>	
Foundation						
	Balance July 1 2019	Additions	Reductions	Changes in Estimate	Balance July 1 2020	Current Portion (due in 2021)
Gift annuities payable	\$ 2,216,254	\$ -	\$ -	\$ 292,581	\$ 2,508,835	\$ 211,175
Payable under unitrusts	141,785	-	-	(935)	140,850	31,067
Total long-term liabilities	<u>\$ 2,358,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,646</u>	<u>\$ 2,649,685</u>	<u>\$ 242,242</u>

A summary of changes in long-term liabilities for the University and Discrete Component Unit for the year ended June 30, 2019, follows:

	Balance July 1 2018	Additions	Reductions	Balance June 30 2019	Current Portion (due in 2020)
University					
Bonds and contracts payable:					
Revenue bonds payable	\$ 150,645,540	\$ -	\$ (7,084,253)	\$ 143,561,287	\$ 7,075,000
Subordinate revenue note direct borrowing	12,165,000	-	(880,000)	11,285,000	945,000
Contracts payable	512,077	675,780	(347,767)	840,090	345,114
	<u>163,322,617</u>	<u>675,780</u>	<u>(8,312,020)</u>	<u>155,686,377</u>	<u>8,365,114</u>
Total bonds and contracts					
Other liabilities:					
Accrued compensated absences	15,674,224	3,018,121	(3,205,522)	15,486,823	3,097,365
Other post employment benefits	133,899,207	17,531,792	(5,758,813)	145,672,186	5,759,000
Net pension liability	750,673,749	67,444,503	(25,882,108)	792,236,144	-
Accrued benefit reserve	659,630	-	-	659,630	-
Other	767,233	-	(700,839)	66,394	-
	<u>901,674,043</u>	<u>87,994,416</u>	<u>(35,547,282)</u>	<u>954,121,177</u>	<u>8,856,365</u>
Total other liabilities					
Total long-term liabilities	<u>\$ 1,064,996,660</u>	<u>\$ 88,670,196</u>	<u>\$ (43,859,302)</u>	<u>\$ 1,109,807,554</u>	<u>\$ 17,221,479</u>
	Balance July 1 2018	Additions	Reductions	Balance July 1 2019	Current Portion (due in 2020)
Foundation					
Gift annuities payable	\$2,348,892	\$ -	\$ (192,417)	\$ 2,216,254	\$ 211,175
Payable under unitrusts	140,181	-	-	141,785	31,067
	<u>\$2,489,073</u>	<u>\$ -</u>	<u>\$ (192,417)</u>	<u>\$ 2,358,039</u>	<u>\$ 242,242</u>
Total long-term liabilities					

Bonds Payable. The University issued the 2019 refunding bonds (Series 2019A and Series 2019B) on October 23, 2019. Proceeds of the Series 2019A Bonds were used to refund remaining outstanding unrefunded Series 2010B Bonds. Proceeds of the 2019B Bonds were used to refund the remaining 2010C Bonds. The University experienced an economic savings of \$1,607,109 and \$1,046,719 from the 2019A and 2019B Bonds, respectively.

On April 1, 2020 proceeds from the Series 2017C crossover refunding were used to refund a portion of Series 2010B Bonds. As of June 30, 2020, there are \$12,240,000 of outstanding bonds that have been defeased through an irrevocable trust. All other outstanding University revenue bonds as of June 30, 2020 were issued as parity bonds and are all tax exempt. All bonds are payable solely from, and secured by, a pledge of and a non-exclusive first lien on certain pledged revenues. The revenues pledged to meet these debt obligations are student tuition and fees, sales and services, other operating income, investment income, and building fees. The pledged revenues for fiscal years 2020 and 2019 are \$194,069,000 and \$187,278,000, respectively. Interest payments are made twice a year, on October 1 and April 1 while principal is paid annually on April 1. Allowable premiums, and discounts on bonds payable are recorded in total and amortized according to the bonds outstanding method, which approximates the effective interest method.

The bond interest expense incurred for the fiscal years 2020 and 2019 was \$5,336,183 and \$5,735,228, respectively, net of interest income. Of these amounts, \$0 and \$1,544,787 were capitalized during fiscal years 2020 and 2019, respectively.

Total University bonds issued and outstanding at June 30, 2020 and 2019 :

	Total Issued	Outstanding	
		2020	2019
Refunding and Improvement Revenue Bonds			
Bond Series 2010A, 2010B, 2010C, 2010D (1.89% - 5.27%) Final Maturity 2030	78,670,000	390,000	43,990,000
Refunding and Improvement Revenue Bonds			
Bond Series 2013A, 2013B, 2013C (2.00% - 5.00%) Final Maturity 2033	56,200,000	18,870,000	21,180,000
Refunding and Improvement Revenue Bonds			
Bond Series 2017A, 2017B, 2017C (1.75% - 5.00%) Final Maturity 2042	73,240,000	68,505,000	70,670,000
Refunding and Improvement Revenue Bonds			
Bond Series 2019A and 2019B (2.00% - 5.00%) Final Maturity 2040	24,985,000	24,865,000	-
Total Bonds Payable	233,095,000	112,630,000	135,840,000
Plus: Unamortized Net Premium	20,646,409	9,366,132	7,721,297
Bonds Payable, net	<u>\$ 253,741,409</u>	<u>\$ 121,996,132</u>	<u>\$ 143,561,297</u>

The maturity schedule for the University bonds payable at June 30, 2020, follows:

Year Ending June 30	Principal	Interest
2021	\$ 7,390,000	\$ 4,934,964
2022	7,355,000	4,608,330
2023	7,290,000	4,277,086
2024	6,660,000	3,948,034
2025	6,940,000	3,649,426
2026-2030	31,670,000	13,994,146
2031-2035	24,275,000	7,700,320
2036-2040	16,900,000	2,952,294
2041-2042	4,150,000	313,750
Total	<u>\$ 112,630,000</u>	<u>\$ 46,378,350</u>

Notes Payable. The Board of Regents issued a tax-exempt Subordinate Lien Improvement Revenue Note, Series 2014 on April 21, 2014 in a direct purchase with BOKF, NA dba Bank of Albuquerque. The original principal amount of the note was \$15,865,000 and the interest rate is 3.07%. The note is payable solely from, and secured by, a pledge of, and a non-exclusive subordinate lien on the following revenues: student tuition and fees; sales and service revenue; other operating revenue; investment income; and, building fees. Interest payments began on October 1, 2014 and are due semiannually thereafter on April 1 and October 1 of each year. Principal payments are due April 1 each year, beginning April 1, 2016. The note matures April 1, 2029.

The interest expense incurred on the note was \$346,450 and \$373,466 for fiscal years ended June 30, 2020 and 2019, respectively.

The maturity schedule for the subordinate revenue note at June 30, 2020, follows:

Year Ending June 30	Principal	Interest
2021	\$ 1,015,000	\$ 317,438
2022	1,090,000	286,278
2023	1,165,000	252,815
2024	1,240,000	217,049
2025	1,325,000	178,981
2026-2028	4,505,000	282,287
Total	<u>\$ 10,340,000</u>	<u>\$ 1,534,848</u>

Contracts Payable. The University acquires various types of equipment under capital lease agreements. All lease agreements contain a fiscal funding clause, which allows the lease agreements to be canceled if funding for future periods is not appropriated. University administration believes that the likelihood of this occurrence is remote. The following tables detail the carrying value of assets acquired under these arrangements, the net present value of minimum lease payments, future minimum lease payments and the portion of the lease payments representing interest at June 30, 2020.

Type of Property	Asset Carrying Value	Net Present Value of Minimum Lease Payments
Office equipment	\$ 337,998	\$ 240,708
Computer equipment	556,761	304,825
Total	<u>\$ 894,759</u>	<u>\$ 545,533</u>

Year Ending June 30	Principal	Interest	Minimum Payments
2021	\$ 299,972	\$ 28,396	\$ 328,368
2022	177,724	9,507	187,231
2023	49,654	2,811	52,465
2024	18,034	437	18,471
2025	149	25	174
Total	<u>\$ 545,533</u>	<u>\$ 41,176</u>	<u>\$ 586,709</u>

Note 7 – Health Insurance

The University provides group health insurance coverage for all regular employees working 30 hours per week or more and term appointment employees working 30 hours per week or more. Coverage is optional and is available the first pay period after 30 days of employment. The University's portion of the premium is based on the employee's annual salary. Employee contributions are required for personal, as well as spouse, qualified domestic partner and dependent coverage.

The University participates in the State of New Mexico (State) group health insurance program. Premiums are paid to the State. The State program assumes full responsibility for all claims.

Eligible retirees who were enrolled in health insurance for a minimum of ten consecutive years prior to retirement may elect to continue health insurance coverage through the University's program. The University contributes 60% of the premiums for retirees and their dependents until the retiree reaches age 70, after which, the University contributes 30%. Retiree health insurance is not offered to employees hired after June 30, 2016.

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

Note 8 – Retirement Programs

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

A. Educational Retirement Act

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

Return to Work Program. Effective January 1, 2002, the ERB implemented a retiree Return-To-Work (RTW) program whereby the University is required to make regular employer contributions on eligible retiree wages. As of July 1, 2011, House Bill 129 was passed requiring returning retirees to contribute the employee portion. As of April 4, 2019, House Bill 360 was passed requiring all working retirees and the University to make regular employer contribution on eligible retiree wages.

Funding Policy. The contribution requirements of plan members and the University are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature.

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

	2020	2019	2018
Employee's earning \$24,000 or less in 2020 and \$20,000 or less in 2019 and 2018 :			
University contribution	14.15%	13.90%	13.90%
Employee contribution	7.90%	7.90%	7.90%
Employee's earning more than \$24,000 in 2020 and more than \$20,000 in 2019 and 2018:			
University contribution	14.15%	13.90%	13.90%
Employee contribution	10.70%	10.70%	10.70%
University's contribution to ERB	\$ 26,135,142	\$ 24,766,759	\$ 24,574,007
University's contribution to ERB for Return to Work Program	\$270,671	\$214,381	\$230,807

For members hired after June 30, 2019, the multiplier applied to the final average compensation will accrue to the following schedule:

Years of Service	Benefit Percentage Earned
1-10	1.35%
11-20	2.35%
21-30	3.35%
31+	2.40%

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

The June 30, 2020 total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2018. The total ERB pension liability was rolled forward from the valuation date to the plan year June 30, 2019, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2019. At June 30, 2020 and 2019 the University reported liabilities of \$487,324,359 and \$792,236,144, respectively, for its proportionate share of the net pension liability. The proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2019. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2019, the University's proportion was 6.43137% which was a decrease of 0.23093% from its proportion measured as of June 30, 2018. At June 30, 2018, the University proportion was 6.66230% which was a decrease of 0.09232% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2020, the University recognized a negative adjustment to pension expense of \$168,722,484 due to the changes in pension obligations. At June 30, 2020, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,772,118
Changes of assumptions	68,665,173	-
Net difference between projected and actual earnings on pension plan investments	-	10,378,376
Changes in proportion and differences between University contributions and proportionate share of contributions	-	22,796,699
University contributions subsequent to the measurement date	28,188,265	-
Total	<u>\$ 96,853,438</u>	<u>\$ 45,947,193</u>

The \$28,188,265 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date of June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

For the year ended June 30, 2019, the University recognized a pension expense of \$117,532,149. At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 578,201	\$ 15,077,527
Changes of assumptions	163,276,124	-
Net difference between projected and actual earnings on pension plan investments	1,753,808	-
Changes in proportion and differences between University contributions and proportionate share of contributions	-	17,757,816
University contributions subsequent to the measurement date	26,135,142	-
Total	<u>\$ 191,743,275</u>	<u>\$ 32,835,343</u>

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 June 30	
2021	\$ 41,852,969
2022	(11,881,056)
2023	(5,901,050)
2024	(1,352,883)
	<u>\$ 22,717,980</u>

Actuarial assumptions: As described above, the June 30, 2020 total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2018. The total ERB pension liability was rolled forward from the valuation date to the Plan year June 30, 2019 using generally accepted actuarial principles. Specifically, the liabilities measured as of June 30, 2019 incorporate the following assumptions:

All members with an annual salary of more than \$24,000 will contribute 10.70% during the fiscal year ended June 30, 2020 and thereafter.

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

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

These assumptions were adopted by ERB on April 21, 2017 in conjunction with the six-year experience study period June 30, 2016.

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 total pension liability included in the measurement are as follows:

Inflation	2.50%
Salary Increases	Composition; 2.50% inflation, plus .75% productivity increase rate, plus step-rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.25%
Single Discount Rate	7.25%
Retirement Age	Experienced-based table rates based on age and service. Adopted by NMERB on April 21, 2017 in conjunction with the six- year experience study for the period ended June 30, 2016.
Mortality	Healthy Males - RP-2000 Combined Mortality Table with white collar adjustments, generational mortality improvements with scale BB from the table's base year of 2000. Healthy Females - GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with scale BB BB from the table's base year of 2012.
Cost-of-living increases	1.90% per year, compounded annually
Payroll growth	3.00% per year
Contribution accumulation	5.5% increase per year for all years prior to the valuation date
Disability Incidence	Approved rates applied to eligible members with at

least 10 years of service

Actuarial Cost Method

Entry Age Normal

The long-term expected rate of return on pension plan investments is determined annually using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Changes of Benefit Terms and Assumptions: Actuarial assumptions and methods are set by the Board of Trustee, based upon recommendations made by the Plan's actuary. House Bill 360 was signed into law on April 4, 2019 and modified several benefit provisions of the Plan. Key among those changes was an increase in employer contributions from 13.90% to 14.15% as noted previously in this footnote. Other changes were also adopted which positively benefited the unfunded status of the Plan. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

The target allocation for each major asset class and total expected real rate of return are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Equities - Domestic	19%	
Equities - International	14%	
Fixed Income	26%	
Alternatives	40%	
Cash	1%	
Total	100%	7.25%

Discount rate: A single discount rate of 7.25% and 5.69% was used to measure the total ERB pension liability as of June 30, 2019 and June 30, 2018, respectively. For 2019, the single discount rate was based on an expected rate of return on pension plan investments of 7.25%. 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. For 2018, the single discount rate was based on the expected rate of return on pension investments of 7.25% and a municipal bond rate of 3.62%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2050. As a result, the long term expected rate of return on Plan investments was applied to projected benefit payments through the 2050 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the University's proportionate shares of the net pension liability to changes in the discount rate: The following tables show the sensitivity of the net pension liability to changes in the discount rate as of fiscal year end 2020 and 2019. In particular, the table presents the University's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower, (6.25%) and (4.69%), or one percentage point higher, (8.25%) and (6.69%) than the single discount rate for June 30, 2019 and 2018, respectively.

	2020		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
New Mexico State University's proportionate share of the net pension liability	\$ 657,850,564	\$ 487,324,359	\$ 346,282,977

	2019		
	1% Decrease (4.69%)	Current Discount Rate (5.69%)	1% Increase (6.69%)
New Mexico State University's proportionate share of the net pension liability	\$ 1,029,603,562	\$ 792,236,144	\$ 598,559,143

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, 2019 and 2018 which are publicly available at www.erb.org.

B. Alternative Retirement Program

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

Effective July 1, 2009, employees, after 7 years of contribution to the ARP, have a one-time opportunity to move to the ERB's defined benefit plan. Section 51 allows members of the ARP the option to cash out or rollover the ARP account once they have left employment.

