

2022|2021

FINANCIAL STATEMENTS and SCHEDULES



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Interim*

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Chief Legal Affairs Officer

Principal Financial Officials

Ross Justus
Associate Controller

Carolina Muñoz
*Manager of Accounting
and Financial Reporting*

October 13, 2022

It is my pleasure to share the annual financial report of New Mexico State University (NMSU) for the fiscal years ended June 30, 2022 and 2021. The accompanying financial statements of the University are prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board. Moss Adams 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, and extension and outreach services. 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.

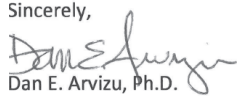
Although the university has experienced declining enrollment the last two years, we are delighted to report the NMSU system will enroll its largest freshman class since 2009 this fall, driven by an expansion in eligibility for the state's Opportunity Scholarship, along with tech-based initiatives aimed at boosting recruitment and retention. Additionally, the outlook for state appropriations has become promising. Consensus projections are indicating stronger than expected revenue for the state of New Mexico. Based on these projections recurring revenue could increase by as much as \$1.4 billion for fiscal year 2023, or 18.7 percent growth from the 2022 fiscal year recurring budget.

Aggie pride is apparent at our beautiful campuses as we enhance the learning experiences of students through enhanced technology and facilities. The Agricultural Modernization and Educational Facilities projects and new Department of Agriculture lab building are the largest of these efforts on the main campus. Our future solar electric generation and battery storage facility at Arrowhead Research Park will produce clean energy for our campus and the surrounding community. The first building for DACC Creative Media at Creative Campus in Arrowhead Park is in planning and design. A new roundabout entrance for the university added safety, convenience and beauty to that end of campus.

We will continue to enhance student success and our ability to maintain excellence in research, scholarship and creative activity. Our strategic plan will guide us as we make structural improvements based on benchmarking of best practices and performance data relative to each of our functional units.

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 optimistic for our great university.

Sincerely,


Dan E. Arvizu, Ph.D.
Chancellor

Report of Independent Auditors

The Board of Regents
New Mexico State University
and
Mr. Brian S. Colón, Esq.
New Mexico State Auditor

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, fiduciary activities, and the aggregate discretely presented component unit of New Mexico State University (the University) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the New Mexico State University as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Reporting Entity

As discussed in Note 2, the financial statements of the University are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the State of New Mexico that is attributable to the transactions of the University. The financial statements do not present fairly the financial position of the State of New Mexico as of June 30, 2022 and 2021, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America 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) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Chancellor's Letter but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2022, 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 the University's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mess Adams LLP". The signature is written in a cursive, flowing style.

Albuquerque, New Mexico
October 26, 2022

Management's Discussion and Analysis For the Years Ended June 30, 2022 and 2021 (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, 2022 and 2021. 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, 2022, 2021 and 2020, the University's financial position was as follows:
(In thousands)

Condensed Net Position	June 30, 2022	June 30, 2021	As restated June 30, 2020
ASSETS			
Current assets	164,497	191,192	167,050
Capital assets, net	478,095	484,626	499,866
Non-current assets	177,327	191,438	181,720
TOTAL ASSETS	819,919	867,256	848,636
DEFERRED OUTFLOWS OF RESOURCES	360,978	600,614	123,558
LIABILITIES			
Current liabilities	76,026	73,271	63,406
Net pension liability	433,023	1,257,205	487,324
Other post-employment benefit liability	124,675	165,976	160,555
Other non-current liabilities	120,768	130,905	140,048
TOTAL LIABILITIES	754,492	1,627,357	851,333
DEFERRED INFLOWS OF RESOURCES	675,078	50,934	76,426
NET POSITION			
Net investment in capital assets	376,102	371,207	377,483
Restricted	70,817	87,136	85,389
Unrestricted	(695,592)	(668,764)	(418,417)
TOTAL NET POSITION	\$ (248,673)	\$ (210,421)	\$ 44,455
Condensed Revenues, Expenses and Changes in Net Position			
Operating revenues:			
Student tuition and fees (net)	\$ 74,520	\$ 71,592	\$ 68,451
Federal appropriations, grants and contracts	99,476	91,596	88,589
Other operating revenues	72,006	59,552	60,373
TOTAL OPERATING REVENUES	246,002	222,740	217,413
EXPENSES			
Operating expenses:			
Instruction	153,446	250,869	78,534
Research	99,291	138,463	56,164
Other operating expenses	345,503	429,855	227,312
TOTAL OPERATING EXPENSES	598,240	819,187	362,010
Net operating loss	(352,238)	(596,447)	(144,597)
Non-operating revenues and expenses:	375,640	324,218	312,395
Income (loss) before other revenues	23,402	(272,229)	167,798
Other revenues and special item	(61,654)	17,353	35,183
Increase (decrease) in net position	(38,252)	(254,876)	202,981
NET POSITION			
Beginning of year	(210,421)	44,455	(158,526)
End of year	\$ (248,673)	\$ (210,421)	\$ 44,455

General Overview for 2022 and 2021

In fiscal year 2022, total assets of the institution decreased by \$47 million primarily related to decreases cash and net capital assets. This was offset by increases in net accounts receivable. During fiscal year 2022, NMSU Carlsbad separated from NMSU per legislative approval to form Southeast New Mexico College. Cash and cash equivalents decreased by \$71 million and capital assets decreased by \$7 million due to the distributions made to Southeast New Mexico College. Accounts receivable increased by \$20 million due to increased sponsored contract and grant activity. Deferred outflows decreased by \$240 million, deferred inflows increased by \$624 million, and total liabilities decreased by \$873 million due to the results of the most recent valuation of the pension liability and related amortizations.

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

- Decrease in the pension liability of \$824 million, and the related decrease in deferred outflows of \$230 million and increase of deferred inflows of \$593 million. These items are attributable to the adjustments made to the pension liability due to the latest actuarial valuation performed and the related accruals of previous deferred balances.
- Decrease in the other post-employment benefit (OPEB) liability of \$42 million, and the related decrease in deferred outflows of \$9 million and increase of deferred inflows of \$32 million. These changes are due to the changes in employees in the valuation after the departure of the Carlsbad branch.
- Increases in net accounts receivable of \$20 million, mostly attributable to the increase in federal, state, and private grants and contracts receivable of \$19 million.
- Decrease in net capital assets of \$7 million due to retirements of net capital assets totaling \$18 million and depreciation of \$33 million, offset by \$44 million in additions. The retirements were mostly due to distribution to Southeast New Mexico College and the additions were mostly due to state-funded construction projects.

Primary components that contributed to the \$38 million net decrease in net position from the prior year include:

- Distribution of assets to Southeast New Mexico College of \$88 million.
- An increase in state and capital appropriations of \$26 million and \$5 million, respectively.
- HEERF funds of \$46 million received during the year.

The Statement of Cash Flows shows a net decrease in cash. The majority of the decrease was from outflows in non-capital financing activities, particularly payments to Southeast New Mexico College, offset by HEERF receipts.

General Overview for 2021 and 2020

In fiscal year 2021, total assets of the institution increased by \$19 million primarily related to increases in cash and short-term investments. This was offset by decreases in net capital assets. Cash and cash equivalents increased by \$11 million and investments increased by \$31 million due to decreased outflows to suppliers, increased non-operating revenue from HEERF, and decreased outflows for capital assets. The lower investment in capital assets contributed to the decrease in net capital assets of \$15 million. Deferred outflows increased by \$477 million and total liabilities increased by \$776 million due to the results of the most recent valuation of the pension liability.

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

Increase in the pension liability of \$770 million, and the related increase in deferred outflows of \$477 million and decrease of deferred inflows of \$24 million. These items are attributable to the adjustments made to the pension liability due to the latest actuarial valuation performed.

Increases in investments of \$31 million and increases in cash and cash equivalents of \$11 million due to the low interest rates and shift from long term investments to short term investments, decreased supply and travel spending, and funds received for capital projects that have not yet been completed.

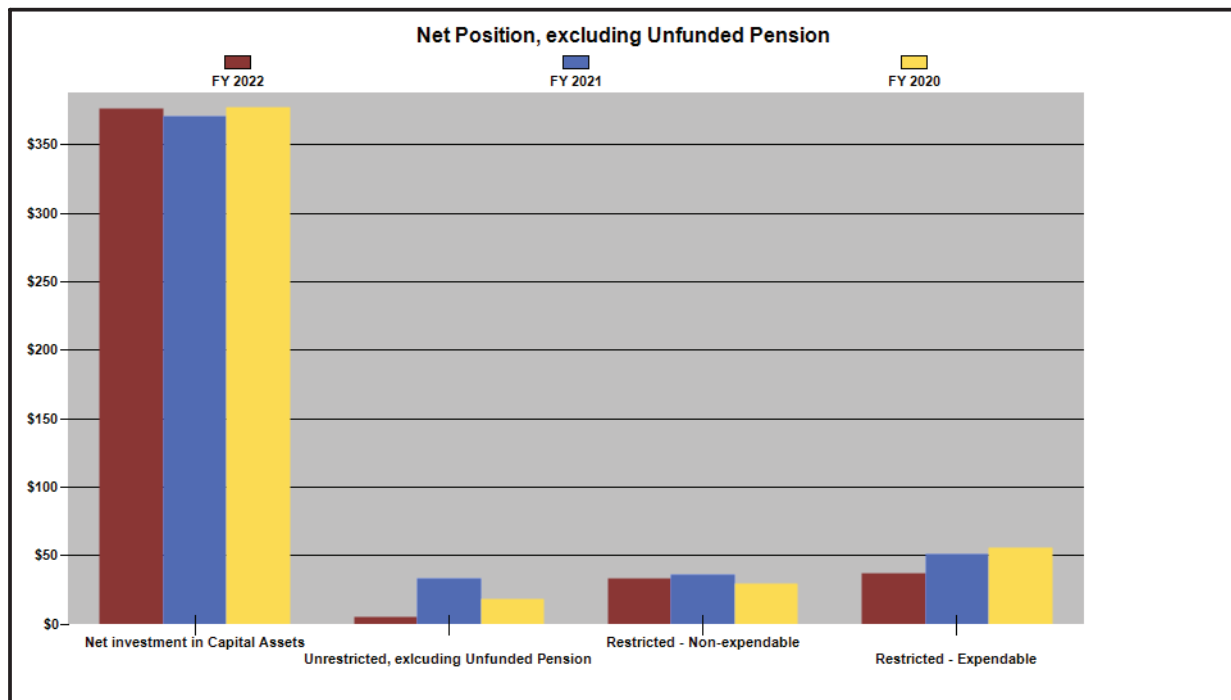
Decrease in net capital assets of \$15 million due to new purchase and construction activities being lower than the annual depreciation recognized. Investments in capital assets were slightly delayed due to changes experienced with the pandemic.

Primary components that contributed to the \$255 million net decrease in net position from the prior year include:

- Non-cash expense of \$266 million related to adjustments to pension balances.
- A decrease in state appropriations of \$7 million.
- HEERF funds of \$19 million received during the year.

The Statement of Cash Flows shows a net increase in cash. The majority of the increase was from lower outflows for operating activities, particularly payments for travel and payments to suppliers. Additionally, there was an increase in cash received for tuition and grants and contracts received. The largest source of cash from non-capital financing activities was from state appropriations. Less cash was used for capital activities while more cash was used for investing activities during the year.

The following graph illustrates the comparison of net position (in millions) by category for fiscal years 2022, 2021 and 2020. The effect of the implementation of GASB 68 related to the net unfunded pension liability has been excluded from the graph to provide a clearer picture of the unrestricted net position.



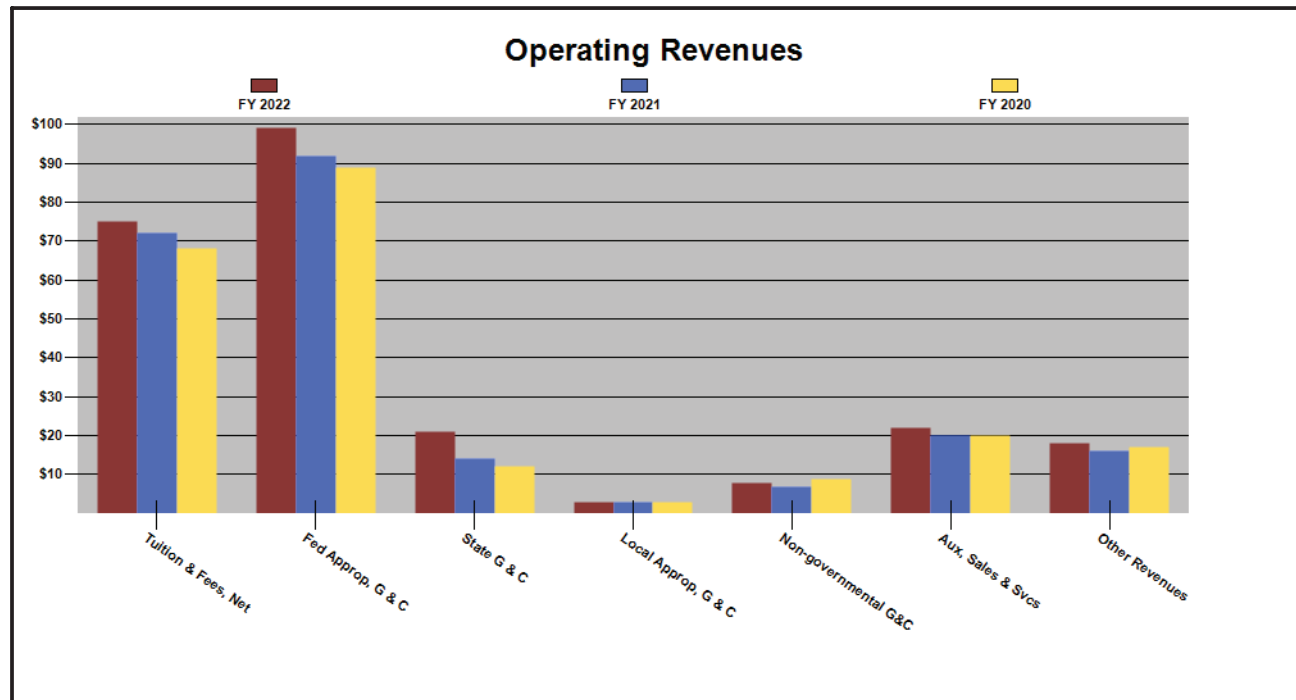
Operating Revenues for 2022 and 2021

Total operating revenues increased by \$23 million in fiscal year 2022 compared to 2021. Tuition and fees contributed a \$3 million increase and federal and state grants and contracts contributed \$8 million and \$6 million increases, respectively. Non-government grants and contracts increased \$1 million and sales and services experienced a \$2 million decrease.

Operating Revenues for 2021 and 2020

Net operating revenues increased by \$5 million in fiscal year 2021 compared to 2020. Tuition and fees contributed a \$3 million increase and federal and state grants and contracts contributed \$3 million and \$2 million increases, respectively. Non-government grants and contracts decreased \$2 million and sales and services experienced a \$1 million decrease.

The following graph illustrates a comparison of operating revenues (in millions) by type for fiscal years 2022, 2021 and 2020.



Operating Expenses for 2022 and 2021

Operating expenses decreased by \$221 million in fiscal year 2022 from the prior year. The majority of the change was due to the non-cash increase to operating expenses of \$266 million in 2021 from the pension liability adjustments. Other items impacting the change in operating expenses were as follows:

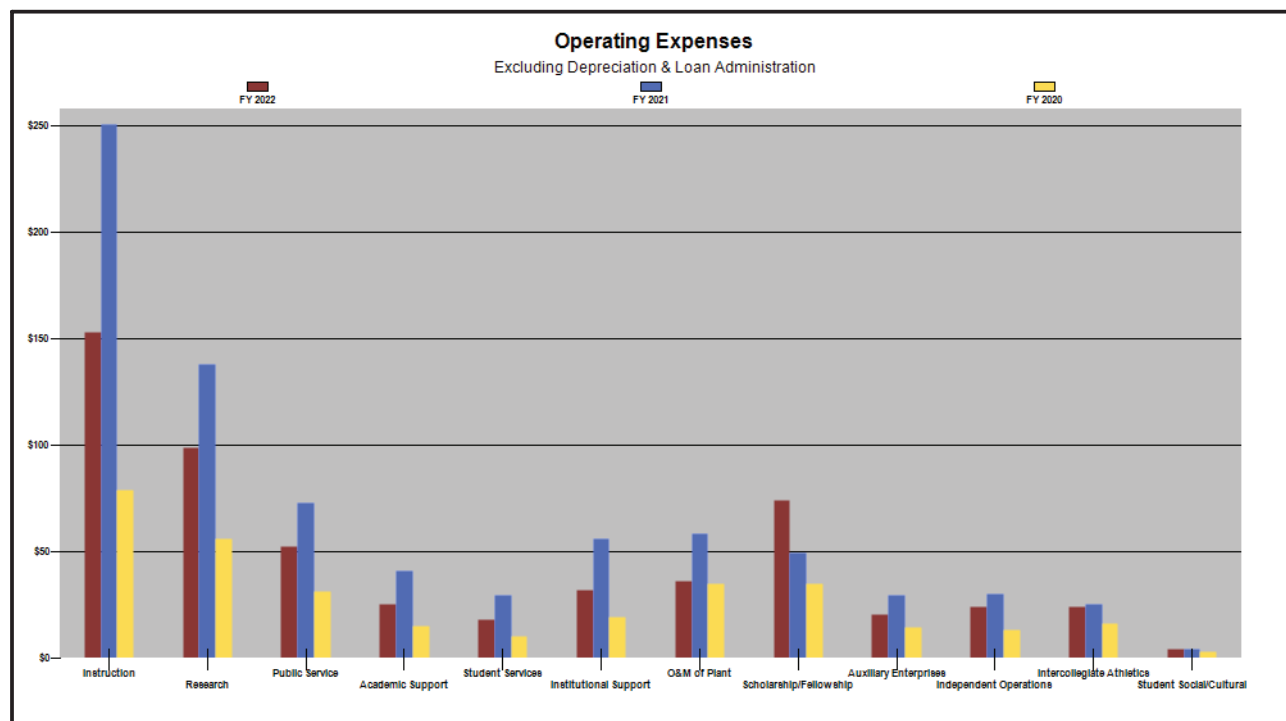
- An increase in scholarships and fellowships of \$24 million due to increased student payments from HEERF funds.
- An increase in research expenditures of \$39 million.