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

	2020	2019	2018
Employee's earning \$24,000 or less in 2020 and \$20,000 or less in 2019 and 2018:			
University contribution	14.15%	13.90%	13.90%
Employee contribution	7.90%	7.90%	7.90%
Employee's earning more than \$24,000 in 2020 and \$20,000 or more in 2019 and 2018:			
University contribution	14.15%	13.90%	13.90%
Employee contribution	10.70%	10.70%	10.70%
Administration fee to ERB	3.25%	3.00%	3.00%
Payroll expenses covered by ARP	\$ 33,359,460	\$ 30,308,256	\$ 29,453,438
University's contribution to the ERB for ARP	\$ 3,638,320	\$ 3,304,119	\$ 3,212,401
Administration fee paid to ERB for ARP	\$ 1,084,144	\$ 909,248	\$ 883,603
Employee contributions made to ARP	\$ 3,571,562	\$ 3,243,491	\$ 3,153,458

C. Federal Retirement Program

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

Contributions Required. Employees covered by CSRS and FERS are considered federal employees, and as such, are obligated to contribute according to the guidelines of the federal government. For the year ended June 30, 2020 there was 1 employee enrolled under CSRS and 8 employees under FERS.

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

	2020	2019	2018
Employee's covered by CSRS:			
University contribution	7.00%	7.00%	7.00%
Employee contribution	7.00%	7.00%	7.00%
Employee's covered by FERS:			
University contribution	13.70%	13.70%	13.70%
Employee contribution	0.80%	0.80%	0.80%
University's contribution	\$ 127,192	\$ 127,192	\$ 135,101
Employee's contribution	\$ 16,078	\$ 16,078	\$ 16,287

Note 9 – Other Postemployment Benefits Plan

Plan Description. New Mexico State University is a single employer that offers employees and their eligible dependents retiree benefits. This is an unfunded OPEB plan operating on a pay as you go basis. The authority to establish and amend the benefit provisions rests with the Board of Regents.

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

The University currently pays 60% of the monthly medical and prescription premium for retirees and their eligible dependents until the retiree reaches age 70, at which time the University reduces their contribution to 30%. As of June 30, 2020 and 2019, 1,401 and 1,376 retirees met the eligibility requirements for health insurance, respectively.

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

Plan Participation Percentage. The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 85% of all pre Medicare

employees and their dependents who are eligible for early retirement will participate in the retiree medical plan. It is also assumed that 80% of those enrolled in the pre Medicare plans will continue on the plan once Medicare eligible. Lastly, it is assumed that 88% of all pre Medicare employees who are eligible for the retiree life insurance benefit will participate, and 91% of those enrolled will continue on the plan once Medicare eligible. This assumes that a one-time irrevocable election to participate is made at retirement.

Employees covered by benefit terms - At June 30, 2020 and 2019, the following employees were covered by the benefit terms:

	2020	2019
Current retirees receiving benefits	1,802	1,740
Current active members	2,052	2,366

Annual OPEB Cost and Net OPEB Obligation. The University's annual other postemployment benefit (OPEB) Service/Interest cost (expense) is the portion of the Actuarial Present Value of plan benefits and expenses for active employees which is allocated to a valuation year by the Actuarial Cost Method. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation related for fiscal year 2020:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Total OPEB Liability - Start of Year (July 1, 2019)	\$ 145,672,186	\$ -	\$ 145,672,186
Changes for the year			
Service cost	5,787,303	-	\$ 5,787,303
Interest cost	5,208,772	-	5,208,772
Differences between expected and actual experience	(13,724,348)	-	(13,724,348)
Changes in assumptions or other inputs	28,160,992	-	28,160,992
Benefit payments	(5,274,882)	-	(5,274,882)
Net change in total OPEB liability	<u>20,157,837</u>	<u>-</u>	<u>20,157,837</u>
Net OPEB Liability - End of Year (June 30, 2020)	<u>\$ 165,830,023</u>	<u>\$ -</u>	<u>\$ 165,830,023</u>

The total OPEB liability and sensitive information were based on an annual actuarial valuation performed as of June 30, 2019.

The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation related for fiscal year 2019:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Total OPEB Liability - Start of Year (July 1, 2018)	\$ 133,899,207	\$ -	\$ 133,899,207
Changes for the year			
Service cost	5,127,283	-	\$ 5,127,283
Interest cost	5,268,892	-	5,268,892
Changes in assumptions or other inputs	7,135,616	-	7,135,616
Benefit payments	(5,758,812)	-	(5,758,812)
Net change in total OPEB liability	11,772,979	-	11,772,979
Net OPEB Liability - End of Year (June 30, 2019)	<u>\$ 145,672,186</u>	<u>\$ -</u>	<u>\$ 145,672,186</u>

The total OPEB liability and sensitive information were based on an annual actuarial valuation performed as of June 30, 2019. The discount rate is the only applicable change in the valuation.

A summary of the key results are shown below for fiscal year ended June 30, 2020 and 2019:

	2020	2019
Present Value of Future Benefits	\$ 216,931,687	\$ 181,592,829
Total OPEB Liability (Beginning of Fiscal Year)	\$ 145,672,186	\$ 133,899,207
Total OPEB Liability (End of Fiscal Year)	\$ 165,830,023	\$ 145,672,186
Net OPEB Liability	\$ 165,830,023	\$ 145,672,186

For the year ended June 30, 2020, the University recognized a OPEB expense of \$15,154,367. At June 30, 2020, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,094,548
Changes of assumptions	25,118,426	2,282,848
Total	<u>\$ 25,118,426</u>	<u>\$ 12,377,396</u>

For the year ended June 30, 2019, the University recognized a OPEB expense of \$10,736,280. At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 5,770,519	\$ 3,307,840
Total	<u>\$ 5,770,519</u>	<u>\$ 3,307,840</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	
2021	\$ 4,158,292
2022	4,158,292
2023	4,114,316
2024	310,130
	<u>\$ 12,741,030</u>

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 Entry Age Normal Actuarial Cost Method was used based on level percentage of projected salary. The OPEB liability is based on an actuarial valuation performed as of June 30, 2020, conducted in accordance with generally accepted actuarial principles.

The actuarial methods and assumptions used to determine the total OPEB liability included in the measurement are as follows:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Discount Rate	3.50% per annum (BOY) 2.21% per annum (EOY) <i>Source: Bond Buyer 20-Bond GO Index</i>
Salary Increase Rate	2.5% per annum
Inflation Rate	3.0% per annum
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65
Health Care Cost Trend Rate	The actuarial valuation assumes an annual health care cost trend on a select and ultimate basis. Medical and prescription benefits on a select basis at 6.0% for retirees 65 years of age and under and 5.0% for retirees over 65 years of age and on an ultimate basis at 4.5%. The select trend rates are reduced .5% each year until reaching the ultimate trend.
Per Capita Health Claim Cost	Expected pre Medicare retiree claim costs were developed using 24 months of historical claim experience through March 2020. The annual age 60 claim costs for retirees and their spouses is \$7,418. The age 70 costs for retirees is \$3,334.
Mortality Rate	Pub-2010 mortality table with generational scale MP-2019.

Discount Rate. A single discount rate of 2.21% and 3.50% was used to measure the total OPEB liability as of June 30, 2020 and 2019, respectively.

Other Information. The discount rate was updated from the prior valuation. The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study. Experience/Assumptions gains and losses are amortized over a closed period of 3.8 years starting on July 1, 2019, equal to the average remaining service of active and inactive plan members (who have no future service). The Plan participation rates were updated to reflect the participation trend. Currently, the plans are considered to be unfunded as there are no assets and retiree benefits are expected to be paid annually on a cash basis.

Health Care Trend Sensitivity Analysis. The following schedules measures the Net OPEB Liability if the health care cost trend rate used was 1% higher than than the assumed health care cost trend rate and 1% lower than the assumed health care cost trend rate for June 30, 2020 and 2019, respectively.

	2020		
	1% Decrease	Current Trend	1% Increase
New Mexico State University's net OPEB liability	\$ 142,312,000	\$ 165,830,023	\$ 196,150,000

	2019		
	1% Decrease	Current Trend	1% Increase
New Mexico State University's net OPEB liability	\$ 127,391,000	\$ 145,672,186	\$ 169,269,000

Discount Rate Sensitivity Analysis. The following tables show the sensitivity of the OPEB liability to changes in the discount rate as of fiscal year end 2020 and 2019. In particular, the table presents the University's OPEB liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower, (1.21%) and (2.50%), or one percentage point higher, (3.21%) and (4.50%) than the single discount rate for June 30, 2020 and 2019, respectively.

	2020		
	1% Decrease (1.21%)	Current Discount Rate 2.21%	1% Increase (3.21%)
New Mexico State University's net OPEB liability	\$ 195,315,000	\$ 165,830,023	\$ 142,680,000

	2019		
	1% Decrease (2.50%)	Current Discount Rate 3.50%	1% Increase (4.50%)
New Mexico State University's net OPEB liability	\$ 167,459,000	\$ 145,672,186	\$ 128,120,000

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Changes in Net OPEB liability and Related Ratios in accordance with GASB 75 (Schedule 5), presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 10 – Commitments

Capitalizable Project Commitments and Financing. The University has entered into contracts for the construction and renovation of various facilities. At June 30, 2020, the estimated remaining costs to complete these and other in-house construction and renovation projects was approximately \$89.4 million. These projects are in various stages of completion. Those deemed to be major projects are expected to be completed by May 2022. The remaining cost of all budgeted projects (both capital and non-capital) will be financed as follows:

Funding Sources	Amount
Revenue bonds	\$ 3,100,784
General obligation bonds (State of New Mexico)	29,515,319
General obligation bonds (local)	4,635,238
Severance tax bonds (State of New Mexico)	143,197
University funds	16,712,394
State funds	33,897,227
Gifts, grants and contracts	1,361,266
Total	<u>\$ 89,365,425</u>

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

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

Year Ending June 30	Minimum Payments
2021	\$ 729,096
2022	506,564
2023	332,607
2024	73,580
2025	18,520
Total minimum lease payments	<u>\$ 1,660,367</u>

Operating lease payments made in fiscal years 2020 and 2019 are as follows:

	2020	2019
Minimum rentals	\$ 914,655	\$ 1,008,872
Contingent rentals	119,365	105,998
Total lease payments	<u>\$ 1,034,020</u>	<u>\$ 1,114,870</u>

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

Other Commitments. At June 30, 2020, the University had outstanding purchase orders for materials and services which were not received, and thus are not recorded as liabilities in the accompanying Statements of Net Position. The approximate amount of such commitments is \$26.1 million.

Note 11 - Component Units

The following entities support the University in accomplishing its various missions. These entities were selected for inclusion based on criteria as set forth in GASB 14, The Reporting Entity, GASB 39, Determining Whether Certain Organizations Are Components Units, GASB 61, Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34 and GASB 80, Blending Requirements for Certain Component Units - an amendment of GASB Statement No 14. Complete financial statements for these component units can be obtained from each respective administrative office at the addresses listed below.

The Foundation is discretely presented on the face of the financial statements, as prescribed by GASB 14, amended by GASB 39, and further amended by GASB 61. The entity qualifies as discretely presented according to GASB 14, paragraph 40a, because of the nature and significance of its relationship with the University. This relationship meets the direct benefit, access to economic resources and significance of resources criteria. The other component units are blended because the University either completely controls its activities or the entity provide services entirely, or almost entirely to the University in accordance with GASB 39 and GASB 80.

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

Summary financial information as of June 30, 2020 and 2019, and for the fiscal years then ended follows:

	2020	2019
Net Position		
Total assets	\$ 1,453,073	\$ 1,224,642
Total liabilities	45,940	56,086
Total net position	<u>\$ 1,407,133</u>	<u>\$ 1,168,556</u>
Changes in Net Position		
Total revenues	\$ 904,708	\$ 875,715
Total expenditures	<u>666,131</u>	<u>770,489</u>
Change in net position	238,577	105,226
Net position, beginning	<u>1,168,556</u>	<u>1,063,330</u>
Net position, ending	<u>\$ 1,407,133</u>	<u>\$ 1,168,556</u>

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

Aggie Development, Inc. Aggie Development, Inc., was organized pursuant to the provisions of the State of New Mexico University Research Park Act of 1989. The corporation was established to benefit the University by (1) managing and developing designated University real estate and water rights; (2) contributing all of the corporation's net revenues to the University; and (3) enhancing learning opportunities for students. Since inception, Aggie Development Inc. did not meet the materiality

threshold that requires audited financial statements and therefore its activity is included in the NMSU audited financial statements, but no separate details are presented herein. Aggie Development, Inc.'s address is: Aggie Development, Inc., P.O. Box 3145, Las Cruces, NM 88003.

Note 12 – Contingent Liabilities

The University has evaluated contingent liabilities from the balance sheet date through March 19, 2021, the date at which the financial statements were available to be issued, and determined there are no additional items to disclose.

Note 13 – Natural Classification Operating Expenses

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

	2020		2019	
	University	Component Unit	University	Component Unit
Operating Expenses				
Salaries				
Faculty	\$ 97,629,123	\$ -	\$ 93,571,089	\$ -
Exempt staff	109,991,865	2,005,521	103,001,638	2,174,611
Non-exempt staff	14,702,480	-	13,920,549	-
Student/graduate assistant	32,133,731	8,194	29,962,210	37,922
Other compensation	6,326,084	6,169	3,572,544	5,225
Total salaries	<u>260,783,283</u>	<u>2,019,884</u>	<u>244,028,030</u>	<u>2,217,758</u>
Other Operating Expenses				
Benefits*	(99,491,358)	-	177,752,493	-
Travel	10,222,758	98,310	13,271,252	133,253
Scholarship and fellowships and other program support	44,245,498	9,890,756	34,543,190	12,450,373
Utilities	9,981,459	3,157	11,126,396	4,115
Professional fees	17,423,504	313,826	17,938,358	239,881
Supplies and other services	83,879,883	1,424,138	73,257,070	716,422
Depreciation	34,791,220	26,962	34,249,951	29,762
Total operating expenses	<u>\$361,836,247</u>	<u>\$ 13,777,033</u>	<u>\$606,166,740</u>	<u>\$ 15,791,564</u>

* Benefits expense for 2020 was impacted by the change in pension liability.

Note 14 – Unrestricted Net Position

Unrestricted net position supports the missions of the University in current and future years. The following is a breakdown of the University's unrestricted net position as of June 30, 2020 (unaudited):

	2020	2019
Unrestricted Net Position	\$ (418,538,663)	\$ (615,361,557)
Less: Unfunded Pension	(436,418,114)	(633,328,212)
Less: Long-Term Compensated Absences	(14,741,565)	(12,389,458)
Less: Other Post Employment Benefits	<u>(153,088,993)</u>	<u>(143,209,507)</u>
Adjusted Unrestricted Net Position	<u>185,710,009</u>	<u>173,565,620</u>
Unrestricted - Instruction and General	\$ 28,849,609	\$ 22,414,059
Unrestricted - Research	18,800,385	18,897,529
Unrestricted - Public Service	7,348,775	7,541,999
Unrestricted - Other	14,032,230	12,834,787
Quasi Endowments Funds	15,454,836	16,335,022
Renewals and Replacements - Buildings	33,777,682	29,587,672
Renewals and Replacements - Auxiliary Enterprises	9,160,396	9,608,692
Renewals and Replacements - Internal Services Units	6,684,931	6,356,078
Renewals and Replacements - Equipment	20,815,316	16,368,800
Unexpended plant - Designated to Projects	7,111,914	9,258,554
Unexpended plant - Future Projects/Contingency	<u>23,673,935</u>	<u>24,362,428</u>
Total	<u>\$ 185,710,009</u>	<u>\$ 173,565,620</u>

Note 15 – Tax Abatements

NMSU does not collect tax revenue nor does it enter into any individual tax abatement agreements. NMSU receives funding through appropriations from the State of New Mexico and the amounts of such appropriations to NMSU may be indirectly affected by Tax Abatement agreements entered into by the State of New Mexico. As a taxing authority, the State of New Mexico has the ability to collect tax revenue and enter into individual tax abatement agreements. The State of New Mexico is required under GASB 77 to provide detailed disclosure regarding its tax abatement agreements in its comprehensive annual financial report (CAFR). No University revenue was impacted by abatement agreements.