Operating Expenses for 2021 and 2020

Operating expenses increased by \$457 million in fiscal year 2021 from the prior year. This was due to the non-cash increase to operating expenses of \$266 million in 2021 and a non-cash decrease of \$169 million in 2020 for a total change of \$435 million from the pension liability adjustments. Other items impacting the change in operating expenses were as follows:

- An increase in scholarships and fellowships of \$14 million due to increased student payments from HEERF funds.
- An increase in professional fees of \$3 million.
- Decreases in travel of \$7 million and a decrease in supplies and services of \$8 million due to changes in employee activities from pandemic.

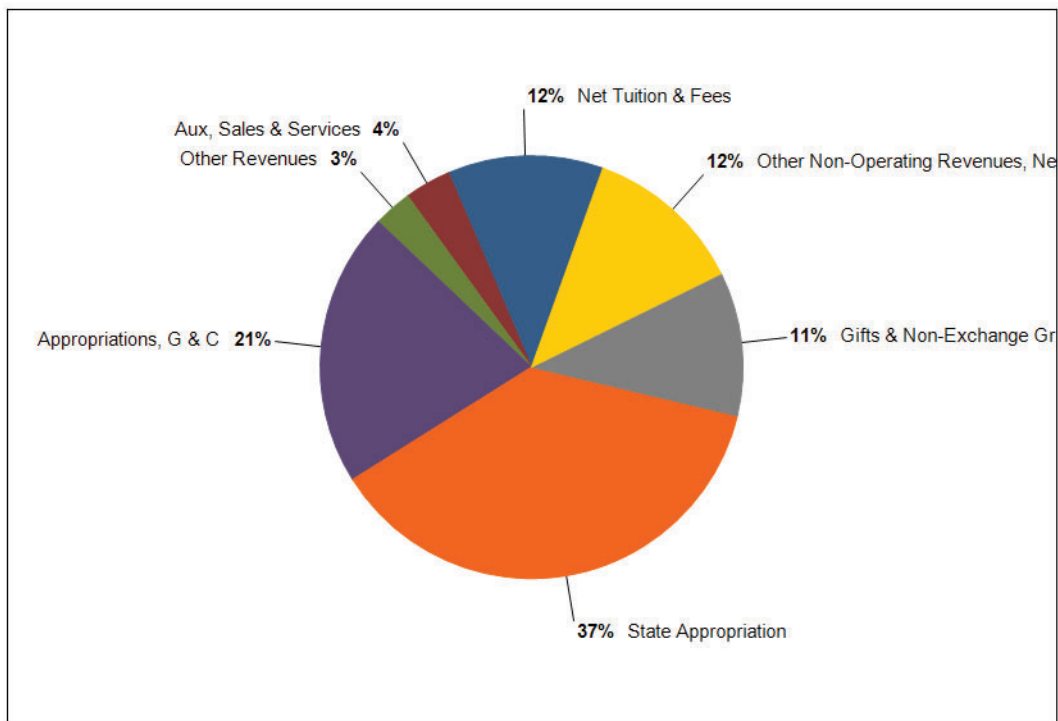
The following graph illustrates a comparison of operating expense (in millions) by function, excluding depreciation and loan administration but including the impact of pension and OPEB adjustments, for fiscal years 2022, 2021 and 2020.



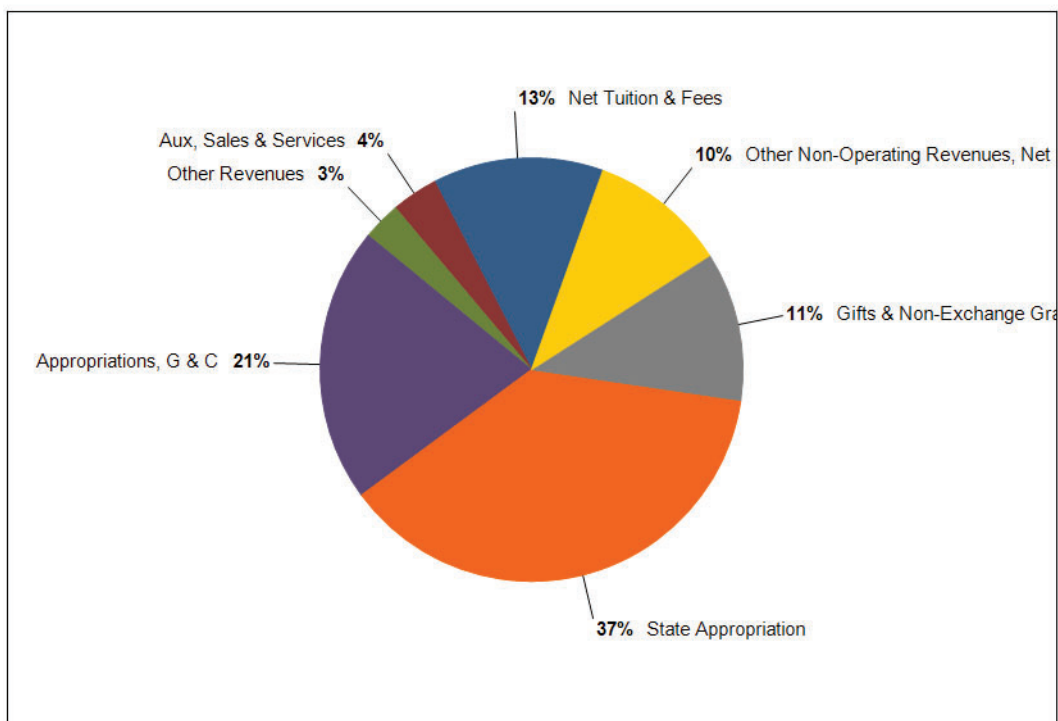
The Statement of Revenues, Expenses, and Changes in Net Position reflects a net income of \$23 million before other revenues and special item in fiscal year 2022, a net loss before other revenues of \$272 million in fiscal year 2021 and a net income before other revenues of \$168 million in fiscal year 2020. The special item expense of \$88 million is due to the Carlsbad separation.

The following graphs reflect the University's sources of revenue available to meet current operating costs for fiscal years 2022, 2021 and 2020.

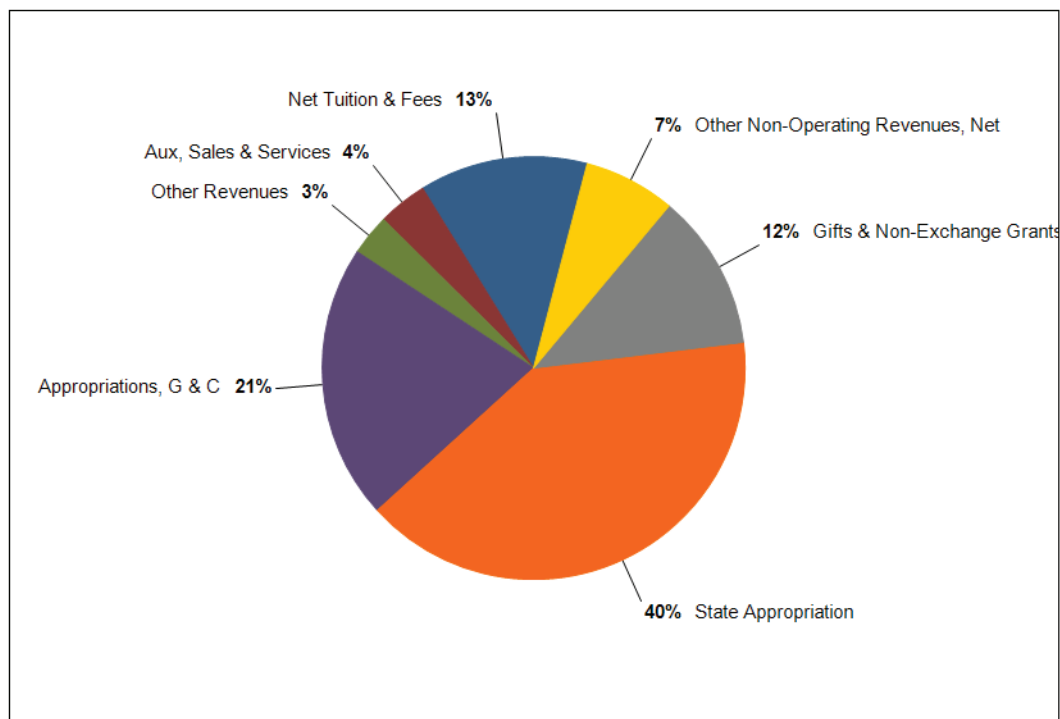
2022 Revenues



2021 Revenues



2020 Revenues



Capital Asset and Debt Administration

During fiscal year 2022, net capital assets decreased by \$7 million due to the transfer of \$17 million in net capital assets to Southeast New Mexico College, offset by increased levels of construction and renovation activities. Projects that increased capital assets included current period expenditures for NMDA of \$8 million, the Agriculture modernization facility of \$14 million, and campus road improvements of \$1 million. In addition to construction costs, there were increases in capital assets related to capital equipment purchases of \$10 million and capital library purchases of \$3 million, which were offset by total depreciation and amortization expense of \$33 million. Debt from bonds and related notes decreased by \$9 million in fiscal year 2022.

During fiscal year 2021, net capital assets decreased by \$15 million due to lower levels of construction and renovation activities. Projects that increased capital assets included current period expenditures for NMDA of \$1.5 million, the Agriculture modernization facility of \$1 million, the DACC Gadsden expansion of \$2 million, and DACC roof renovations of \$1 million. In addition to construction costs, there were increases in capital assets related to capital equipment purchases of \$4.8 million and capital library purchases of \$2.8 million, which were offset by total depreciation and amortization expense of \$34.2 million. Debt from bonds decreased by \$9 million in fiscal year 2021.

Budget Comparison

In comparing the total original budgeted revenue to the revised budgeted revenue for fiscal year 2022, there was a net increase of approximately \$180.6 million, and an increase of approximately \$243.1 million in revised budgeted expenditures. A portion of this increase over the original budget reflects the normal practice of making sure the institution has sufficient spending authority, and a portion reflects changes in sources and spending this year as described below.

The significant increases to the revenue budget were:

- federal government sources of \$85.8 million,
- state appropriations of \$18.9 million
- state grants and contracts of \$14.6 million,
- local government appropriations of \$12.9 million
- capital outlay of \$22.8 million, and
- other sources of \$24.6 million.

The increase in budgeted federal government revenue sources is due in part to the receipt of ARP federal HEERF funding awards totaling \$51.9 million, which includes \$25.1 million for student emergency financial aid grants and \$26.8 million for institutional costs associated with significant changes due to the coronavirus during fiscal year 2022. Increases in budgeted state appropriations were a result of additional legislative funding appropriations which were made available in fiscal year 2022. The budgeted increase in local appropriations is a result of an increase in local tax levies, primarily in Carlsbad. Capital outlay budgeted revenue was increased primarily to budget for the construction in progress related to bond proceeds. The increase in projected revenues for other sources was a result of projected increases in indirect cost recovery and also 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 (\$53.1 million) as well as student aid grants and stipends (\$47.1 million) to allow for expenditure authority contingencies in anticipation of the federal HEERF funding. In addition, the public service budget was increased by \$12.3 million and internal service increased by \$10.3 million to allow for expenditure authority. Capital outlay expenditure budget increased \$57.7 million and renewal and replacement increased by \$17.1 million primarily to account for the transfer of fund balances from NMSU Carlsbad to the new stand-alone community college (SENMC) in addition to scheduled construction projects.

Actual revenues earned in fiscal year 2022 were lower than the revised budget by \$90.5 million and actual expenditures were lower than the revised budget by \$145.5 million. This variance reflects conservative budgeting practices to make sure spending authority was in place.

The main contributors to the revenue budget variance were:

- federal grants and contracts revenue of \$49.7 million,
- other sources for \$16 million, and
- capital outlay revenue of \$15 million.

The main contributors to the expense budget variance—79% of the variance—were in instruction (\$39.7 million), public service (\$11.3 million), internal service (\$9.9 million), student aid (\$26.9 million), and capital outlay (\$26.9 million). 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. In addition, the University budgeted the HEERF available funding in its entirety within instruction and student aid in order to provide spending authority.

Total expenditures were more than revenues, resulting in a decrease in the overall fund balance of \$31 million. The current funds contributed to an increase of \$48.6 million in fund balance while renewal and replacement had a decrease in fund balance of \$18.8 million and capital outlay had a decrease in fund balance of \$30.6 million. The declines in fund balance are primarily a result of the transactions required to transfer fund balances from the NMSU Carlsbad campus to SENMC, the new independent community college as enacted in legislation in 2021, during fiscal year 2022. This transition contributed to the decrease in renewal and replacement (\$19.9 million) and capital outlay (\$29 million). The remaining components of NMSU all saw moderate increases in their fund balances.

Factors Impacting Future Periods

The state provided an overall increase in appropriations for the fiscal year 2023. Among the highlights for higher education:

- \$56.6 million in new capital outlay and \$27.1 million in recurring and non-recurring operating funds for the NMSU system,
- compensation increases included a 7% average compensation increase with a 3% down payment in the last quarter of fiscal year 22 and funding to increase minimum wage to \$15 for all regular employees,
- \$45 million for research matching funds,
- \$137 million for endowed faculty and other positions,
- \$15 million for expanding enrollment in nursing programs, and
- More than \$230 million in new financial aid for students including \$130 million transfer to the lottery tuition fund and \$75 million for the Opportunity Scholarship.

In addition to providing more funding for the Opportunity Scholarships, the state also expanded the eligibility requirements which will potentially attract additional students to NMSU.

All campuses increased enrollment for Fall 2022. The University main campus saw enrollment growth of 2.6%, with a significant increase in NMSU-Online which experienced a 68% increase in undergraduate and a 6.7% increase in graduate students. Increases in enrollment at branch community college campuses ranged from 3.2% at Dona Ana to 19.2% at Grants. However, as a result of NMSU-Carlsbad branch campus becoming an independent institution, overall total system enrollment declined by 2.2 percent. Tuition rates increased by 8% for NMSU-Online graduate students and 4% for all other students across all campuses. This combined with enrollment increases is favorable for the tuition revenue outlook for the NMSU system.

The outlook for state appropriations is promising. In August 2022, the New Mexico Legislative Finance Committee General Fund Recurring Revenue Outlook indicated a stronger than expected revenue projections for the state of New Mexico. The state is projecting recurring revenues fiscal year 2023 at approximately \$9.847 billion, up \$1.002 billion from the December 2021 estimate, and FY24 recurring revenues are estimated at \$10.859 billion. This would result in an increase in recurring revenues estimated at \$2.455 billion for FY24, or 29.2% growth from the FY23 recurring budget.

One significant factor influencing spending in future periods is the significantly rising cost of natural gas, resulting in an increase in utilities costs for the university system. The increase began during fiscal year 2022 and is expected to continue for the foreseeable future.

The University received significant one-time appropriation funds during fiscal year 2022, which will be spent over the next few years. These activities will result in a decrease in fund balance as the appropriation funds are utilized. Two examples of this are \$5 million for the expansion of public health education and research programs and \$3 million to NMDA for soil and water conservation districts. These funds were received in June 2022 and will be spent over the next few years.