Note 16 – New Accounting Standards

GASB Statement No. 84 (*Fiduciary Activities*) will become effective for fiscal year 2020. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The implementation of this statement has resulted in changing the presentation of the financial statements by recording the custodial funds that were not previously reported and including ending net position to custodial funds not previously required. See discussion of impact as described in Note 2.

GASB Statement No. 87 (*Leases*) will become effective for fiscal year 2021. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The University's operating leases will be converted in accordance with this statement, but the quantitative impact has not yet been determined.

GASB Statement No. 89 (*Construction Interest Costs*) will become effective for fiscal year 2021, but the University has early adopted this statement for fiscal year 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The adoption of this statement resulted in approximately \$1 million of interest to not be capitalized on current projects.

GASB Statement No. 95 (Postponement of the Effective Dates of Certain Authoritative Guidance) became effective fiscal year 2020. This statement is intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. The guidance postpones, by one year, the effective dates of certain provisions in the following pronouncements:

- Statement No. 84, Fiduciary Activities (The University adopted in 2020)
- Statement No. 89, Construction Interest Costs (The University adopted in 2020)

The Statement postpones the effective dates of the following pronouncements by 18 months:

- Statement No. 87, Leases

The University has adopted Statement No. 84 and No. 89, as indicated above.

Note 17 – Subsequent Events

The University has evaluated subsequent events from the balance sheet date through March 19, 2021, the date at which the financial statements were available to be issued, and determined there are no additional items to disclose.

Schedule 1 - Combining Statement of Net Position

	New Mexico State University 2020	Arrowhead Center, Inc. 2020	Total 2020
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 76,441,865	\$ 1,317,143	\$ 77,759,008
Restricted cash and cash equivalents	8,714,140	-	8,714,140
Cash and cash equivalents held in trust by component unit for NMSU	5,847,476	-	5,847,476
Cash and cash equivalents held in trust by others	-	-	-
Short-term investments	15,764,162	-	15,764,162
Accounts receivable, net	51,158,626	29,975	51,188,601
Due from component unit	1,554,371	-	1,554,371
Inventories	3,273,358	-	3,273,358
Prepaid expenses	1,721,668	-	1,721,668
Loans receivable - current portion, net	655,556	-	655,556
Total current assets	<u>165,131,222</u>	<u>1,347,118</u>	<u>166,478,340</u>
Non-current assets:			
Unrestricted cash and cash equivalents	51,811,151	-	51,811,151
Restricted cash and cash equivalents	35,767,380	-	35,767,380
Investments held in trust by component unit for NMSU	39,853,338	-	39,853,338
Other long-term investments	29,883,570	105,955	29,989,525
Loans receivable, net	6,825,000	-	6,825,000
Capital assets, net	499,188,132	-	499,188,132
Total non-current assets	<u>663,328,571</u>	<u>105,955</u>	<u>663,434,526</u>
TOTAL ASSETS	<u>828,459,793</u>	<u>1,453,073</u>	<u>829,912,866</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>123,557,926</u>	<u>-</u>	<u>123,557,926</u>
LIABILITIES			
Current liabilities:			
Accounts payable	12,255,058	19,373	12,274,431
Other accrued liabilities	16,983,281	25,000	17,008,281
Accrued interest payable	1,313,101	-	1,313,101
Unearned revenue	14,662,547	1,567	14,664,114
Held in trust by NMSU	-	-	-
Long-term liabilities - current portion	17,665,364	-	17,665,364
Total current liabilities	<u>62,879,351</u>	<u>45,940</u>	<u>62,925,291</u>
Non-current liabilities:			
Accrued benefit reserves	659,630	-	659,630
Other long-term liabilities	139,018,774	-	139,018,774
Net pension liability	487,324,359	-	487,324,359
Other post-employment benefit liability	160,555,023	-	160,555,023
Total non-current liabilities	<u>787,557,786</u>	<u>-</u>	<u>787,557,786</u>
TOTAL LIABILITIES	<u>850,437,137</u>	<u>45,940</u>	<u>850,483,077</u>
DEFERRED INFLOWS OF RESOURCES	<u>58,359,047</u>	<u>-</u>	<u>58,359,047</u>
NET POSITION			
Net investment in capital assets	377,779,252	-	377,779,252
Restricted for:			
Non-expendable:			
Endowments	28,902,450	-	28,902,450
Expendable:			
Endowments	1,979,513	-	1,979,513
General activities	6,548,114	-	6,548,114
Federal student loans	10,131,040	-	10,131,040
Capital projects	34,588,036	-	34,588,036
Related entity activities	1,831,793	1,407,133	3,238,926
Unrestricted	(418,538,663)	-	(418,538,663)
TOTAL NET POSITION	<u>\$ 43,221,535</u>	<u>\$ 1,407,133</u>	<u>\$ 44,628,668</u>

See accompanying independent auditor's report.

Schedule 1 - Combining Statement of Net Position

	New Mexico State University 2019	Arrowhead Center, Inc. 2019	Total 2019
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,198,555	\$ 1,147,528	\$ 10,346,083
Restricted cash and cash equivalents	5,527,651	-	5,527,651
Cash and cash equivalents held in trust by component unit for NMSU	5,313,291	-	5,313,291
Cash and cash equivalents held in trust by others	347,051	-	347,051
Short-term investments	35,315,164	-	35,315,164
Accounts receivable, net	50,006,077	34,273	50,040,350
Due from component unit	2,150,697	-	2,150,697
Inventories	2,535,124	-	2,535,124
Prepaid expenses	2,430,153	-	2,430,153
Student loans receivable - current portion, net	805,960	-	805,960
Total current assets	<u>113,629,723</u>	<u>1,181,801</u>	<u>114,811,524</u>
Non-current assets:			
Unrestricted cash and cash equivalents	50,382,419	-	50,382,419
Restricted cash and cash equivalents	30,588,616	-	30,588,616
Investments held in trust by component unit for NMSU	42,404,246	-	42,404,246
Restricted long-term investments	14,514,392	-	14,514,392
Other long-term investments	65,018,943	42,841	65,061,784
Student loans receivable, net	8,178,641	-	8,178,641
Capital assets, net	506,751,594	-	506,751,594
Total non-current assets	<u>717,838,851</u>	<u>42,841</u>	<u>717,881,692</u>
TOTAL ASSETS	<u>831,468,574</u>	<u>1,224,642</u>	<u>832,693,216</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>197,892,002</u>	<u>-</u>	<u>197,892,002</u>
LIABILITIES			
Current liabilities:			
Accounts payable	15,667,934	22,903	15,690,837
Other accrued liabilities	15,360,176	28,952	15,389,128
Accrued interest payable	1,729,812	-	1,729,812
Unearned revenue	10,283,546	4,231	10,287,777
Held in trust by NMSU	-	-	-
Long-term liabilities - current portion	17,221,479	-	17,221,479
Total current liabilities	<u>60,262,947</u>	<u>56,086</u>	<u>60,319,033</u>
Non-current liabilities:			
Accrued benefit reserves	659,630	-	659,630
Other long-term liabilities	159,777,115	-	159,777,115
Net pension liability	792,236,144	-	792,236,144
Other post-employment benefit liability	139,913,186	-	139,913,186
Total non-current liabilities	<u>1,092,586,075</u>	<u>-</u>	<u>1,092,586,075</u>
TOTAL LIABILITIES	<u>1,152,849,022</u>	<u>56,086</u>	<u>1,152,905,108</u>
DEFERRED INFLOWS OF RESOURCES	<u>36,205,662</u>	<u>-</u>	<u>36,205,662</u>
NET POSITION			
Net investment in capital assets	383,627,323	-	383,627,323
Restricted for:			
Non-expendable:			
Endowments	30,080,928	-	30,080,928
Expendable:			
Endowments	1,962,258	-	1,962,258
General activities	6,348,287	-	6,348,287
Federal student loans	12,912,159	-	12,912,159
Capital projects	20,719,686	-	20,719,686
Related entity activities	16,808	1,168,556	1,185,364
Unrestricted	(615,361,557)	-	(615,361,557)
TOTAL NET POSITION	<u>\$ (159,694,108)</u>	<u>\$ 1,168,556</u>	<u>\$ (158,525,552)</u>

See accompanying independent auditor's report.

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

	New Mexico State University 2020	Arrowhead Center, Inc 2020	Total Primary Institution 2020
REVENUES			
Operating revenues:			
Student tuition and fees (gross)	\$ 115,994,019	\$ -	\$ 115,994,019
Less: scholarship allowances	(47,542,989)	-	(47,542,989)
Student tuition and fees (net)	68,451,030	-	68,451,030
Federal appropriations, grants and contracts	88,589,399	-	88,589,399
State grants and contracts	11,947,929	-	11,947,929
Local Appropriations, grants and contracts	2,819,166	-	2,819,166
Non-governmental grants, contracts and gifts	8,556,640	-	8,556,640
Sales and services	6,639,775	-	6,639,775
Auxiliary enterprises (net of scholarship allowances)	13,646,408	-	13,646,408
Other operating revenues	16,763,269	-	16,763,269
Total operating revenues	<u>217,413,616</u>	<u>-</u>	<u>217,413,616</u>
EXPENSES			
Operating expenses:			
Instruction	78,630,132	-	78,630,132
Research	56,164,075	-	56,164,075
Public service	31,113,580	-	31,113,580
Academic support	14,852,601	-	14,852,601
Student services	10,411,755	-	10,411,755
Institutional support	18,659,483	-	18,659,483
Operation and maintenance of plant	34,744,133	-	34,744,133
Scholarships and fellowships	34,668,003	-	34,668,003
Auxiliary enterprises	13,790,426	-	13,790,426
Independent operations	13,185,507	-	13,185,507
Intercollegiate athletics	16,237,171	-	16,237,171
Student social and cultural	2,579,152	-	2,579,152
Loan administration (net)	2,009,009	-	2,009,009
Depreciation	34,791,220	-	34,791,220
Total operating expenses	<u>361,836,247</u>	<u>-</u>	<u>361,836,247</u>
Net operating income (loss)	<u>(144,422,631)</u>	<u>-</u>	<u>(144,422,631)</u>
Non-operating revenues (expenses):			
State appropriations	212,257,252	-	212,257,252
Federal Pell grants	41,979,051	-	41,979,051
State lottery scholarship	14,150,345	-	14,150,345
Local tax levy revenue	20,825,560	-	20,825,560
Gifts and non-exchange grants	7,209,179	-	7,209,179
Investment income (loss)	4,767,715	-	4,767,715
Building fees	4,401,547	-	4,401,547
Land lease and permanent fund	4,370,598	-	4,370,598
Loss on disposal of plant	(110,983)	-	(110,983)
Gain on sale of land	148,880	-	148,880
Additions to quasi endowments	82,323	-	82,323
Interest and other expenses on capital asset-related debt	(4,685,137)	-	(4,685,137)
Other non-operating revenues (expenses)	6,759,365	238,577	6,997,942
Net non-operating revenues	<u>312,155,695</u>	<u>238,577</u>	<u>312,394,272</u>
Income (loss) before other revenues	167,733,064	238,577	167,971,641
Capital appropriations	30,976,801	-	30,976,801
Capital grants, gifts, and other income	2,203,248	-	2,203,248
Additions to permanent endowments	2,002,530	-	2,002,530
Increase (decrease) in net position	<u>202,915,643</u>	<u>238,577</u>	<u>203,154,220</u>
NET POSITION			
Beginning of year	(159,694,108)	1,168,556	(158,525,552)
End of year	<u>\$ 43,221,535</u>	<u>\$ 1,407,133</u>	<u>\$ 44,628,668</u>

See accompanying independent auditor's report.

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

	New Mexico State University 2019	Arrowhead Center, Inc 2019	Total Primary Institution 2019
REVENUES			
Operating revenues:			
Student tuition and fees (gross)	\$ 112,522,576	\$ -	\$ 112,522,576
Less: scholarship allowances	(47,162,065)	-	(47,162,065)
Student tuition and fees (net)	65,360,511	-	65,360,511
Federal appropriations, grants and contracts	86,468,214	-	86,468,214
State grants and contracts	9,489,426	-	9,489,426
Local Appropriations, grants and contracts	2,837,727	-	2,837,727
Non-governmental grants, contracts and gifts	7,514,905	-	7,514,905
Sales and services	7,339,055	-	7,339,055
Auxiliary enterprises (net of scholarship allowances)	14,441,402	-	14,441,402
Other operating revenues	16,387,992	-	16,387,992
Total operating revenues	<u>209,839,232</u>	<u>-</u>	<u>209,839,232</u>
EXPENSES			
Operating expenses:			
Instruction	176,921,957	-	176,921,957
Research	98,694,960	-	98,694,960
Public service	58,820,800	-	58,820,800
Academic support	31,103,109	-	31,103,109
Student services	20,924,078	-	20,924,078
Institutional support	40,407,160	-	40,407,160
Operation and maintenance of plant	42,781,681	-	42,781,681
Scholarships and fellowships	30,663,564	-	30,663,564
Auxiliary enterprises	23,730,357	-	23,730,357
Independent operations	20,806,851	-	20,806,851
Intercollegiate athletics	22,932,490	-	22,932,490
Student social and cultural	4,264,322	-	4,264,322
Loan administration (net)	(134,540)	-	(134,540)
Depreciation	34,249,951	-	34,249,951
Total operating expenses	<u>606,166,740</u>	<u>-</u>	<u>606,166,740</u>
Net operating income (loss)	<u>(396,327,508)</u>	<u>-</u>	<u>(396,327,508)</u>
Non-operating revenues (expenses):			
State appropriations	199,928,700	-	199,928,700
Federal Pell grants	42,359,877	-	42,359,877
State lottery scholarship	13,501,706	-	13,501,706
Local tax levy revenue	18,690,646	-	18,690,646
Gifts and non-exchange grants	9,078,670	-	9,078,670
Investment income (loss)	8,258,564	-	8,258,564
Building fees	4,041,764	-	4,041,764
Land lease and permanent fund	4,381,727	-	4,381,727
Loss on disposal of plant	(322,081)	-	(322,081)
Gain on sale of land	1,140,379	-	1,140,379
Additions to quasi endowments	80,398	-	80,398
Interest and other expenses on capital asset-related debt	(6,221,298)	-	(6,221,298)
Other non-operating revenues (expenses)	(970,751)	105,226	(865,525)
Net non-operating revenues	<u>293,948,301</u>	<u>105,226</u>	<u>294,053,527</u>
Income (loss) before other revenues	(102,379,207)	105,226	(102,273,981)
Capital appropriations	22,482,681	-	22,482,681
Capital grants, gifts, and other income	10,913,002	-	10,913,002
Additions to permanent endowments	2,318,296	-	2,318,296
Increase (decrease) in net position	<u>(66,665,228)</u>	<u>105,226</u>	<u>(66,560,002)</u>
NET POSITION			
Beginning of year	(93,028,880)	1,063,330	(91,965,550)
End of year	<u>\$ (159,694,108)</u>	<u>\$ 1,168,556</u>	<u>\$ (158,525,552)</u>

See accompanying independent auditor's report.