New Mexico State University
Statements of Net Position - Proprietary Funds
As of June 30, 2022

	University	Discrete Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 48,325,932	\$ 5,509,602
Restricted cash and cash equivalents	9,643,965	-
Cash and cash equivalents held in trust by component unit for NMSU	2,270,240	2,270,240
Short-term investments	29,657,804	322,239
Accounts receivable, net	66,566,872	10,260,072
Due from component unit	1,990,516	-
Inventories	4,570,946	-
Prepaid expenses and other assets	661,016	603,084
Long-term receivable - current portion	809,309	-
Total current assets	164,496,600	18,965,237
Non-current assets		
Unrestricted cash and cash equivalents	36,912,723	10,143,286
Restricted cash and cash equivalents	23,263,391	-
Investments held by others	-	139,535
Investments held in trust by component unit for NMSU	44,885,427	44,885,427
Other long-term investments	53,345,937	278,315,350
Long-term receivable	18,919,311	-
Capital assets, net	478,095,090	27,133
Total non-current assets	655,421,879	333,510,731
Total assets	819,918,479	352,475,968
DEFERRED OUTFLOWS OF RESOURCES	360,978,496	-
LIABILITIES		
Current liabilities		
Accounts payable	17,719,443	119,997
Due to NMSU	-	1,990,516
Other accrued liabilities	18,188,909	-
Accrued interest payable	1,132,475	-
Held in trust for NMSU	-	2,270,240
Unearned revenue	21,003,995	350,413
Held in trust by NMSU	615,449	-
Long-term liabilities - current portion	17,366,010	149,154
Total current liabilities	76,026,281	4,880,320
Non-current liabilities		
Accrued benefit reserves	659,630	-
Held in trust for NMSU	-	44,885,427
Other long-term liabilities	120,108,600	1,321,042
Net pension liability	433,022,953	-
Other post-employment benefit liability	124,674,685	-
Total non-current liabilities	678,465,868	46,206,469
Total liabilities	754,492,149	51,086,789
DEFERRED INFLOWS OF RESOURCES	675,077,946	-
NET POSITION		
Net investment in capital assets	376,101,836	27,133
Restricted for:		
Donor	-	283,270,492
Non-expendable:		
Endowments	33,323,580	-
Expendable:		
Endowments	1,462,479	-
General activities	6,461,221	-
Federal student loans	5,490,947	-
Capital projects	22,310,549	-
Related entity activities	1,768,409	-
Unrestricted	(695,592,141)	18,091,554
Total net position	\$ (248,673,120)	\$ 301,389,179

New Mexico State University
Statements of Net Position - Proprietary Funds
As of June 30, 2021

	University	Discrete Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 86,256,680	\$ 28,290,420
Restricted cash and cash equivalents	8,979,547	-
Cash and cash equivalents held in trust by component unit for NMSU	2,717,427	2,717,427
Short-term investments	40,117,743	414,516
Accounts receivable, net	47,433,610	5,817,793
Due from component unit	1,534,251	-
Inventories	2,640,265	-
Prepaid expenses	458,059	3,049,094
Long-term receivable - current portion	1,054,659	-
Total current assets	191,192,241	40,289,250
Non-current assets		
Unrestricted cash and cash equivalents	59,353,535	2,585,836
Restricted cash and cash equivalents	33,962,158	-
Investments held by others	-	162,644
Investments held in trust by component unit for NMSU	51,851,418	51,851,418
Other long-term investments	24,526,077	260,427,368
Long-term receivable	21,741,551	-
Capital assets, net	484,626,352	31,911
Total non-current assets	676,061,091	315,059,177
Total assets	867,253,332	355,348,427
DEFERRED OUTFLOWS OF RESOURCES	600,613,732	-
LIABILITIES		
Current liabilities		
Accounts payable	13,271,214	439,062
Due to NMSU	-	1,534,251
Other accrued liabilities	17,158,652	-
Accrued interest payable	1,223,652	-
Held in trust for NMSU	-	2,717,427
Unearned revenue	23,391,222	366,402
Long-term liabilities - current portion	18,225,958	210,215
Total current liabilities	73,270,698	5,267,357
Non-current liabilities		
Accrued benefit reserves	659,630	-
Held in trust for NMSU	-	51,851,418
Other long-term liabilities	130,245,609	2,071,021
Net pension liability	1,257,204,608	-
Other post-employment benefit liability	165,975,793	-
Total non-current liabilities	1,554,085,640	53,922,439
Total liabilities	1,627,356,338	59,189,796
DEFERRED INFLOWS OF RESOURCES	50,933,563	-
NET POSITION		
Net investment in capital assets	371,206,501	31,911
Restricted for:		
Donor	-	280,791,049
Non-expendable:		
Endowments	35,997,474	-
Expendable:		
Endowments	1,171,317	-
General activities	6,535,854	-
Federal student loans	8,661,704	-
Capital projects	31,043,550	-
Related entity activities	3,725,143	-
Unrestricted	(668,764,380)	15,335,671
Total net position	\$ (210,422,837)	\$ 296,158,631

New Mexico State University

Statements of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Year Ended June 30, 2022

	University	Discrete Component Unit
REVENUES		
Operating revenues:		
Student tuition and fees (gross)	\$ 116,652,709	\$ -
Less: scholarship allowances	(42,132,579)	-
Student tuition and fees (net)	74,520,130	-
Federal appropriations, grants and contracts	99,475,967	-
State grants and contracts	20,575,992	-
Local appropriations, grants and contracts	2,956,875	-
Non-governmental grants, contracts and gifts	8,256,717	25,136,627
Sales and services	7,193,818	-
Auxiliary enterprises (net of scholarship allowances)	14,828,666	-
Other operating revenues	18,194,289	-
Total operating revenues	246,002,454	25,136,627
EXPENSES		
Operating expenses:		
Instruction	153,445,913	-
Research	99,290,703	-
Public service	51,544,480	-
Academic support	25,322,805	-
Student services	17,664,346	-
Institutional support	31,738,973	-
Operation and maintenance of plant	36,478,516	-
Scholarships and fellowships	73,912,902	-
Auxiliary enterprises	20,136,105	-
Independent operations	24,388,893	-
Intercollegiate athletics	24,154,882	-
Student social and cultural	3,980,919	-
Loan administration (net)	2,854,818	-
Depreciation	33,324,157	4,778
Other operating expenses	-	19,376,502
Total operating expenses	598,238,412	19,381,280
Net operating income (loss)	(352,235,958)	5,755,347
Non-operating revenues (expenses):		
State appropriations	231,586,810	-
Federal Pell grants	37,456,348	-
State lottery scholarship	20,110,299	-
Local tax levy revenue	26,515,554	-
Gifts and non-exchange grants	10,655,004	-
Investment loss	(7,180,824)	(6,100,884)
Land lease and permanent fund revenue	4,280,410	-
Building fees	4,001,778	-
Loss on disposal of plant	(1,021,426)	-
Additions to quasi endowments	44,631	-
Interest and other expenses on capital asset-related debt	(3,681,321)	-
Other non-operating revenues (expenses)	52,872,429	5,576,085
Net non-operating revenues	375,639,692	(524,799)
Income before other revenues and special item	23,403,734	5,230,548
Capital appropriations	19,979,680	-
Capital grants, gifts, and other income	6,407,556	-
Additions to permanent endowments	225,816	-
Special item - Carlsbad separation	(88,267,069)	-
Increase (decrease) in net position	(38,250,283)	5,230,548
NET POSITION		
Beginning of year	(210,422,837)	296,158,631
End of year	\$ (248,673,120)	\$ 301,389,179

New Mexico State University

Statements of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Year Ended June 30, 2021

	University	Discrete Component Unit
REVENUES		
Operating revenues:		
Student tuition and fees (gross)	\$ 118,261,471	\$ -
Less: scholarship allowances	(46,669,518)	-
Student tuition and fees (net)	71,591,953	-
Federal appropriations, grants and contracts	91,596,098	-
State grants and contracts	14,189,325	-
Local appropriations, grants and contracts	2,745,202	-
Non-governmental grants, contracts and gifts	6,712,096	16,906,918
Sales and services	5,169,867	-
Auxiliary enterprises (net of scholarship allowances)	14,389,685	-
Other operating revenues	16,345,711	-
Total operating revenues	222,739,937	16,906,918
EXPENSES		
Operating expenses:		
Instruction	250,869,068	-
Research	138,463,482	-
Public service	72,528,063	-
Academic support	41,339,322	-
Student services	29,427,148	-
Institutional support	55,658,721	-
Operation and maintenance of plant	58,377,469	-
Scholarships and fellowships	49,150,395	-
Auxiliary enterprises	28,635,656	-
Independent operations	30,153,164	-
Intercollegiate athletics	25,450,453	-
Student social and cultural	3,861,756	-
Loan administration (net)	1,071,777	-
Depreciation	34,201,108	17,673
Other operating expenses	-	15,349,366
Total operating expenses	819,187,582	15,367,039
Net operating loss	(596,447,645)	1,539,879
Non-operating revenues (expenses):		
State appropriations	205,099,182	-
Federal Pell grants	38,749,599	-
State lottery scholarship	14,992,738	-
Local tax levy revenue	22,209,029	-
Gifts and non-exchange grants	8,234,619	-
Investment income (loss)	12,080,739	121,240,517
Land lease and permanent fund revenue	3,765,317	-
Building fees	4,222,488	-
Loss on disposal of plant	(70,934)	-
Additions to quasi endowments	53,045	-
Interest and other expenses on capital asset-related debt	(3,898,429)	-
Other non-operating expenses	18,780,564	(962,803)
Net non-operating revenues (expenses)	324,217,957	120,277,714
Loss before other revenues	(272,229,688)	121,817,593
Capital appropriations	14,815,082	-
Capital grants, gifts, and other income	1,848,041	-
Additions to permanent endowments	688,349	-
Increase (decrease) in net position	(254,878,216)	121,817,593
NET POSITION		
Beginning of year	44,455,379	174,341,038
End of year	\$ (210,422,837)	\$ 296,158,631