Schedule 3A - Budgetary Comparison Schedules - Unrestricted and Restricted - All Operations for June 30, 2020

	Original Budget	Revised Budget	Actuals	Revised Budget vs Actuals - Variance Favorable (Unfavorable)
Unrestricted and restricted beginning fund balance	\$ 141,915,243	\$ 166,286,179	\$ 166,286,179	\$ -
Unrestricted and restricted revenues:				
State government appropriations	211,342,800	212,284,686	212,257,251	(27,435)
Federal revenue sources	133,067,061	166,256,067	137,741,401	(28,514,666)
Tuition and fees income	118,307,277	117,723,128	114,541,874	(3,181,254)
Land and permanent fund	3,097,136	3,350,000	4,370,598	1,020,598
Endowment and private gifts	13,716,966	13,042,043	11,632,021	(1,410,022)
Other sources	159,844,223	195,408,009	213,021,707	17,613,698
Total unrestricted and restricted revenues	<u>639,375,463</u>	<u>708,063,933</u>	<u>693,564,852</u>	<u>(14,499,081)</u>
Unrestricted and restricted expenditures:				
Instruction	154,394,610	162,890,726	149,804,004	13,086,722
Academic support	29,894,464	32,589,308	29,479,898	3,109,410
Student services	19,676,473	20,002,403	18,258,274	1,744,129
Institutional support	33,711,153	37,578,765	34,153,849	3,424,916
Operation and maintenance	24,735,750	27,301,000	22,990,632	4,310,368
Subtotal instruction and general	<u>262,412,450</u>	<u>280,362,202</u>	<u>254,686,657</u>	<u>25,675,545</u>
Student social and cultural activities	4,005,189	4,601,886	3,543,253	1,058,633
Research	98,579,438	110,164,862	101,045,610	9,119,252
Public service	52,716,601	55,110,905	51,272,712	3,838,193
Internal services - expenditures	44,038,643	44,986,062	40,006,439	4,979,623
Internal services - interdepartmental credits	(44,181,201)	(43,456,625)	(38,420,717)	(5,035,908)
Student aid, grants and stipends	89,188,737	102,479,826	90,405,942	12,073,884
Auxiliary services	21,674,704	29,218,632	20,114,391	9,104,241
Intercollegiate athletics	20,405,320	21,665,235	21,214,696	450,539
Independent operations	18,488,159	22,912,680	18,691,334	4,221,346
Capital outlay	43,434,696	58,324,205	33,240,113	25,084,092
Renewal and replacement	12,202,634	14,242,084	9,813,951	4,428,133
Retirement of indebtedness	14,516,312	41,830,884	41,237,516	593,368
Total unrestricted and restricted expenditures	<u>637,481,682</u>	<u>742,442,838</u>	<u>646,851,897</u>	<u>95,590,941</u>
Net transfers to (from)	<u>-</u>	<u>1,593,338</u>	<u>959,919</u>	<u>633,419</u>
Change in fund balance	<u>1,893,781</u>	<u>(35,972,243)</u>	<u>45,753,036</u>	<u>81,725,279</u>
Ending fund balance	<u>\$ 143,809,024</u>	<u>\$ 130,313,936</u>	<u>\$ 212,039,215</u>	<u>\$ 81,725,279</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 the following items of budgetary control may not exceed the amounts shown in the approved budget: A. Unrestricted expenditures and restricted expenditures. B. Instruction and general. C. Each budget function in current funds other than instruction and general. D. Within the plant funds budget: major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements, and debt service. E. Each individual item of transfer between funds and/or functions. Budgets are presented on a modified accrual basis of accounting.

See accompanying independent auditor's report.

Schedule 3B - Budgetary Comparison Schedules - Unrestricted - Instruction and General for June 30, 2020

	Original Budget	Revised Budget	Actuals	Revised Budget vs Actuals - Variance Favorable (Unfavorable)
Unrestricted beginning fund balance	\$ 19,035,651	\$ 33,652,594	\$ 33,652,594	\$ -
Unrestricted revenues:				
Tuition and fees income	98,151,728	97,184,622	92,944,319	(4,240,303)
Miscellaneous fees	7,751,587	7,977,874	9,169,797	1,191,923
Federal government appropriations	-	-	-	-
State government appropriations	161,039,360	161,061,246	161,061,346	100
Local government appropriations	13,110,005	18,239,695	20,827,560	2,587,865
Federal government grants and contracts	126,370	143,460	186,903	43,443
State government grants and contracts	-	-	-	-
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	3,097,136	3,350,000	4,370,598	1,020,598
Private gifts	10,000	-	-	-
Sales and services	727,700	515,000	592,843	77,843
Other sources	15,603,838	16,594,831	16,478,764	(116,067)
Total unrestricted revenues	<u>299,617,724</u>	<u>305,066,728</u>	<u>305,632,130</u>	<u>565,402</u>
Unrestricted expenditures:				
Instruction	144,022,227	148,519,500	138,175,920	10,343,580
Academic support	27,563,827	30,145,902	27,843,866	2,302,036
Student services	18,856,191	18,781,302	17,626,396	1,154,906
Institutional support	33,175,553	36,858,965	33,925,332	2,933,633
Operation and maintenance	24,716,050	25,185,600	22,969,897	2,215,703
Total unrestricted expenditures	<u>248,333,848</u>	<u>259,491,269</u>	<u>240,541,411</u>	<u>18,949,858</u>
Net transfers to (from)	<u>51,283,876</u>	<u>62,968,455</u>	<u>61,159,498</u>	<u>1,808,957</u>
Change in fund balance	<u>-</u>	<u>(17,392,996)</u>	<u>3,931,221</u>	<u>21,324,217</u>
Ending fund balance	<u>\$ 19,035,651</u>	<u>\$ 16,259,598</u>	<u>\$ 37,583,815</u>	<u>\$ 21,324,217</u>

See accompanying independent auditor's report.

Schedule 3C- Budgetary Comparison Schedules - Restricted - Instruction and General for June 30, 2020

	Original Budget	Revised Budget	Actuals	Revised Budget vs Actuals - Variance Favorable (Unfavorable)
Restricted beginning fund balance	\$ -	\$ -	\$ -	\$ -
Restricted revenues:				
Tuition and fees income	-	-	-	-
Miscellaneous fees	-	-	-	-
Federal government appropriations	-	-	-	-
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government grants and contracts	7,001,441	13,886,587	8,339,227	(5,547,360)
State government grants and contracts	1,842,492	2,189,404	2,006,823	(182,581)
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	379,057	347,215	275,111	(72,104)
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	4,855,612	4,447,727	3,524,085	(923,642)
Sales and services	-	-	-	-
Other sources	-	-	-	-
Total restricted revenues	<u>14,078,602</u>	<u>20,870,933</u>	<u>14,145,246</u>	<u>(6,725,687)</u>
Restricted expenditures:				
Instruction	10,372,383	14,371,226	11,628,084	2,743,142
Academic support	2,330,637	2,443,406	1,636,032	807,374
Student services	820,282	1,221,101	631,878	589,223
Institutional support	535,600	719,800	228,517	491,283
Operation and maintenance	19,700	2,115,400	20,735	2,094,665
Total restricted expenditures	<u>14,078,602</u>	<u>20,870,933</u>	<u>14,145,246</u>	<u>6,725,687</u>
Net transfers to (from)	-	-	-	-
Change in fund balance	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

Schedule 3 - Budgetary Comparison Schedules - Combined Campuses

Reconciliation of Budget
 Unrestricted and Restricted - All Operations
 For the Year Ended June 30, 2020

Total Unrestricted and Restricted Revenues:		\$ 693,564,852
Reconciling Items:		
Scholarship allowance	\$ (54,199,345)	
Elimination of Internal Revenues	(15,476,709)	
Endowment fund revenues	(1,630,576)	
Capitalization of Plant	(29,466,718)	
Bond proceeds recognized	(28,260,609)	
Blended Component Unit Revenues (AHI, ADI)	2,712,390	
Loan Fund Additions	(198,804)	
Financial statement adjustments	<u>2,742,106</u>	
Total reconciling items		<u>(123,778,265)</u>
Total reconciled unrestricted and restricted revenues		<u>\$ 569,786,587</u>
Basic Financial Statements		
Operating revenues		\$ 217,413,616
Non-operating revenues		314,091,089
Non-operating revenues netted in other non-operating revenues and expenses		2,950,423
Gain on Sale of Land		148,880
Other Revenues		<u>35,182,579</u>
Total revenues per Financial Statements		<u>\$ 569,786,587</u>
Difference		<u>\$ -</u>
Total Unrestricted and Restricted Expenses:		\$ 646,851,897
Reconciling Items:		
Scholarship allowance	\$ (54,199,345)	
Elimination of Internal Sales	(15,476,709)	
Blended Component Unit expenditures (AHI, ADI)	666,131	
Depreciation expense	34,791,220	
Loan fund expenditures	2,009,009	
Capitalized expenditures	(27,339,862)	
Bond principal payments	(36,193,470)	
Pension Expense	(196,910,098)	
Accounts Payable accrual, net	(34,742)	
Financial statement reporting adjustments	347,727	
Other operating expense, primarily OPEB	12,231,592	
Loss on disposal of plant	<u>(110,983)</u>	
Total reconciling items		<u>(280,219,530)</u>
Total reconciled unrestricted and restricted expenses		<u>\$ 366,632,367</u>
Basic Financial Statements		
Operating expenditures		\$ 361,836,247
Non-operating expenditures		4,685,137
Loss on disposal of plant		<u>110,983</u>
Total Expenditures per Financial Statements		<u>\$ 366,632,367</u>
Difference		<u>\$ -</u>

See accompanying independent auditor's report.

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

Page 1

Account	Type of Security	CUSIP No./ Security #	Maturity Date	Fair Value of Collateral	Deposit Amount
CITIZEN'S BANK OF LAS CRUCES					
<i>Certificate of Deposit Endowment</i>	None				<u>\$ 31,121</u>
FIRST NATIONAL BANK OF ALAMOGORDO					
<i>Cash</i>	Mortgage-Backed	31418BBB1	3/1/2024	\$ 150,466	<u>\$ 539,140</u>
WELLS FARGO BANK OF NEW MEXICO					
<i>Cash</i>	FMAC FEPC	3132A5D77	8/1/2045	\$ 8,070,322	<u>\$ 51,907,575</u>
<i>Cash</i>	FMAC FEPC	3132A5G74	6/1/2047	\$ 8,465,371	
<i>Cash</i>	FMAC FEPC	3132A5GQ2	3/1/2047	\$ 92,572	
<i>Cash</i>	FMAC FEPC	3133A05K6	1/1/2050	\$ 604,833	
<i>Cash</i>	FMAC FEPC	3133KGU48	10/1/2049	\$ 3,008,132	
<i>Cash</i>	FNMA FNMS	3140FCTG3	2/1/2047	\$ 867,282	
<i>Cash</i>	FNMA FNMS	3140J8XU2	8/1/2038	\$ 7,365,332	
<i>Cash</i>	FNMA FNMS	3140JQTX1	9/1/2049	\$ 3,921,209	
<i>Cash</i>	FNMA FNMS	3140K0WP9	10/1/2049	\$ 9,181,226	
<i>Cash</i>	FNMA FNMS	3140K5JR9	2/1/2050	\$ 7,212,104	
<i>Cash</i>	FNMA FNMS	31418B3U8	5/1/2036	\$ 213,711	
<i>Cash</i>	FNMA FNMS	31418CLG7	6/1/2047	\$ 10,489,732	
<i>Cash</i>	FNMA FNMS	31418CND2	8/1/2047	\$ 5,058,523	
WESTERN COMMERCE BANK, CARLSBAD					
<i>Cash</i>					<u>\$ 19,972</u>
WELLS FARGO SECURITIES, LLC (CERTIFICATES OF DEPOSIT)					
Ally Bank Interest Bearing	None				\$ 250,000
Capital One National Association VA CD	None				250,000
Comenity Cap Bank Utah CD	None				250,000
Discover Bank Interest Bearing CD	None				250,000
Goldman Sachs Bank Interest Bearing CD	None				250,000
Morgan Stanley Bank NA	None				250,000
Wells Fargo Sioux Falls	None				250,000
					<u>\$ 1,750,000</u>
None					
American Express National Bank	None				\$ 250,000
Bar Harbor Bank & Trust	None				250,000
Barclays Bank Delaware	None				248,000
Capital One Bank USA NA	None				248,000
Citibank NA	None				250,000
Citizens Bank	None				248,000
Comenity Capital Bank	None				250,000
Comenity Capital Bank	None				250,000
Crescom Bank	None				248,000
Goldman Sachs Bank	None				248,000
Merrick Bank	None				250,000
Morgan Stanley PVT Bank	None				250,000
Pinnacle Bank TN	None				248,000
Rockland Trust Co	None				250,000
Sallie Mae Bank/Salt Lake	None				250,000
Synchrony Bank	None				250,000
Texas Capital Bank	None				248,000
Tristate Capital Bank	None				248,000
Wex Bank	None				250,000
					<u>\$ 4,734,000</u>

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

See accompanying independent auditor's report.

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

Page 2

Account	FDIC/SPIC Insurance	Uninsured Public Funds	By the pledging Federal Institution	Excess Amounts over 50% Collateral Requirement
CITIZEN'S BANK OF LAS CRUCES				
Certificate of Deposit				
Endowment	\$ 31,121	\$ -	\$ -	\$ -
FIRST NATIONAL BANK OF ALAMOGORDO				
Cash	\$ 250,000	\$ 289,140	\$ 150,466	\$ 5,896
WELLS FARGO BANK OF NEW MEXICO				
Cash	\$ 250,000	\$ 51,657,575	\$ 64,550,346	\$ 38,721,559
WESTERN COMMERCE BANK, CARLSBAD				
Cash	\$ 19,972	\$ -	\$ -	\$ -
WELLS FARGO SECURITIES, LLC (CERTIFICATES OF DEPOSIT)				
Ally Bank Interest Bearing	\$ 250,000	\$ -	\$ -	\$ -
Capital One National Association VA CD	250,000	-	-	-
Comenity Cap Bank Utah CD	250,000	-	-	-
Discover Bank Interest Bearing CD	250,000	-	-	-
Goldman Sachs Bank Interest Bearing CD	250,000	-	-	-
Morgan Stanley Bank NA	250,000	-	-	-
Wells Fargo Sioux Falls	250,000	-	-	-
	<u>\$ 1,750,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FTM FINANCIAL CAPITAL MARKETS (CERTIFICATES OF DEPOSIT)				
American Express National Bank	\$ 250,000	\$ -	\$ -	\$ -
Bar Harbor Bank and Trust	250,000	-	-	-
Barclays Bank Delaware	248,000	-	-	-
Capital One Bank USA NA	248,000	-	-	-
Citibank NA	250,000	-	-	-
Citizens Bank	248,000	-	-	-
Comenity Capital Bank	250,000	-	-	-
Comenity Capital Bank	250,000	-	-	-
Crescom Bank	248,000	-	-	-
Gold Sachs Bank	248,000	-	-	-
Merrick Bank	250,000	-	-	-
Morgan Stanley PVT Bank	250,000	-	-	-
Pinnacle Bank TN	248,000	-	-	-
Rockland Trust Co	250,000	-	-	-
Sallie Mae Bank Salt Lake	250,000	-	-	-
Synchrony Bank	250,000	-	-	-
Texas Capital Bank	248,000	-	-	-
Tristate Capital Bank	248,000	-	-	-
Wex Bank	250,000	-	-	-
	<u>\$ 4,734,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**Schedule 5 - Schedule of Changes in Net OPEB liability and Related Ratios in accordance with GASB
Statement 75. (unaudited)**

	2020	2019	2018
Total OPEB liability			
Service Cost	\$ 5,787,303	\$ 5,127,283	\$ 4,936,250
Interest	5,208,772	5,268,892	5,291,343
Current Recognized deferred outflows/(inflows):			
Difference between expected and actual experience	(13,724,348)	-	-
Changes of assumptions or other inputs	28,160,992	7,135,616	(5,357,825)
Benefit payments	<u>(5,274,882)</u>	<u>(5,758,812)</u>	<u>(5,523,530)</u>
Net change in total OPEB liability	\$ 20,157,837	\$ 11,772,979	\$ (653,762)
Total OPEB liability-beginning	\$ <u>145,672,186</u>	\$ <u>133,899,207</u>	\$ <u>134,552,969</u>
Total OPEB liability-ending	\$ <u>165,830,023</u>	\$ <u>145,672,186</u>	\$ <u>133,899,207</u>
Covered-employee payroll	\$ 131,987,721	\$ 153,961,000	\$ 150,205,439
Total OPEB liability as a percentage of covered-employee payroll	126 %	95 %	89 %

	2020	2019	2018
Current retirees receiving benefits	1,802	1,740	1,716
Inactive employees entitled but not yet receiving benefits	-	-	-
Current active members	2,052	2,366	2,594

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the University is showing three year's presentation. No assets are accumulated in a trust to pay the related benefits. The discount rate is the only applicable change in the valuation.