New Mexico State University
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2022

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees and other student payments received	\$ 74,960,970
Grants and contracts received	111,592,402
Payments to suppliers	(136,104,333)
Payments for travel	(9,706,544)
Payments to employees and for employee benefits	(338,314,520)
Disbursement of net aid to students	(80,851,796)
Receipts from sales, services, and auxiliary enterprises	19,734,304
Other operating revenues	18,353,473
Net cash used by operating activities	(340,336,044)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State appropriations	231,586,810
Gifts and grants for other than capital purposes	68,221,651
Tax levy revenue	26,515,554
Private gifts for endowment	(40,186)
Carlsbad separation	(70,269,642)
Other non-operating revenues	52,872,429
Net cash provided by non-capital financing activities	308,886,616
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt and leases	96,492
Capital gifts, grants and contracts	26,431,867
Purchases/construction/renovation of capital assets	(44,311,748)
Principal paid on capital debt and leases	(10,176,216)
Interest and fees paid on capital debt and leases	(1,417,499)
Building fees received from students	4,001,778
Net cash used by capital and related financing activities	(25,375,326)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	74,322,117
Proceeds held in trust by NMSU Foundation	(447,187)
Interest on investments	7,053,753
Purchase of investments	(94,957,025)
Net cash used by investing activities	(14,028,342)
Net decrease in cash and cash equivalents	(70,853,096)
Cash and cash equivalents - beginning of year	191,269,347
Cash and cash equivalents - end of year	\$ 120,416,251
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (352,235,958)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	33,324,157
Change in assets and liabilities:	
Increase in accounts receivable	(19,589,527)
Increase in prepaid expenses	(202,957)
Increase in inventory	(1,930,681)
Decrease in loans receivable	4,171,828
Increase in accounts payable and other accrued liabilities	1,579,254
Decrease in unearned revenue	(2,387,227)
Increase in held in trust by NMSU	615,449
Increase in net pension/OPEB liability and related deferred inflows/outflows of resources	(3,680,382)
Net cash used by operating activities	\$ (340,336,044)

New Mexico State University
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2021

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees and other student payments received	\$ 74,451,336
Grants and contracts received	121,913,556
Payments to suppliers	(94,610,961)
Payments for travel	(3,423,194)
Payments to employees and for employee benefits	(353,734,102)
Disbursement of net aid to students	(53,888,775)
Receipts from sales, services, and auxiliary enterprises	22,511,433
Other operating revenues	16,365,831
Net cash used by operating activities	(270,414,876)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State appropriations	205,099,182
Gifts and grants for other than capital purposes	61,976,956
Tax levy revenue	22,209,029
Private gifts for endowment	(4,829,832)
Other non-operating expense	18,780,570
Net cash provided by non-capital financing activities	303,235,905
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt and leases	323,147
Capital gifts, grants and contracts	16,716,168
Purchases/construction/renovation of capital assets	(19,032,068)
Principal paid on capital debt and leases	(10,168,715)
Interest and fees paid on capital debt and leases	(3,987,883)
Building fees received from students	4,222,488
Net cash used by capital and related financing activities	(11,926,863)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	65,764,181
Proceeds held in trust by NMSU Foundation	(3,130,049)
Interest on investments	12,836,189
Purchase of investments	(84,994,295)
Net cash provided by investing activities	(9,523,974)
Net increase in cash and cash equivalents	11,370,192
Cash and cash equivalents - beginning of year	179,899,155
Cash and cash equivalents - end of year	\$ 191,269,347
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (596,447,645)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	34,201,108
Change in assets and liabilities:	
Decrease in accounts receivable	3,775,111
Decrease in prepaid expenses	1,263,609
Decrease in inventory	633,093
Decrease in loans receivable	1,647,517
Increase in accounts payable and other accrued liabilities	1,485,667
Increase in unearned revenue	8,727,108
Increase in net pension liability and related deferred inflows and outflows of resources	274,299,556
Net cash used by operating activities	\$ (270,414,876)

New Mexico State University

Statement of Fiduciary Net Position

As of June 30, 2022 and 2021

	Custodial Funds 2022	Custodial Funds 2021
ASSETS		
Cash and cash equivalents	\$ 8,380,729	\$ 7,058,708
Accounts receivable	442,528	45,113
Total assets	8,823,257	7,103,821
LIABILITIES		
Accounts payable	453,452	8,071
Unearned revenue	-	-
Total liabilities	453,452	8,071
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	8,369,805	7,095,750
Total net position	\$ 8,369,805	\$ 7,095,750

New Mexico State University
Statement of Changes in Fiduciary Net Position
For the Years Ended June 30, 2022 and 2021

	Custodial Funds 2022	Custodial Funds 2021
ADDITIONS		
Tax remittance from other governments	\$ 5,268,078	4,740,241
Miscellaneous	339,416	302,741
Total additions	5,607,494	5,042,982
DEDUCTIONS AND SPECIAL ITEM		
Debt payments for other governments	3,593,139	3,311,364
Other expense	353,590	299,666
Special item	386,710	-
Total deductions and special item	4,333,439	3,611,030
Net increase in fiduciary net position	1,274,055	1,431,952
NET POSITION		
Beginning of year	7,095,750	5,663,798
End of year	\$ 8,369,805	\$ 7,095,750

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.

The New Mexico Legislature approved in its House Bill 212 the transformation of NMSU Carlsbad into Southeast New Mexico College as part of the 2021 session. The new college was authorized as an independent college from New Mexico State University. The legislation required the transfer of functions, personnel, and property as of April 10, 2022. As part of the transfer, we made cash payments totaling \$70,269,642, a transfer of fixed assets with a net book value of \$16,237,890, library books of \$259,537, and a contingent liability of \$1,500,000. The impact of the transfer is presented as an expense to the University and is shown as a special item in 2022. As a result of this, the Carlsbad community college no longer exists as part of the University.

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.

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 Annual Comprehensive 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.

Long-term receivables. Long-term receivables primary categories are: 1) Perkins student loans; 2) Finance building sale; and, 3) Receivable from leases.

	2022	2021
Perkins student loans	\$ 2,936,948	\$ 5,499,866
Finance building sale	925,000	925,000
Lease receivable	15,866,672	16,371,344
Long-term receivable	<u>\$ 19,728,620</u>	<u>\$ 22,796,210</u>

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, 2022 and 2021. 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, 2022 and 2021.

Non-Current Liabilities. Non-current liabilities, within other long-term liabilities, includes principal amounts of revenue bonds payable, lease liabilities, 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: Regular full-time exempt and non-exempt employees will earn annual leave at a rate of 21 working days per year. Leave is prorated for regular employees working at least half-time. University policy allows employees to accumulate a maximum of 30 unused annual leave days. Up to 240 hours accumulated annual leave may be carried forward each July 1, and may be paid upon termination of employment for regular employees only. Effective June 30, 2017, leave accrued in excess of 240 hours at the close of business on June 30 of each year shall be forfeited. Non regular term appointment employees will forfeit all unused accrued leave on July 1, and upon termination of term appointment.

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 Discrete Component Unit represents resources that may be used at the discretion of the governing board of the Discrete 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.

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:

	2022	2021
Deferred Outflows of Resources		
Related to net pension liability	\$ 351,698,641	\$ 581,951,694
Related to net OPEB liability	8,123,326	17,290,742
Net loss on defeasance	1,156,529	1,371,296
Total deferred outflows of resources	<u>360,978,496</u>	<u>600,613,732</u>
Deferred Inflows of Resources		
Related to net pension liability	\$ 619,406,883	\$ 26,819,944
Related to net OPEB liability	39,795,100	7,722,602
Related to leases	15,866,672	16,371,344
Unamortized bond premiums	9,291	19,672
Total deferred inflows of resources	<u>\$ 675,077,946</u>	<u>\$ 50,933,562</u>

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, 2022 and 2021, the University owned 259,581 and 271,325 shares which represented 21.83% and 23.12% of the total shares in the pool, respectively. The fair value per share as of June 30, 2022 and 2021 was \$168.31 and \$195.89, 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, 2022 and 2021.

Investments. 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, 2022 and 2021, 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, 2022 and 2021. The Foundation's short-term investments in marketable securities consisted entirely of U.S. Government and Agency securities at June 30, 2022 and 2021.

Investments held at Foundation were \$44,885,427 and \$51,851,418 at June 30, 2022 and 2021, 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, 2022 and 2021, the investments of the University and its Discrete Component Unit consisted of the following:

	2022 Fair Value	2021 Fair Value
University		
U.S. Agency Securities	\$ 36,069,143	\$ 6,076,340
U.S. Treasury Securities	38,243,538	41,223,439
Domestic Equity Securities and Corporate Bonds	8,691,060	17,344,041
Pooled Investments Held by Others		
Corporate Stocks and Bonds	2,898,909	36,590,929
U.S. Government and Agency Securities	-	386,243
Mortgage Backed Securities	11,368	1,209,081
Limited Partnerships - Alternative	40,987,888	12,619,562
Real Estate Holdings	987,262	1,045,603
Total Investments	<u>\$ 127,889,168</u>	<u>\$ 116,495,238</u>
Foundation		
Corporate Stocks and Bonds	\$ 29,934,347	\$ 132,142,709
U.S. Government and Agency Securities	17,708,497	2,079,124
Certificates of Deposit	-	105,264
Other Time Deposits	322,239	309,252
Mortgage Backed Securities	40,706	4,754,375
Limited Partnerships - Alternative	146,771,562	41,963,319
Other Investments	83,860,238	79,487,841
Total Investments	<u>\$ 278,637,589</u>	<u>\$ 260,841,884</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 ACFR 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, 2022 and 2021 are as follows:

	2022	2021
Balance of the University's beneficial interest as of June 30	\$86,989,614	\$85,049,056
Income received from the University's beneficial interest in the LGPF for the period ending June 30	\$ 3,202,253	\$ 3,041,633

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, 2022 and 2021.

	2022	2021
Equities	60 %	60 %
Fixed income	6 %	2 %
Cash and cash equivalents	5 %	11 %
Investments not securities	29 %	27 %
	<u>100 %</u>	<u>100 %</u>

Collateralization of Deposits. At June 30, 2022 and 2021, the recorded values of the University's cash and time deposits with financial institutions were \$52,440,799 and \$57,216,596, respectively. Bank balances, which differ from the reported values due to reconciling items, are categorized and presented in the following table:

	2022	2021
University and Fiduciary Fund		
Amount insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 546,967	\$ 534,629
Amount collateralized with securities held by the pledging financial institution	59,627,243	63,818,563
Uncollateralized	<u>768,870</u>	<u>47,248</u>
Total cash and time deposit bank balances	60,943,080	64,400,440
Reconciling Items:		
Add: cash equivalents	74,085,941	138,394,032
Add: cash equivalents held by others	2,270,240	2,717,427
Less: other reconciling items	<u>(8,502,281)</u>	<u>(7,183,844)</u>
Total reported cash balance	<u>\$128,796,980</u>	<u>\$198,328,055</u>
Foundation		
Amount insured by the FDIC	\$ 250,000	\$ 500,000
Amount in excess of FDIC, Lloyd's of London and Security Investor Protection Corporation (SIPC)	12,602,888	27,876,256
Amount at Merrill Lynch insured by SIPC, Lloyd's of London and the FDIC	1,400,000	2,500,000
Amount at Charles Schwab insured by SIPC, Lloyd's of London and the FDIC	<u>1,400,000</u>	<u>-</u>
Total reported cash balance	<u>\$ 15,652,888</u>	<u>\$ 30,876,256</u>

The following table provides information on the University's cash and cash equivalents at June 30, 2022:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Fiduciary Fund Accounts				
First National Bank of Alamogordo				
Operational	Debt Service	\$ 651,252	\$ -	\$ 651,252
Wells Fargo Bank of New Mexico				
Operational	Debt Service	7,198,159	-	7,198,159
Operational	Cash Management	531,318	-	531,318
Total Cash and Cash Equivalents - Fiduciary Funds		<u>\$ 8,380,729</u>	<u>\$ -</u>	<u>\$ 8,380,729</u>
Wells Fargo Bank of New Mexico				
Operational	Checking	-	(8,270,576)	(8,270,576)
Operational	Student ACH	-	(12,091)	(12,091)
Operational	General	-	71,841	71,841
Operational	Payroll	-	(316,385)	(316,385)
Operational	Credit Card	-	20,247	20,247
Operational	Cash Transfers	-	2,383	2,383
Operational	Deposit	-	2,273	2,273
Operational	Money Market (WFS)	59,838,080	-	59,838,080
Operational	Cash Management	52,474,217	-	52,474,217
Operational	Money Market (Trust)	2,002,268	-	2,002,268
Stifel				
Operational	Money Market	2,332	-	2,332
Western Commerce Bank of Carlsbad				
Operational	Deposit	15,832	21	15,853
Cash on Hand				
Cash on hand	Cash	41,167	-	41,167
Citizen's Bank of Las Cruces				
Certificate of deposit	Time Deposit	31,135	6	31,141
Federated Investment Manager				
Dividend reinvestment	Money Market	12,243,261	-	12,243,261
New Mexico State University Foundation, Inc.				
NMSU endowments	Cash	2,270,240	-	2,270,240
Total Cash and Cash Equivalents - University		<u>\$ 128,918,532</u>	<u>\$ (8,502,281)</u>	<u>\$ 120,416,251</u>
Total Cash and Cash Equivalents		<u>\$ 137,299,261</u>	<u>\$ (8,502,281)</u>	<u>\$ 128,796,980</u>

The following table provides information on the University's cash and cash equivalents at June 30, 2021:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Fiduciary Fund Accounts				
First National Bank of Alamogordo				
Operational	Debt Service	\$ 595,955	\$ -	\$ 595,955
Wells Fargo Bank of New Mexico				
Operational	Debt Service	6,110,793	-	6,110,793
Operational	Cash Management	351,960	-	351,960
Total Cash and Cash Equivalents - Fiduciary Funds		<u>\$ 7,058,708</u>	<u>\$ -</u>	<u>\$ 7,058,708</u>
Wells Fargo Bank of New Mexico				
Operational	Checking	-	(2,164,077)	(2,164,077)
Operational	Student ACH	-	8,346	8,346
Operational	General	-	(4,688,964)	(4,688,964)
Operational	Payroll	-	(452,053)	(452,053)
Operational	Credit Card	-	110,983	110,983
Operational	Deposit	-	15	15
Operational	Money Market (WFS)	123,410,531	-	123,410,531
Operational	Cash Management	57,259,855	-	57,259,855
Operational	Money Market (Trust)	2,007,591	-	2,007,591
Wells Fargo Advisors				
Operational	Money Market	301	-	301
Western Commerce Bank of Carlsbad				
Operational	Deposit	3,500	1,905	5,405
Cash on Hand				
Cash on hand	Cash	47,248	-	47,248
Citizen's Bank of Las Cruces				
Certificate of deposit	Time Deposit	31,129	-	31,129
Federated Investment Manager				
Dividend reinvestment	Money Market	12,975,610	-	12,975,610
New Mexico State University Foundation, Inc.				
NMSU endowments	Cash	2,717,427	-	2,717,427
Total Cash and Cash Equivalents - University		<u>\$ 198,453,192</u>	<u>\$ (7,183,845)</u>	<u>\$ 191,269,347</u>
Total Cash and Cash Equivalents		<u>\$ 205,511,900</u>	<u>\$ (7,183,845)</u>	<u>\$ 198,328,055</u>

The following table provides information on the the University's investments, including reconciling items, at June 30, 2022.

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
FHN Financial				
Domestic corporate bonds	Investment	1,996,940	-	1,996,940
FHN Financial				
U.S. agency securities	Investment	21,417,563	-	21,417,563
Stifel				
Domestic equity securities	Investment	268,086	-	268,086
Raymond James				
U.S. agency securities	Investment	6,008,091	-	6,008,091
Raymond James				
Domestic corporate bonds	Investment	5,934,666	-	5,934,666
Wells Fargo Securities				
U.S. agency securities	Investment	8,643,489	-	8,643,489
Wells Fargo Trust				
U.S. treasury securities	Investment	38,243,538	-	38,243,538
Sandia Motorsports Park, Inc.				
Domestic equity securities	Investment	32,427	-	32,427
Principal Funds				
Domestic equity securities	Investment	349,002	-	349,002
Franklin Templeton				
Domestic equity securities	Investment	36,411	-	36,411
Innovation				
Domestic equity securities	Investment	73,528	-	73,528
New Mexico State University Foundation, Inc.				
NMSU endowments	Investment	44,885,427	-	44,885,427
Total Investments		<u>\$ 127,889,168</u>	<u>\$ -</u>	<u>\$ 127,889,168</u>

The following table provide information on the the University's investments, including reconciling items, at June 30, 2021.