See accompanying independent auditor's report.

**Schedule 6 - Schedule of Proportionate Share of Net Pension Liability and Employer Contributions
(unaudited)**

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

Schedule of Proportionate Share of Net Pension Liability - ERB Plan

	2020	2019	2018
University's proportion of the net pension liability	6.43137 %	6.66230 %	6.75462 %
University's proportion share of the net pension liability	\$ 487,324,359	\$ 792,236,144	\$ 750,673,479
University's covered-employee payroll	\$ 196,414,377	\$ 193,115,948	\$ 194,360,458
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	248.11 %	410.24 %	386.23 %
Plan fiduciary net position as a percentage of the total pension liability	64.13 %	52.17 %	52.95 %

	2017	2016	2015
University's proportion of the net pension liability	7.05471 %	7.31378 %	7.56103 %
University's proportion share of the net pension liability	\$ 507,687,518	\$ 473,733,007	\$ 431,412,011
University's covered-employee payroll	\$ 201,383,448	\$ 199,689,623	\$ 229,696,230
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	252.10 %	237.23 %	187.82 %
Plan fiduciary net position as a percentage of the total pension liability	61.58 %	63.97 %	66.54 %

Schedule of Employer Contributions - ERB Plan

	2020	2019	2018
Statutorily required employer contribution	\$ 28,188,265	\$ 26,135,142	\$ 25,880,341
Contribution in relation to the statutorily required contribution	<u>28,188,265</u>	<u>26,135,142</u>	<u>25,880,341</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered-employee payroll	206,801,497	196,414,377	193,115,948
Contributions as percentage of covered-employee payroll	13.63 %	13.31 %	13.40 %

	2017	2016	2015
Statutorily required employer contribution	\$ 26,736,537	\$ 28,006,297	\$ 31,140,209
Contribution in relation to the statutorily required contribution	<u>26,736,537</u>	<u>28,006,297</u>	<u>31,140,209</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered-employee payroll	194,360,458	201,383,448	199,689,623
Contributions as percentage of covered-employee payroll	13.76 %	13.91 %	15.59 %

Notes to Schedules:

Changes of Benefit Terms and Assumptions

Actuarial assumptions and methods are set by the Board of Trustee, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, The Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%. As of April 4, 2019, House Bill 360 was passed requiring all working retirees and the University to make regular employer contribution on eligible retiree wages. In addition, HB 360 increased the employer contribution percentage from 13.90% to 14.15%.

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	CFDA Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER					
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	AGRICULTURAL RESEARCH_BASIC & APPLIED		10.001	\$ -	\$ 2,384,748
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Texas Tech University	AGRICULTURAL RESEARCH_BASIC & APPLIED	58-3090-5-009	10.001	\$ -	\$ 9,142
			10.001 Total	\$ -	\$ 2,393,890
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	PLANT & ANIMAL DISEASE, PEST CONTROL, & ANIMAL CARE		10.025	\$ -	\$ 247,522
			10.025 Total	\$ -	\$ 247,522
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Texas A&M University	WILDLIFE SERVICES	12-APWSNWR00	10.028	\$ -	\$ 330
			10.028 Total	\$ -	\$ 330
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	SPECIALTY CROP BLOCK GRANT		10.170	\$ 232,271	\$ 464,117
			10.170 Total	\$ 232,271	\$ 464,117
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	GRANTS FOR AGRICULTURAL RESEARCH		10.200	\$ 11,510	\$ 431,926
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Kansas State University Kansas State University Regents University of California Davis Regents University of California Davis	GRANTS FOR AGRICULTURAL RESEARCH GRANTS FOR AGRICULTURAL RESEARCH GRANTS FOR AGRICULTURAL RESEARCH GRANTS FOR AGRICULTURAL RESEARCH	2015-38624-24333 2019-38624-30289 2017-34383-27027 2019-34383-29950	10.200 10.200 10.200 10.200	\$ - \$ - \$ - \$ -	\$ 16,544 \$ 403 \$ (610) \$ 68,545
			10.200 Total	\$ 11,510	\$ 516,808
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	COOPERATIVE FORESTRY RESEARCH		10.202	\$ -	\$ 11,134
			10.202 Total	\$ -	\$ 11,134
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	HATCH FEDERAL APPROPRIATIONS		10.203	\$ -	\$ 1,743,236
			10.203 Total	\$ -	\$ 1,743,236
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	ANIMAL HEALTH FEDERAL APPROPRIATION		10.207	\$ -	\$ 39,494
			10.207 Total	\$ -	\$ 39,494
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	SUSTAINABLE USE OF BIOMASS RESOURCE		10.210	\$ -	\$ 23,966
			10.210 Total	\$ -	\$ 23,966
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Montana State University Montana State University Utah State University	SUSTAINABLE AGRICULTURE RESEARCH & EDUCATION SUSTAINABLE AGRICULTURE RESEARCH & EDUCATION SUSTAINABLE AGRICULTURE RESEARCH & EDUCATION	2018-38640-28418 2019-38640-29880-WS3SI 2017-38640-26913	10.215 10.215 10.215	\$ - \$ - \$ -	\$ 27,383 \$ 8,227 \$ 61,013
			10.215 Total	\$ -	\$ 96,623
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	HIGHER EDUCATION - CHALLENGE GRANTS		10.217	\$ 26,756	\$ 79,585
			10.217 Total	\$ 26,756	\$ 79,585
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	HISPANIC SERVING INSTITUTION GRANTS		10.223	\$ 71,563	\$ 345,950
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU University of Texas University of Texas University of Texas Texas A&M University- Kingsville Texas State University The Florida International University Board of Trustees University of Texas at El Paso	HISPANIC SERVING INSTITUTION GRANTS HISPANIC SERVING INSTITUTION GRANTS HISPANIC SERVING INSTITUTION GRANTS HISPANIC SERVING INSTITUTION GRANTS HISPANIC SERVING INSTITUTION GRANTS HISPANIC SERVING INSTITUTION GRANTS HISPANIC SERVING INSTITUTION GRANTS	2014-38422-22078 2015-35422-24112 2015-38422-24059 (03) 2017-38422-27298 2014-38422-22084 2015-38422-24075 2018-38422-28564	10.223 10.223 10.223 10.223 10.223 10.223 10.223	\$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ 6,112 \$ 50,720 \$ 35,451 \$ 59,064 \$ (563) \$ 50,694 \$ 87,228
			10.223 Total	\$ 71,563	\$ 634,656
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Board of Regents Southwestern Indian Polytechnic Institute	TRADITION NAVAJO FOOD & FIBER CROP	N/A	10.227	\$ -	\$ 12,914
			10.227 Total	\$ -	\$ 12,914
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	CONSUMER DATA AND NUTRITION RESEARCH		10.253	\$ -	\$ 67,228
			10.253 Total	\$ -	\$ 67,228
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	SPECIALTY CROP RESEARCH INITIATIVE		10.309	\$ 802,877	\$ 1,207,567
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU University of Florida Washington State University Washington State University	SPECIALTY CROP RESEARCH INITIATIVE SPECIALTY CROP RESEARCH INITIATIVE SPECIALTY CROP RESEARCH INITIATIVE	2015-70016-23010 20185118128435 2019-51181-30013	10.309 10.309 10.309	\$ - \$ - \$ -	\$ 121,719 \$ 127,136 \$ 3,780
			10.309 Total	\$ 802,877	\$ 1,460,202
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	AGRICULTURE & FOOD RESEARCH INITIATIVE		10.310	\$ 41,078	\$ 298,462
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Colorado State University Colorado State University University of Maryland University of Tennessee Regents University of California Davis Texas A&M University Texas A&M University The Board of Trustees of the University of Illinois University of Arizona University of Texas	AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE AGRICULTURE & FOOD RESEARCH INITIATIVE	2015-68001-23240 2016-68007-25066 201668007-25064 2014-67001-2185 2019-67013-29235 2017-608008-26205 2017-68007-26318 2016-67019-25212 2017-68005-26867 2015-68007-23130	10.310 10.310 10.310 10.310 10.310 10.310 10.310 10.310 10.310 10.310	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ 110,413 \$ 71,260 \$ 177,769 \$ 961 \$ 8,718 \$ 10,554 \$ 257,134 \$ 24,409 \$ 620,142 \$ 102,456
			10.310 Total	\$ 41,078	\$ 1,682,278
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	FARM BUSINESS MANAGEMENT AND BENCHMARKING		10.319	\$ 231,801	\$ 717,059
			10.319 Total	\$ 231,801	\$ 717,059
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU State of Oklahoma	SUN GRANT PROGRAM	2014-38502-22598	10.320	\$ -	\$ (128)
			10.320 Total	\$ -	\$ (128)
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Regents University of California Davis	CROP PROTECTION AND PEST MANAGEMENT	2018-70006-28881	10.329	\$ -	\$ 2,070
			10.329 Total	\$ -	\$ 2,070
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Energy And Minerals Department	FOREST HEALTH PROTECTION	N/A	10.680	\$ -	\$ 7,988
			10.680 Total	\$ -	\$ 7,988

See accompanying independent auditor's report.

DEPARTMENT OF INTERIOR (DOI) - PASS THRU							
State of NM Dept Of Game And Fish	WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	GFDW18001	15.611	\$	-	\$	287,914
State of NM Dept Of Game And Fish	WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	W-151-R-4	15.611	\$	-	\$	12,500
State of NM Dept Of Game And Fish	WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	WILDLIFE RESTORATION GRANT W-139-R	15.611	\$	-	\$	(3,507)
			15.611 Total	\$	-	\$	435,525
DEPARTMENT OF INTERIOR (DOI) - DIRECT							
	MIGRATORY BIRD MONITORING, ASSESSMENT & CONSERV		15.655	\$	-	\$	172
			15.655 Total	\$	-	\$	172
DEPARTMENT OF INTERIOR (DOI) - DIRECT							
	COOPERATIVE ECOSYSTEMS STUDIES		15.678	\$	-	\$	108,332
			15.678 Total	\$	-	\$	108,332
DEPARTMENT OF INTERIOR (DOI) - DIRECT							
	ASSISTANCE TO STATE WATER RESEARCH INSTITUTES		15.805	\$	24,564	\$	304,190
			15.805 Total	\$	24,564	\$	304,190
DEPARTMENT OF INTERIOR (DOI) - DIRECT							
	EARTHQUAKE HAZARDS RESEARCH		15.807	\$	-	\$	24,355
			15.807 Total	\$	-	\$	24,355
DEPARTMENT OF INTERIOR (DOI) - DIRECT							
	US GEOLOGICAL SURVEY		15.808	\$	-	\$	238,783
			15.808 Total	\$	-	\$	238,783
DEPARTMENT OF INTERIOR (DOI) - DIRECT							
	COOPERATIVE RESEARCH UNITS PROGRAM		15.812	\$	-	\$	189,692
			15.812 Total	\$	-	\$	189,692
DEPARTMENT OF INTERIOR (DOI) - DIRECT							
	COOPERATIVE RESEARCH & TRAINING PROGRAM		15.945	\$	4,329	\$	316,734
			15.945 Total	\$	4,329	\$	316,734
DEPARTMENT OF INTERIOR (DOI) - PASS THRU							
New Mexico Association of Conservation District	DEPARTMENT OF INTERIOR	L15AC00274	15.rd	\$	-	\$	7,339
New Mexico Association of Conservation District	DEPARTMENT OF INTERIOR	N/A	15.rd	\$	-	\$	54,391
State of NM Dept Of Game And Fish	DEPARTMENT OF INTERIOR	F18AF00280	15.rd	\$	-	\$	46,603
State of NM Dept Of Game And Fish	DEPARTMENT OF INTERIOR	SPORTFISH RESTORATION F-91-M	15.rd	\$	-	\$	(213)
			15.rd Total	\$	-	\$	108,120
DEPARTMENT OF TRANSPORTATION (DOT) - DIRECT							
	AIR TRANSPORTATION CENTERS FO EXCELLENCE		20.109	\$	40,978	\$	271,139
			20.109 Total	\$	40,978	\$	271,139
DEPARTMENT OF TRANSPORTATION (DOT) - DIRECT							
	HIGHWAY TRAINING AND EDUCATION		20.215	\$	-	\$	3,500
			20.215 Total	\$	-	\$	3,500
DEPARTMENT OF TRANSPORTATION (DOT) - PASS THRU							
Louisiana State University and A & M College	UNIVERSITY TRANSPORTATION CENTERS PROGRAM	69A3551747106	20.701	\$	-	\$	19,704
			20.701 Total	\$	-	\$	19,704
DEPARTMENT OF TRANSPORTATION (DOT) - PASS THRU							
New Mexico State Highway and Transportation Department	DEPARTMENT OF TRANSPORTATION	HWAR919030	20.rd	\$	-	\$	385
Northern Plains UAS Test Site	DEPARTMENT OF TRANSPORTATION	DTFACT15A-00002	20.rd	\$	-	\$	10,190
UtopiaCompression Corporation	DEPARTMENT OF TRANSPORTATION	692M15-20-C-00002	20.rd	\$	-	\$	8,803
			20.rd Total	\$	-	\$	19,378
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT							
	SCIENCE GRANTS		43.001	\$	53,452	\$	1,729,804
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - PASS THRU							
California Institute of Technology	SCIENCE GRANTS	80NM0018D0004	43.001	\$	-	\$	9,047
California Institute of Technology	SCIENCE GRANTS	NNN12AA01C	43.001	\$	-	\$	33,010
NorthWest Research Associates, Inc.	SCIENCE GRANTS	80NSSC18K0071	43.001	\$	-	\$	16,518
NorthWest Research Associates, Inc.	SCIENCE GRANTS	NWRA-16-S-186	43.001	\$	-	\$	39,491
William Marsh Rice University	SCIENCE GRANTS	NNX17AD31G	43.001	\$	-	\$	47,130
			43.001 Total	\$	53,452	\$	1,875,000
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT							
	SPACE OPERATIONS		43.007	\$	-	\$	109,168
			43.007 Total	\$	-	\$	109,168
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT							
	EDUCATION		43.008	\$	494,333	\$	1,498,469
			43.008 Total	\$	494,333	\$	1,498,469
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT							
	ABSORPTION OF NDMA ON CARBONS		43.010	\$	-	\$	104,315
			43.010 Total	\$	-	\$	104,315
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT							
	NATIONAL AERONAUTICS & SPACE ADMINISTRATION		43.rd	\$	-	\$	65,802
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - PASS THRU							
California Institute of Technology	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NNN12AA01C	43.rd	\$	-	\$	7,680
Jacobs Technology Inc.	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NN116HW06C	43.rd	\$	-	\$	1,081
Orbital Science Corporation	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NNG15WA53C	43.rd	\$	-	\$	58,054
Orbital Science Corporation	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NNG16WA70C	43.rd	\$	-	\$	295,381
Peraton Inc.	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	80GSFC19C0063	43.rd	\$	-	\$	57,625
Peraton Inc.	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NNG09DA01C	43.rd	\$	-	\$	22,253
Space Telescope Science Institute	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NASS-26555	43.rd	\$	-	\$	74,956
			43.rd Total	\$	-	\$	582,832
NATIONAL ENDOWMENT FOR HUMANITIES (NEH) - PASS THRU							
New York University	AMERASIA: A RENAISSANCE DISCOVERY	RZ-249862-16	45.161	\$	-	\$	9,185
			45.161 Total	\$	-	\$	9,185
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT							
	ENGINEERING GRANTS		47.041	\$	-	\$	891,498
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU							
Arizona State University	ENGINEERING GRANTS	EEC-1449501	47.041	\$	4,000	\$	500,813
Colorado School of Mines	ENGINEERING GRANTS	1827665	47.041	\$	-	\$	32,965
Stanford University	ENGINEERING GRANTS	1559984	47.041	\$	-	\$	20,355
Stanford University	ENGINEERING GRANTS	EEC-1028968	47.041	\$	-	\$	400,307
University of North Texas	ENGINEERING GRANTS	1856052	47.041	\$	-	\$	23,353
University Systems of New Hampshire	ENGINEERING GRANTS	1662098	47.041	\$	-	\$	48,782
			47.041 Total	\$	4,000	\$	1,918,073
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT							
	MATHEMATICAL & PHYSICAL SCIENCES		47.049	\$	299,012	\$	1,072,774
			47.049 Total	\$	299,012	\$	1,072,774
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT							
	GEOSCIENCES		47.050	\$	7,805	\$	408,185
			47.050 Total	\$	7,805	\$	408,185

See accompanying independent auditor's report.

NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT	COMPUTER & INFORMATION SCIENCE & ENGINEERING		47.070	\$ -	\$ 533,737
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
Texas A&M University	COMPUTER & INFORMATION SCIENCE & ENGINEERING	1925764	47.070	\$ -	\$ 11,822
University of Texas at El Paso	COMPUTER & INFORMATION SCIENCE & ENGINEERING	1551221	47.070	\$ -	\$ 51,703
			47.070 Total	\$ -	\$ 597,262
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT	BIOLOGICAL SCIENCES		47.074	\$ 16,352	\$ 1,585,382
			47.074 Total	\$ 16,352	\$ 1,585,382
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT	SOCIAL, BEHAVIORAL, & ECONOMIC SCIENCES		47.075	\$ 80,401	\$ 554,665
			47.075 Total	\$ 80,401	\$ 554,665
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT	EDUCATION & HUMAN RESOURCES		47.076	\$ 490,411	\$ 3,457,728
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
National Alliance for Partnerships in Equity Education Found	EDUCATION & HUMAN RESOURCES	NSF DUE-1601548	47.076	\$ -	\$ 16,757
			47.076 Total	\$ 490,411	\$ 3,474,485
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
North Dakota State University	OFFICE OF INTEGRATIVE ACTIVITIES	1826834	47.083	\$ -	\$ 99,992
University of New Mexico	OFFICE OF INTEGRATIVE ACTIVITIES	OIA-1757207	47.083	\$ -	\$ 1,542,339
			47.083 Total	\$ -	\$ 1,642,331
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT	NATIONAL SCIENCE FOUNDATION		47.rd	\$ -	\$ 49,083
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
Arizona State University	NATIONAL SCIENCE FOUNDATION	1449501	47.rd	\$ -	\$ 11,006
Assoc of Universities for Research in Astronomy, Inc. (AURA)	NATIONAL SCIENCE FOUNDATION	N/A	47.rd	\$ -	\$ 29,762
Regents University of California Davis	NATIONAL SCIENCE FOUNDATION	1758009	47.rd	\$ -	\$ 8,471
Thirteen Productions LLC	NATIONAL SCIENCE FOUNDATION	Requested from KRWG	47.rd	\$ -	\$ 25,000
University of Texas at El Paso	NATIONAL SCIENCE FOUNDATION	1834620	47.rd	\$ 104,009	\$ 234,156
			47.rd Total	\$ 104,009	\$ 357,478
ENVIRONMENTAL PROTECTION AGENCY (EPA) - PASS THRU					
State of New Mexico	SEDIMENT & AGRICULTURAL SAMPLING	01F22301	66.204	\$ -	\$ 39,877
			66.204 Total	\$ -	\$ 39,877
ENVIRONMENTAL PROTECTION AGENCY (EPA) - DIRECT	POLLUTION PREVENTION GRANTS		66.708	\$ -	\$ 136,239
			66.708 Total	\$ -	\$ 136,239
DEPARTMENT OF ENERGY (DOE) - DIRECT	DEPARTMENT OF ENERGY CEMRC		81.005	\$ -	\$ 669,711
			81.005 Total	\$ -	\$ 669,711
DEPARTMENT OF ENERGY (DOE) - DIRECT	OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM		81.049	\$ -	\$ 501,566
			81.049 Total	\$ -	\$ 501,566
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
Battelle Memorial Institute	IMPROVED & CATALYTIC HYDROTHERMAL	DE-AC05-76RL01830	81.079	\$ -	\$ (470)
			81.079 Total	\$ -	\$ (470)
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
New Mexico Consortium, Inc.	RENEWAL ENERGY RESEARCH & DEVELOPMENT	DE-EE0008122	81.087	\$ -	\$ 19,094
New Mexico Consortium, Inc.	RENEWAL ENERGY RESEARCH & DEVELOPMENT	DE-EE0008902	81.087	\$ -	\$ 175
University of North Carolina	RENEWAL ENERGY RESEARCH & DEVELOPMENT	DE-EE0008774	81.087	\$ -	\$ 43,433
			81.087 Total	\$ -	\$ 62,702
DEPARTMENT OF ENERGY (DOE) - DIRECT	FOSSIL ENERGY RESEARCH AND DEVELOPMENT		81.089	\$ 77,903	\$ 130,590
			81.089 Total	\$ 77,903	\$ 130,590
DEPARTMENT OF ENERGY (DOE) - DIRECT	ENVIR REMEDIATION & WASTE PROCESSING & DISPOSAL		81.104	\$ -	\$ 1,406,416
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
Savannah River Nuclear Solutions, LLC	ENVIR REMEDIATION & WASTE PROCESSING & DISPOSAL	DE-AC09-08SR22470	81.104	\$ 19,748	\$ 439,473
			81.104 Total	\$ 19,748	\$ 1,845,889
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
General Graphene Corp.	ADVANCED RESEARCH PROJECTS AGENCY	DE-AR0000986	81.135	\$ -	\$ 225,335
North Carolina State University	ADVANCED RESEARCH PROJECTS AGENCY	DE-AR0000976	81.135	\$ -	\$ 171,938
			81.135 Total	\$ -	\$ 397,273
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
Battelle Energy Alliance, LLC	DEPARTMENT OF ENERGY	DE-AC07-015D14517	81.rd	\$ -	\$ 64,090
Battelle Energy Alliance, LLC	DEPARTMENT OF ENERGY	DE-AC07-05ID14517	81.rd	\$ -	\$ 181,067
Battelle Memorial Institute	DEPARTMENT OF ENERGY	DE-AC05-76RL01830	81.rd	\$ -	\$ 66,182
Brookhaven National Laboratory	DEPARTMENT OF ENERGY	N/A	81.rd	\$ -	\$ 75,749
Honeywell Technology Solutions Incorporated	DEPARTMENT OF ENERGY	DE-NA0002839	81.rd	\$ -	\$ 7,460
Idaho National Laboratory	DEPARTMENT OF ENERGY	DE-AC07-05ID14517	81.rd	\$ 73,558	\$ 146,164
Los Alamos National Security LLC	DEPARTMENT OF ENERGY	89233218CNA000001	81.rd	\$ -	\$ 64,339
Los Alamos National Security LLC	DEPARTMENT OF ENERGY	AC52-06NA25396	81.rd	\$ -	\$ (22,875)
Los Alamos National Security LLC	DEPARTMENT OF ENERGY	DE-AC52-06NA25396	81.rd	\$ -	\$ 43,202
National Renewable Energy Laboratory	DEPARTMENT OF ENERGY	DE-AC36-08GO28308	81.rd	\$ -	\$ 18,008
National Renewable Energy Laboratory	DEPARTMENT OF ENERGY	DE-AC36-08GO28308	81.rd	\$ -	\$ 63,616
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	DE-AC52-06NA25396	81.rd	\$ -	\$ 96,114
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	LANS IA 0171	81.rd	\$ -	\$ 3,638
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	LANS IA NO. 0171	81.rd	\$ -	\$ (168)
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	LANSIA0171	81.rd	\$ -	\$ 26,019
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	NO. 0171 DE-AC52-06NA25396	81.rd	\$ -	\$ 14,480
NTESS Sandia National Laboratories	DEPARTMENT OF ENERGY	1875431	81.rd	\$ -	\$ 495,140
NTESS Sandia National Laboratories	DEPARTMENT OF ENERGY	CPA# 1875431	81.rd	\$ -	\$ 68,243
NTESS Sandia National Laboratories	DEPARTMENT OF ENERGY	CPA# 1875431	81.rd	\$ -	\$ 36,542
NTESS Sandia National Laboratories	DEPARTMENT OF ENERGY	N/A	81.rd	\$ -	\$ 187,045
Nuclear Waste Partnership LLC	DEPARTMENT OF ENERGY	DE-EM=0001971	81.rd	\$ -	\$ 110,045
Nuclear Waste Partnership LLC	DEPARTMENT OF ENERGY	DE-EM0001971	81.rd	\$ -	\$ 145,474
Nuclear Waste Partnership LLC	DEPARTMENT OF ENERGY	DOE-STD-1112-98	81.rd	\$ -	\$ 9,508
Sandia Corporation	DEPARTMENT OF ENERGY	N/A	81.rd	\$ -	\$ 27,934
Triad National Security, LLC	DEPARTMENT OF ENERGY	173851965	81.rd	\$ -	\$ 29,473
Triad National Security, LLC	DEPARTMENT OF ENERGY	89233218CNA000001	81.rd	\$ -	\$ 93,109
Triad National Security, LLC	DEPARTMENT OF ENERGY	89233218CNA000001	81.rd	\$ -	\$ 162,736
Triad National Security, LLC	DEPARTMENT OF ENERGY	89233218CNA000001	81.rd	\$ -	\$ 3,635
Triad National Security, LLC	DEPARTMENT OF ENERGY	DE-AC52-06NA25396	81.rd	\$ -	\$ 342,701
UT-Battelle LLC	DEPARTMENT OF ENERGY	DE-AC05-00OR22725	81.rd	\$ -	\$ 21,220
			81.rd Total	\$ 73,558	\$ 2,579,890

See accompanying independent auditor's report.

DEPARTMENT OF EDUCATION (EDUC) - DIRECT	EXTENDING ACADEMIC ANALYTICS: APPLI		84.120	\$	27,299	\$	229,951
			84.120 Total	\$	27,299	\$	229,951
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU	INSTITUTE OF EDUCATION SCIENCES	R305A180060	84.305	\$	-	\$	105,906
Texas A&M University			84.305 Total	\$	-	\$	105,906
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	FOOD & DRUG ADMINISTRATION RESEARCH		93.103	\$	-	\$	1,184,120
			93.103 Total	\$	-	\$	1,184,120
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	RESEARCH RELATED TO DEAFNESS & COMMUNICATION		93.173	\$	-	\$	194,203
			93.173 Total	\$	-	\$	194,203
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU	OCCUPATIONAL SAFETY AND HEALTH PROGRAM	2U540H0047541-16	93.262	\$	-	\$	5,431
University of New Mexico			93.262 Total	\$	-	\$	5,431
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU	TRANS NIH-RESEARCH SUPPORT	1U01GM132219-01	93.310	\$	-	\$	53,196
University of Texas			93.310 Total	\$	-	\$	53,196
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU	CANCER CAUSE AND PREVENTION RESEARCH	1 R01 CA242735-01	93.393	\$	-	\$	12,493
Fred Hutchinson Cancer Research Center			93.393 Total	\$	-	\$	12,493
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	PARTNERSHIP FOR THE ADVANCEMENT		93.397	\$	-	\$	4,511
			93.397 Total	\$	-	\$	4,511
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	FDA FERN COOPERATIVE AGREEMENT(U18)		93.448	\$	-	\$	220,110
			93.448 Total	\$	-	\$	220,110
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU	CARDIOVASCULAR DISEASES RESEARCH	3200002866-20-136	93.837	\$	-	\$	6,948
University of Louisville Research Foundation			93.837 Total	\$	-	\$	6,948
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	ALLERGY, IMMUNOLOGY & TRANSPLANTATION RESEARCH		93.855	\$	-	\$	38,731
			93.855 Total	\$	-	\$	38,731
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	BIOMEDICAL RESEARCH & RESEARCH TRAINING		93.859	\$	2,096,878	\$	6,190,095
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU	BIOMEDICAL RESEARCH & RESEARCH TRAINING	5U54GM104944-07	93.859	\$	-	\$	93,381
Board of Regents Nevada System of Higher Education			93.859	\$	-	\$	11,488
El Paso Community College	BIOMEDICAL RESEARCH & RESEARCH TRAINING	1R25GM123928-01	93.859	\$	-	\$	82,970
Regents of the University of Colorado	BIOMEDICAL RESEARCH & RESEARCH TRAINING	2r25ns080685-06	93.859	\$	-	\$	5,341
University of New Mexico	BIOMEDICAL RESEARCH & RESEARCH TRAINING	2K12GM088021-06	93.859	\$	-	\$	4,110
University of New Mexico	BIOMEDICAL RESEARCH & RESEARCH TRAINING	4UT2GM130166-02	93.859	\$	-	\$	160,350
University of New Mexico	BIOMEDICAL RESEARCH & RESEARCH TRAINING	1R01CA94496-01A1	93.859 Total	\$	2,096,878	\$	6,547,735
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	CHILD HEALTH & HUMAN DEV EXTRAMURAL RESEARCH		93.865	\$	-	\$	109,000
			93.865 Total	\$	-	\$	109,000
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU	HEALTHY START INITIATIVE	UFMC31238-02-01	93.926	\$	-	\$	16,011
PCI Global			93.926 Total	\$	-	\$	16,011
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU	ASSISTED OUTPATIENT TREATMENT	1H79SM063538	93.997	\$	-	\$	83,298
Dona Ana County	ASSISTED OUTPATIENT TREATMENT	1H79SM063538-4	93.997	\$	-	\$	58,884
Dona Ana County			93.997 Total	\$	-	\$	142,182
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	DEPARTMENT OF HEALTH & HUMAN SERVICES		93.rd	\$	97,746	\$	1,139,274
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU	DEPARTMENT OF HEALTH & HUMAN SERVICES	5U01AI115577-04	93.rd	\$	-	\$	112,542
University of Texas			93.rd Total	\$	97,746	\$	1,251,816
DEPARTMENT OF HOMELAND SECURITY (DHS) - PASS THRU	HAZARD MITIGATION GRANT	5184FMNMP00000025	97.039	\$	-	\$	21,108
State of New Mexico			97.039 Total	\$	-	\$	21,108
	RESEARCH & DEVELOPMENT CLUSTER TOTAL			\$	8,874,937	\$	66,086,588

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	CFDA Number	Grant Number	Subrecipient Expenditures	Total Expenditures
STUDENT FINANCIAL AID CLUSTER					
DEPARTMENT OF EDUCATION (EDUC) - LOANS					
	PERKINS LOANS - BEGINNING BALANCE	84.038		\$ -	\$ 11,068,585
	PERKINS LOAN CANCELLATIONS	84.038		\$ -	\$ 261,596
	TOTAL PERKINS LOANS			\$ -	\$ 11,330,181
	FEDERAL DIRECT LOANS	84.268		\$ -	\$ 41,418,916
	DEPARTMENT OF EDUCATION (EDUC) - LOANS Total			\$ -	\$ 52,749,097
DEPARTMENT OF EDUCATION (EDUC)					
	FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007		\$ -	\$ 787,356
	FEDERAL WORK-STUDY PROGRAM	84.033		\$ -	\$ 1,311,071
	FEDERAL PELL GRANT PROGRAM	84.063		\$ -	\$ 41,979,051
	TEACHER EDUCATION ASSISTANCE FOR COLLEGE AND HIGHER ED GRANTS	84.379		\$ -	\$ 20,648
	DEPARTMENT OF EDUCATION (EDUC) Total			\$ -	\$ 44,098,126
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS)					
	SCHOLARSHIPS FOR DISADVANTAGED STUDENTS	93.925		\$ -	\$ 309,525
	DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) Total			\$ -	\$ 309,525
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				\$ -	\$ 97,156,748

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	CFDA Number	Subrecipient Expenditures	Total Expenditures
INDIVIDUAL AWARDS - OTHER					
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	WILDLIFE SERVICES		10.028	\$ -	\$ 36,012
			10.028 Total	\$ -	\$ 36,012
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	SECONDARY AND TWO-YEAR AGRICULTURE EDUCATION		10.226	\$ 2,970	\$ 20,045
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU University of Tennessee	SECONDARY AND TWO-YEAR AGRICULTURE EDUCATION	2015-38414-24223	10.226	\$ -	\$ 10,116
			10.226 Total	\$ 2,970	\$ 30,161
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Regents University of California Davis	HOMELAND SECURITY_AGRICULTURAL	2016-37620-25851	10.304	\$ -	\$ 33,061
			10.304 Total	\$ -	\$ 33,061
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	BEGINNING FARMER AND RANCHER DEVELOPMENT PRO		10.311	\$ 31,981	\$ 82,562
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU New Mexico Cattle Growers Association	BEGINNING FARMER AND RANCHER DEVELOPMENT PRO	2018-70017-28629	10.311	\$ -	\$ 34,794
			10.311 Total	\$ 31,981	\$ 117,356
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	NATIONAL FOOD SAFETY TRAINING, EDUCATION		10.328	\$ -	\$ 42,282
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU University of Maine System	NATIONAL FOOD SAFETY TRAINING, EDUCATION	20187002028860	10.328	\$ -	\$ 23,433
University of Tennessee	NATIONAL FOOD SAFETY TRAINING, EDUCATION	2016-70020-25803	10.328	\$ -	\$ 26,684
			10.328 Total	\$ -	\$ 92,399
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	CROP PROTECTION AND PEST MANAGEMENT	2017-70006-27189	10.329	\$ -	\$ 138,980
			10.329 Total	\$ -	\$ 138,980
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	RURAL BUSINESS DEVELOPMENT		10.351	\$ -	\$ 20,925
			10.351 Total	\$ -	\$ 20,925
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	STATE MEDIATION GRANTS		10.435	\$ -	\$ 80,518
			10.435 Total	\$ -	\$ 80,518
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	OUTREACH & ASSISTANCE FOR SOCIALLY DISADVANTAGED		10.443	\$ -	\$ 84,111
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Developing Innovations in Navajo Education, Inc. DINE, Inc. OUTREACH & ASSISTANCE FOR SOCIALLY DISADVANTAGED	OUTREACH & ASSISTANCE FOR SOCIALLY DISADVANTAGED	A0192501X443G001	10.443	\$ -	\$ 8,192
Developing Innovations in Navajo Education, Inc. DINE, Inc. OUTREACH & ASSISTANCE FOR SOCIALLY DISADVANTAGED	OUTREACH & ASSISTANCE FOR SOCIALLY DISADVANTAGED	A0192501X443G030	10.443	\$ -	\$ 7,055
			10.443 Total	\$ -	\$ 99,358
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	COOPERATIVE EXTENSION SERVICE		10.500	\$ 117,181	\$ 605,941
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Kansas State University	COOPERATIVE EXTENSION SERVICE	2016-48696-25889	10.500	\$ -	\$ -
Kansas State University	COOPERATIVE EXTENSION SERVICE	2018-48661-28954	10.500	\$ -	\$ 12,797
Washington State University	COOPERATIVE EXTENSION SERVICE	2018-70027-28587	10.500	\$ -	\$ 13,918
			10.500 Total	\$ 117,181	\$ 632,656
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	SMITH-LEVER FUNDING		10.511	\$ -	\$ 2,034,115
			10.511 Total	\$ -	\$ 2,034,115
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	EXPANDED FOOD AND NUTRITION EDUCATION		10.514	\$ -	\$ 240,239
			10.514 Total	\$ -	\$ 240,239
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	RENEWABLE RESOURCES EXTENSION ACT		10.515	\$ -	\$ 42,397
			10.515 Total	\$ -	\$ 42,397
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Children Youth and Family Dept State NM	HEADSTART CHILD AND ADULT CARE FOOD	N/A	10.558	\$ -	\$ 130,854
			10.558 Total	\$ -	\$ 130,854
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	CONSERVATION STEWARDSHIP PROGRAM		10.924	\$ -	\$ 115,715
			10.924 Total	\$ -	\$ 115,715
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	TECHNICAL AGRICULTURAL ASSISTANCE		10.960	\$ -	\$ 113,560
			10.960 Total	\$ -	\$ 113,560
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	COCHRAN FELLOSHIP PROGRAM		10.962	\$ -	\$ 44,245
			10.962 Total	\$ -	\$ 44,245
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	DEPARTMENT OF AGRICULTURE		10.xx	\$ -	\$ 11,691
			10.xx Total	\$ -	\$ 11,691
DEPARTMENT OF COMMERCE (DOC) - DIRECT	CLUSTER GRANTS		11.020	\$ 18,272	\$ 229,605
			11.020 Total	\$ 18,272	\$ 229,605
DEPARTMENT OF COMMERCE (DOC) - DIRECT	MBDA BUSINESS CENTER - AMERICAN INDIAN AND ALASKA		11.804	\$ -	\$ 62,651
			11.804 Total	\$ -	\$ 62,651
DEPARTMENT OF COMMERCE (DOC) - PASS THRU Synoptic Data Corp.	DEPARTMENT OF COMMERCE	EA-133W-16-CQ-0054	11.xx	\$ -	\$ 24,688
			11.xx Total	\$ -	\$ 24,688
DEPARTMENT OF DEFENSE (DOD) - DIRECT	SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS ED		12.330	\$ -	\$ 7,215
			12.330 Total	\$ -	\$ 7,215
DEPARTMENT OF DEFENSE (DOD) - PASS THRU AGEISS	DEPARTMENT OF DEFENSE	W91CRB18C0056	12.xx	\$ -	\$ 81,580
Lockheed Martin Shared Svcs	DEPARTMENT OF DEFENSE	15-C-0107	12.xx	\$ -	\$ 9,597
New Mexico Public Education Department	DEPARTMENT OF DEFENSE	PEDAS302GY19	12.xx	\$ -	\$ 2,533
Southwest Range Services LLC	DEPARTMENT OF DEFENSE	W91151-19-C-0008	12.xx	\$ 306,743	\$ 310,493
			12.xx Total	\$ 306,743	\$ 404,203
DEPARTMENT OF INTERIOR (DOI) - DIRECT	ENDANGERED SPECIES CONSERV- WOLF LIVESTOCK LOSS		15.666	\$ 138,986	\$ 138,986
			15.666 Total	\$ 138,986	\$ 138,986

See accompanying independent auditor's report.

DEPARTMENT OF INTERIOR (DOI) - PASS THRU America View	NATIONAL LAND REMOTE SENSING EDUCATION OUTREACH	G18AP00077	15.815	\$	-	\$	39,201
			15.815 Total	\$	-	\$	39,201
DEPARTMENT OF INTERIOR (DOI) - DIRECT	DEPARTMENT OF THE INTERIOR		15.xx	\$	-	\$	15,768
			15.xx Total	\$	-	\$	15,768
DEPARTMENT OF TRANSPORTATION (DOT) - DIRECT	HIGHWAY TRAINING AND EDUCATION		20.215	\$	-	\$	28,000
			20.215 Total	\$	-	\$	28,000
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - PASS THRU Jacobs Technology Inc.	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	NNJ11HA02C	43.xx	\$	-	\$	81,534
			43.xx Total	\$	-	\$	81,534
NATIONAL ENDOWMENT FOR THE ARTS - PASS THRU New Mexico Department of Cultural Affairs	PROMOTION OF THE ARTS_PARTNERSHIP AGREEMENTS	1855975-61	45.025	\$	-	\$	5,715
			45.025 Total	\$	-	\$	5,715
SMALL BUSINESS ADMINISTRATION (SBA) - PASS THRU New Mexico Small Business Development Center New Mexico Small Business Development Center New Mexico Small Business Development Center New Mexico Small Business Development Center	SMALL BUSINESS DEVELOPMENT CENTERS SMALL BUSINESS DEVELOPMENT CENTERS SMALL BUSINESS DEVELOPMENT CENTERS SMALL BUSINESS DEVELOPMENT CENTERS	N/A OSBDC 2018-02 OSBDC-2018-02 OSBDC-2019-02	59.037 59.037 59.037 59.037	\$	-	\$	18,620 18,617 19,873 101,935
			59.037 Total	\$	-	\$	159,045
SMALL BUSINESS ADMINISTRATION (SBA) - DIRECT	FEDERAL AND STATE TECHNOLOGY PARTNERSHIP		59.058	\$	-	\$	107,247
			59.058 Total	\$	-	\$	107,247
SMALL BUSINESS ADMINISTRATION (SBA) - DIRECT	SMALL BUSINESS ADMINISTRATION		59.xx	\$	-	\$	1,946
			59.xx Total	\$	-	\$	1,946
ENVIRONMENTAL PROTECTION AGENCY (EPA) - DIRECT	CONSOLIDATED PESTICIDE ENFORCEMENT COOP		66.700	\$	-	\$	394,162
			66.700 Total	\$	-	\$	394,162
ENVIRONMENTAL PROTECTION AGENCY (EPA) - PASS THRU Extension Foundation	EDUCATING NEW MEXICO'S PESTICIDE AP	83698001	66.716	\$	-	\$	15,302
			66.716 Total	\$	-	\$	15,302
ENVIRONMENTAL PROTECTION AGENCY (EPA) - PASS THRU State of New Mexico	GOLD KING MINE LONG TERM MONITORING	01F16901	66.802	\$	-	\$	22,716
			66.802 Total	\$	-	\$	22,716
DEPARTMENT OF ENERGY (DOE) - PASS THRU NTESS Sandia National Laboratories Triad National Security, LLC Triad National Security, LLC	DEPARTMENT OF ENERGY DEPARTMENT OF ENERGY DEPARTMENT OF ENERGY	DE-AC04-A94AL85000 89233218CNA000001 DE-AC52-06NA25396	81.xx 81.xx 81.xx	\$	-	\$	79,355 51,949 (8,848)
			81.xx Total	\$	-	\$	122,456
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU New Mexico Higher Education Department New Mexico Higher Education Department	ADULT EDUCATION ADULT EDUCATION	V002A180032 V002A190032	84.002 84.002	\$	-	\$	96 732,058
			84.002 Total	\$	-	\$	732,154
DEPARTMENT OF EDUCATION (EDUC) - DIRECT	HIGHER EDUCATION_INSTITUTIONAL AID		84.031	\$	-	\$	922,088
			84.031 Total	\$	-	\$	922,088
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU New Mexico Public Education Department New Mexico Public Education Department New Mexico Public Education Department	CAREER AND TECHNICAL EDUCATION CAREER AND TECHNICAL EDUCATION CAREER AND TECHNICAL EDUCATION	V048A170031-17A V048A180031-18A V048A190031-19A	84.048 84.048 84.048	\$	-	\$	8,654 68,357 475,208
			84.048 Total	\$	-	\$	552,219
DEPARTMENT OF EDUCATION (EDUC) - DIRECT	COLLEGE ASSISTANCE MIGRANT PGM CAMP		84.149	\$	-	\$	386,409
			84.149 Total	\$	-	\$	386,409
DEPARTMENT OF EDUCATION (EDUC) - DIRECT	GRADUATION ASSISTANCE IN AREAS OF NATIONAL NEED		84.200	\$	-	\$	89,544
			84.200 Total	\$	-	\$	89,544
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU New Mexico Public Education Department New Mexico Public Education Department	TWENTY-FIRST CENTURY COMMUNITY LEARNING TWENTY-FIRST CENTURY COMMUNITY LEARNING	5287C170031 N/A	84.287 84.287	\$	-	\$	43,321 2,291,097
			84.287 Total	\$	-	\$	2,334,418
DEPARTMENT OF EDUCATION (EDUC) - DIRECT	SPECIAL EDUCATION - PERSONNEL DEVELOPMENT		84.325	\$	(81)	\$	16,611
			84.325 Total	\$	(81)	\$	16,611
DEPARTMENT OF EDUCATION (EDUC) - DIRECT	ENGLISH LANGUAGE ACQUISITION STATE GRANTS		84.365	\$	-	\$	497,080
			84.365 Total	\$	-	\$	497,080
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU Texas A&M University	SUPPORTING EFFECTIVE EDUCATOR DEVELOPMENT	U423A180074	84.423	\$	-	\$	6,207
			84.423 Total	\$	-	\$	6,207
DEPARTMENT OF EDUCATION (EDUC) - DIRECT	COVID-19 HIGHER EDUCATION EMERGENCY RELIEF FUND - STUDENT COVID-19 HIGHER EDUCATION EMERGENCY RELIEF FUND - INSTITUTIONAL COVID-19 HIGHER EDUCATION EMERGENCY RELIEF FUND - MSI		84.425E 84.425F 84.425M	\$	-	\$	3,450,650 3,560,443 38,339
			84.425 Total	\$	-	\$	7,049,432
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	GRADUATE PSYCHOLOGY EDUCATION PROGRAM		93.191	\$	-	\$	213,450
			93.191 Total	\$	-	\$	213,450
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES		93.243	\$	-	\$	115,322
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU Children Youth and Family Dept State NM Children Youth and Family Dept State NM Children Youth and Family Dept State NM Children Youth and Family Dept State NM St Lukes Health Care Clinic	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	1H79SM061905-01 1H79SM082000-01 1H79SM061905-01 T1080190 5H79T1080513-02	93.243 93.243 93.243 93.243 93.243	\$	(834)	\$	(834) 27,482 181,010 212,275 55,403
			93.243 Total	\$	131,076	\$	590,658
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU Comagine Health Comagine Health	NATIONAL DIABETES PREVENTION PROGRAM NATIONAL DIABETES PREVENTION PROGRAM	1 NU58DP006369-01-00 5NU58DP006369	93.261 93.261	\$	-	\$	8,791 25,577
			93.261 Total	\$	-	\$	34,368
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT	LEADERSHIP IN PUBLIC HEALTH SOCIAL WORK EDUCATION		93.330	\$	-	\$	(177)
			93.330 Total	\$	-	\$	(177)

See accompanying independent auditor's report.

DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT								
	RESEARCH INFRASTRUCTURE PROGRAMS		93.351	\$	21,410	\$	60,016	
			93.351 Total	\$	21,410	\$	60,016	
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU								
Children Youth and Family Dept State NM	PROMOTING SAFE AND STABLE FAMILIES	G-1801NMPFSS & G-1801NMCILP	93.556	\$	-	\$	-	
Children Youth and Family Dept State NM	PROMOTING SAFE AND STABLE FAMILIES	G18101NMPFSS	93.556	\$	-	\$	-	
Children Youth and Family Dept State NM	PROMOTING SAFE AND STABLE FAMILIES	N/A	93.556	\$	-	\$	193,337	
			93.556 Total	\$	-	\$	193,337	
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU								
Children Youth and Family Dept State NM	CHILDREN'S JUSTICE GRANTS TO STATES	G190INMCJAI	93.643	\$	-	\$	9,969	
			93.643 Total	\$	-	\$	9,969	
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU								
Children Youth and Family Dept State NM	TITLE IV-E PROGRAM	G1601-NMFOST/G1701-NMFOST	93.658	\$	-	\$	4,786	
Children Youth and Family Dept State NM	TITLE IV-E PROGRAM	G1901-NMFOST/G2001-NMFOST/G2101	93.658	\$	-	\$	447,505	
			93.658 Total	\$	-	\$	452,291	
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT								
	MENTAL & BEHAVIORAL HEALTH EDUCATION & TRAINING		93.732	\$	-	\$	857,138	
			93.732 Total	\$	-	\$	857,138	
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU								
Children Youth and Family Dept State NM	OPIOID STR	TI C96N600	93.788	\$	-	\$	103,678	
			93.788 Total	\$	-	\$	103,678	
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU								
Dona Ana County	ASSISTED OUTPATIENT TREATMENT	1H79SM063538-01	93.997	\$	-	\$	(52)	
			93.997 Total	\$	-	\$	(52)	
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU								
Children Youth and Family Dept State NM	DEPARTMENT OF HEALTH & HUMAN SERVICES	N/A	93.xx	\$	-	\$	156,097	
			93.xx Total	\$	-	\$	156,097	
DEPARTMENT OF HOMELAND SECURITY (DHS) - PASS THRU								
NM Department Of Homeland Security	HAZARD MITIGATION GRANT	5184FMNMP00000025	97.039	\$	-	\$	45,560	
			97.039 Total	\$	-	\$	45,560	
DEPARTMENT OF HOMELAND SECURITY (DHS) - PASS THRU								
NM Department Of Homeland Security	EMERGENCY MANAGEMENT PERFORMANCE GRANTS	EMT-2018-EP-00006-S01	97.042	\$	-	\$	(113)	
			97.042 Total	\$	-	\$	(113)	
CHILD NUTRITION CLUSTER								
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU								
Children Youth and Family Dept State NM	SUMMER FOOD PROGRAM FOR CHILDREN	1762NM332N1099	10.559	\$	-	\$	10,151	
			10.559 Total	\$	-	\$	10,151	
			Child Nutrition Cluster Total	\$	-	\$	10,151	
SNAP CLUSTER								
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU								
New Mexico Human Services Department	SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	N/A	10.561	\$	-	\$	1,579,332	
			10.561 Total	\$	-	\$	1,579,332	
			SNAP Cluster Total	\$	-	\$	1,579,332	
HEADSTART CLUSTER								
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT								
	HEAD START		93.600	\$	-	\$	2,186,934	
			93.600 Total	\$	-	\$	2,186,934	
			Headstart Cluster Total	\$	-	\$	2,186,934	
TRIO CLUSTER								
DEPARTMENT OF EDUCATION (EDUC) - DIRECT								
	TRIO STUDENT SUPPORT SERVICES PROGR		84.042	\$	-	\$	736,591	
			84.042 Total	\$	-	\$	736,591	
DEPARTMENT OF EDUCATION (EDUC) - DIRECT								
	TRIO UPWARD BOUND		84.047	\$	-	\$	993,327	
			84.047 Total	\$	-	\$	993,327	
			TRIO Cluster Total	\$	-	\$	1,729,918	
INDIVIDUAL AWARDS - OTHER TOTAL								
					\$	768,538	\$	26,683,399
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$	9,643,475	\$	189,926,735

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

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

Federal Awards:	
Federal Appropriations, Grants and Contracts	\$ 88,589,399
Federal Pell Grant revenue	41,979,051
CARES revenue reclassified to non-operating	6,621,298
CARES Expenditures not recognized as revenue	109,793
	<u>137,299,541</u>
Plus/(Less) reconciling items:	
Adjustment to federal revenue for accrued liabilities and reversals	139,693
Adjustment to federal revenue for Department of Education loans	52,487,501
	<u>52,487,501</u>
Federal Expenditures per Schedule 7	<u><u>\$ 189,926,735</u></u>

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

The accompanying schedule of expenditures of Federal Awards (the schedule) is prepared on the accrual basis of accounting and includes the federal grant activity of the University under programs of the Federal Government for the year ended June 30, 2020. The information in this schedule is presented in accordance with 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

Note B: Significant Accounting Policies

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

Note C: Federal Direct Student Loans, CFDA # 84.268. During the fiscal year ended June 30, 2020, the University processed \$41,418,916 in new loans under the Direct Student Loan Program (which includes Stafford Loans and Parents' Plus Loans).

Note D: During the fiscal year ended June 30, 2020, there were no federal funds made available in the form of non-cash assistance.

Note E: Federal Perkins Loan Program, CFDA # 84.038. No additional Perkins loans were awarded for the year ended June 30, 2020, and the outstanding student loan balances under the Federal Perkins Loan Program was \$6,555,361.

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

See accompanying independent auditor's report.



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Two Park Square, Suite 700
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Albuquerque, NM 87110-8179

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

Board of Regents
New Mexico State University
And
Mr. Brian Colón, 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 discretely presented component unit of New Mexico State University (the University), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 19, 2021.

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) as a basis for designing 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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 financial statements. 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*.

The University's Response to the Finding

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

Purpose of this Report

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

KPMG LLP

Albuquerque, New Mexico
March 19, 2021



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

Board of Regents
New Mexico State University
And
Mr. Brian Colón, New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited New Mexico State University's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2020. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, New Mexico State 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 programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the 12-6-5 NMSA 1978 and which is described in the accompanying schedule of other findings as required by New Mexico state statute Section 12-6-5 NMSA 1978 as item 2020-002 . Our opinion on each major federal program is not modified with respect to this matter.



The University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of other findings. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

Report on Internal Control Over Compliance

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

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

KPMG LLP

Albuquerque, New Mexico
March 19, 2021

**Schedule of Findings and Questioned Costs
Year ended June 30, 2020**

(1) Summary of Auditors' Results

- (a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
- Material weaknesses: **No**
 - Significant deficiencies: **No**
- (c) Noncompliance material to the financial statements: **No**
- (d) Internal control deficiencies over major programs disclosed by the audit:
- Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (e) Type of report issued on compliance for major programs: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**
- (g) Major programs:
- Student Financial Assistance Cluster – various CFDA numbers
 - COVID-19 Higher Education Emergency Relief Fund – CFDA 84.425
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- (i) Auditee qualified as a lowrisk auditee: **Yes**

(2) **Findings Relating to the Financial Statements Reported to Accordance with Government Auditing Standards**

2020-001 Arrowhead implementation of controls to assess the completeness and accuracy of information used in the financial statements – Significant deficiency.

Criteria:

The effectiveness of a control depends on the relevance and reliability of information used by the control owner during the control's operation. To address the relevance and reliability of information, an entity must have controls over the completeness and accuracy of the relevant data elements within reports, schedules, or information used.

Condition:

We identified errors in Arrowhead's Genesis rental income schedule that were not detected by management. Genesis rental income was overstated and not accurately presented within the 2020 financial statements. As a result, management scrubbed the population and recorded a post close adjustment of \$12,000.

Cause:

Arrowhead did not have controls designed to assess the completeness and accuracy of schedules used to calculate Genesis rental income, as presented in the financial statements.

Effect:

As there was not a control in place to assess the completeness and accuracy of the Genesis rental income schedule, an audit misstatement of \$12,000 was identified. The audit misstatement was corrected by management in the 2020 financial statements.

Recommendation:

We recommend management ensure they have the resources with appropriate training and skill sets necessary to design, implement, and effectively operate internal controls to ensure information used in preparing its financial statements is complete and accurate.

Management's Response:

In response to this audit finding and recommendation from KPMG, the management of Arrowhead Center, Inc. will ensure that controls are in place to verify the accuracy and completeness of information used to prepare our financial statements. We will do this through the development of a written procedure, to be approved by the Audit Committee reporting to the Arrowhead Center, Inc. Board of Directors. We will incorporate the following features into this procedure:

- Clear definition of the roles and responsibilities of the Accountant and Executive Director of the Arrowhead Park in ensuring accurate and current information on tenant leases is incorporated into monthly tenant lease invoices;
- Monthly preparation and reconciliation of the Genesis Center rental income schedule by the Accountant; and
- Monthly review and approval of the Genesis Center rental income schedule by the Executive Director of Arrowhead Park.

After implementation of this procedure, discussion of the procedure will be incorporated as an agenda item into two standing meetings, the bi-monthly financial review meeting with the CEO and the quarterly meetings attended by the Accountant and representatives of the NMSU Accounting and Finance Department. The Director of Arrowhead Center will ensure completion of the new procedure and approval by Audit Committee by March 31, 2021.

(3) **Findings and Questioned Costs Relating to Federal Awards**

None

Summary Schedule of Prior Audit Findings
Year ended June 30, 2020

2019-001 Foundation implementation of new accounting standard for the fiscal year 2019 financial statements - Significant Deficiency

The Foundation was determined to have a significant deficiency related to implementation of ASU 2016-14, Not For Profit Entities (Topic 958): Presentation of Financial Statements of Not For Profit Entities. The Foundation did not have a control in place to ensure the standard was properly researched and new accounting guidance implemented completely and accurately. The lack of a Controller with the training, knowledge, and experience necessary to implement a new accounting standard resulted in inaccurate presentation of underwater endowment funds and the inaccurate disclosure of net assets, endowments, and liquidity analysis.

Current Status: Resolved

**Summary Schedule of Other Findings
As Required by New Mexico State Statute 12-6-5, NMSA 1978
Year ended June 30, 2020**

Prior Year Findings

None

Other Findings as Required by New Mexico State Statute, 12-6-5, NMSA 1978**2020-002 Enrollment Reporting – Finding that does not rise to the level of a Uniform Guidance other matter or a significant deficiency****Criteria:**

Under the Pell grant and the Direct loan programs, institutions are required to report enrollment information via the National Student Loan Data System (NSLDS) (OMB No. 1845-0035). The administration of the Title IV programs depends heavily on the accuracy and timeliness of the enrollment information reported by institutions. Institutions must review, update and verify student enrollment statuses, program information and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website. The data on the institution's Enrollment Reporting Roster, or Enrollment Maintenance page, is what NSLDS has as the most recently certified enrollment information. There are two categories of enrollment information; "Campus Level" and "Program Level," both of which need to be reported accurately and have separate record types.

Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Under the Pell grant and Direct loan programs, institutions must complete and return within 15 days the Enrollment Reporting roster file placed in their Student Aid Internet Gateway (SAIG) (OMB No. 1845-0002) mailboxes sent by ED via NSLDS. An institution determines how often it receives the Enrollment Reporting roster file with the default set at a minimum of every 60 days. Once received, the institution must update for changes in the data elements for the Campus Record and the Program Record identified above, and submit the changes electronically through the batch method, spreadsheet submittal or the NSLDS website. (Pell, 34 CFR 690.83(b)(2); Direct Loan, 34 CFR 685.309). After the institution submits the Enrollment Reporting roster to NSLDS, NSLDS evaluates the Enrollment Reporting roster and provides the institution an Error/Acknowledgement file. If errors are identified, institutions have ten days to correct the errors and resubmit to NSLDS.

Condition:

New Mexico State University (NMSU) submits enrollment reporting rosters monthly. A sample of 40 status changes were selected for testwork related to enrollment reporting. For one status change of the 40 selected for testwork, we were unable to find the status change of 'not enrolled' reported to NSLDS. Upon further discussion, the registrar's office reported a status change of 'half-time' to NSLDS with an effective date before the 'not enrolled' status change but after the 60 day reporting period.

Cause:

The Fall half-time enrollment status change was missed due to the addition of a new campus code in Banner and subsequently updated in NSLDS. Because this enrollment status didn't previously exist, NMSU did not believe that the "not enrolled" in the Spring was a necessary reporting item.

Effect:

NMSU is not in compliance with the requirements to report all status changes within 60 days of the change. We determined that the student's file was subsequently updated in Banner, and as the status change was to 'half-time' there is no effect on the graduation status. As well, we note no questioned costs as the eligibility of the student is not in question.

Recommendation:

We recommend that NMSU investigate the cause for the status change not being reported and ensure all status changes including “not enrolled” status changes are timely reported to NSLDS.

Management's Response:

National Student Loan Database does not code “not enrolled” students unless there is a change to their status within the semester. Many students are enrolled one semester, and “not enrolled” in a future semester. NSLDS does not maintain a “not enrolled” status on all previous students, in future terms. In the case of the identified sample, the student’s Spring 2020 status changed before an enrollment report was submitted so there was no enrollment status to update at NSLDS (student disenrolled from Spring 2020 on January 29, 2020, prior to first of term enrollment report submission on February 7, 2020). NMSU will obtain clarification from NSLDS regarding reporting expectation of continuing student non-enrollment to ensure compliance. The University Registrar will ensure that clarification has been received and any changes necessary will be implemented by May 31, 2021.

The Fall 2019 enrollment correction was caused by a programmatic issue that NMSU identified and corrected in Spring 2020. The cause was identified as the addition of a new campus code in Banner, for the purpose of identifying fully online students. The Banner Clearinghouse job did not, dynamically, capture the new campus code. The reporting procedure has since been updated to include the new campus. The University Registrar will verify that this procedure is working properly by May 31, 2021.

An exit conference was held on March 19, 2021, to discuss the current audit report and auditors' comments. In attendance were the following individuals:

Representing the Board of Regents for New Mexico State University

Ammu Devasthali	Chair
Brad Beasley	Co-Chair
Mary Jo Billiot	Audit Committee Community Member
Shari Jones	Audit Committee Community Member

Representing New Mexico State University

Dan E. Arvizu	Chancellor
John Floros	President
Andrew J. Burke	Senior Vice President for Administration and Finance
Ruth Johnston	Vice Chancellor
Norma Noel	University Controller
Carlos Lobato	Interim Chief Audit Officer
Roy Collins	Chief Legal Affairs Officer
Ross Justus	Associate Controller
Carolina Munoz	Manager, Accounting and Finance
Damian Lopez	Audit Liaison
Adam Cavotta	Board of Regents Chief of Staff

Representing New Mexico State University Component Units

Derek Dictson	Vice President of University Advancement, NMSU Foundation, Inc.
Kristin Ludwig	Sr. Associate Vice President of Operations and Development, NMSU Foundation, Inc.
Joseph McIntyre	Controller, NMSU Foundation, Inc.
Kathryn Hansen	CEO, Arrowhead Center Inc.
Mario Naverrete	Senior Accountant, Arrowhead Center Inc.
Vanessa Mills	Senior Accountant, Arrowhead Center Inc.

Representing KPMG LLP

John T. Kennedy	Lead Engagement Partner
Suzette Longfellow	Managing Director
Chau M Ta	Audit Manager

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