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
FHN Financial				
Domestic corporate bonds	Investment	2,066,672	-	2,066,672
Wells Fargo Advisors				
Domestic equity securities	Investment	251,928	-	251,928
Raymond James				
U.S. agency securities	Investment	4,062,848	-	4,062,848
Raymond James				
Domestic corporate bonds	Investment	14,489,636	-	14,489,636
Wells Fargo Securities				
U.S. agency securities	Investment	2,013,492	-	2,013,492
Wells Fargo Trust				
U.S. treasury securities	Investment	41,223,439	-	41,223,439
Sandia Motorsports Park, Inc.				
Domestic equity securities	Investment	32,427	-	32,427
Principal Funds				
Domestic equity securities	Investment	390,769	-	390,769
Franklin Templeton				
Domestic equity securities	Investment	39,081	-	39,081
Innovation				
Domestic equity securities	Investment	73,528	-	73,528
New Mexico State University Foundation, Inc.				
NMSU endowments	Investment	51,851,418	-	51,851,418
Total Investments		<u>\$ 116,495,238</u>	<u>\$ -</u>	<u>\$ 116,495,238</u>

Information on the Foundation's cash and cash equivalents and deposit accounts and investments, including reconciling items, at June 30, 2022, is provided below:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Wells Fargo Bank of New Mexico				
Operations	Checking	\$ 1,666,972	\$ (1,830)	\$ 1,665,142
Program	ACH	1,394,285	-	1,394,285
Real Estate Holdings, LLC	Checking	406,736	-	406,736
OWH II LLC	Checking	199,250	-	199,250
Operations	Checking	270,884	(118,432)	152,452
Merrill Lynch				
Program	Money Market	81,122	-	81,122
OWH II LLC	Money Market	187,551	-	187,551
Less Cash Allocated to NMSU for AHIT (Program)	Held in Trust	(1,462,479)	-	(1,462,479)
Charles Schwab				
Charitable gift annuity	Money Market	13,102	-	13,102
Student trading	Money Market	16,663	-	16,663
Operating reserve	Money Market	407,559	-	407,559
Programmatic	Money Market	2,874,291	-	2,874,291
Investment Cash - Charles Schwab				
LTIP	Money Market	8,378,820	-	8,378,820
Real Estate Holdings, LLC	Money Market	836,900	-	836,900
Investment cash - Merrill Lynch				
Managers:				
Private Equity	Money Market	199,624	-	199,624
ALT Investments	Money Market	1,113,851	-	1,113,851
Less Cash Allocated to NMSU for AHIT	Held in Trust	(811,981)	-	(811,981)
Total Cash and Cash Equivalents		\$ 15,773,150	\$ (120,262)	\$ 15,652,888
Corporate Stocks and Bonds	Investment	\$ 87,883	-	\$ 87,883
U.S. Government and Agency Securities	Investment	17,708,497	-	17,708,497
Mortgage Backed Securities - Foreign	Investment	40,706	-	40,706
Limited Partnerships - Alternative	Investment	146,771,562	-	146,771,562
Mutual Funds	Investment	29,846,464	-	29,846,464
Non-marketable Equity Investment	Investment	80,325,000	-	80,325,000
Real Estate Holdings				
Real Estate Holdings	Investment	3,535,238	-	3,535,238
Short-term Investments	Investment	322,239	-	322,239
Total Investments		\$ 278,637,589	\$ -	\$ 278,637,589

Information on the Foundation's cash and cash equivalents and deposit accounts and investments, including reconciling items, at June 30, 2021, is provided below:

Account	Type of Account	Financial Institution Balance	Reconciling Items	Book Balance
Wells Fargo Bank of New Mexico				
Operations	Checking	\$ 1,345,692	\$ 10,382	\$ 1,356,074
Program	ACH	310,503	-	310,503
Program	Wire	1,880,742	(18,644)	1,862,098
Program	Checking	1,570,581	-	1,570,581
Program	Transfer	101,043	-	101,043
Citizens Bank of Las Cruces				
Program	Money Market	1,057,063	-	1,057,063
Merrill Lynch				
Operations	Checking	2,215,882	(48,000)	2,167,882
Program	Money Market	18,271,588	(36,095)	18,235,493
Program-Cash Gift Annuity	Checking & Money Market	19,268	(7,625)	11,643
Program-NMSU Business College	Money Market	13,739	-	13,739
OWH II LLC	Money Market	2,545,567	-	2,545,567
OWH II LLC- Account 2	Money Market	124,024	-	124,024
Short Term	Money Market	106,026	-	106,026
Less Cash Allocated to NMSU for AHIT (Program)	Held in Trust	(1,171,317)	-	(1,171,317)
Investment cash - Merrill Lynch Managers:				
Private Equity	Money Market	564,657	-	564,657
WCMA	Money Market	841,037	-	841,037
Cambiar Intl Value	Money Market	827,723	-	827,723
Earnest SCV	Money Market	309,169	-	309,169
Tag - Emerging	Money Market	221,648	-	221,648
Eagle SCG	Money Market	134,305	-	134,305
Short Term Investment Fund	Money Market	95,250	-	95,250
Eagle LCV	Money Market	238,397	-	238,397
Armstrong	Money Market	77,347	-	77,347
Western	Money Market	51,885	-	51,885
Title V	Money Market	20,261	-	20,261
Cohen and Steers	Money Market	47,125	-	47,125
ALT Investments	Money Market	397	-	397
Santa Barbara	Money Market	222,667	-	222,667
Loomis - TMA	Money Market	480,079	-	480,079
Less Cash Allocated to NMSU for AHIT	Held in Trust	(1,546,110)	-	(1,546,110)
Total Cash and Cash Equivalents		\$ 30,976,238	\$ (99,982)	\$ 30,876,256
Corporate Stocks and Bonds				
Corporate Stocks and Bonds	Investment	\$ 76,809,695	-	\$ 76,809,695
U.S. Government and Agency Securities	Investment	2,079,124	-	2,079,124
Mortgage Backed Securities	Investment	3,653,694	-	3,653,694
Mortgage Backed Securities - Foreign	Investment	1,100,681	-	1,100,681
Limited Partnerships - Alternative	Investment	41,963,319	-	41,963,319
Mutual Funds	Investment	55,333,014	-	55,333,014
Non-marketable Equity Investment	Investment	75,990,000	-	75,990,000
Real Estate Holdings				
Real Estate Holdings	Investment	3,476,898	-	3,476,898
Short-term Investments	Investment	414,516	-	414,516
Accrued Investment Interest	Investment	20,943	-	20,943
Total Investments		\$ 260,841,884	\$ -	\$ 260,841,884

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, 2022, 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	\$ 36,069,143	\$ -	\$ 36,069,143	\$ -	\$ -
Domestic corporate bonds	7,931,606	3,994,302	3,937,304	-	-
U.S. treasury securities	38,243,538	25,663,502	12,580,036	-	-
Pooled Investments					
Mortgage-backed securities	11,368	-	11,368	-	-
	<u>82,255,655</u>	<u>\$ 29,657,804</u>	<u>\$ 52,597,851</u>	<u>\$ -</u>	<u>\$ -</u>
Items not subject to interest rate risk:					
Equity securities	759,454				
Pooled Investments					
Domestic equity securities	2,898,909				
Limited partnerships - Alternative	40,987,888				
Real estate holdings (Investments not securities)	<u>987,262</u>				
Total Investments	<u>\$127,889,168</u>				
Foundation					
U.S. government and agency securities	\$ 17,708,497	\$ -	\$ 17,708,497	\$ -	\$ -
Other time deposits	322,239	322,239	-	-	-
Mortgage-backed securities	40,706	-	40,706	-	-
		<u>\$ 322,239</u>	<u>\$ 17,749,203</u>	<u>\$ -</u>	<u>\$ -</u>
Items not subject to interest rate risk:					
Corporate stocks	29,934,347				
Limited partnerships - Alternative	146,771,562				
Other investments	<u>83,860,238</u>				
Total Investments	<u>\$278,637,589</u>				

A summary of the investments at June 30, 2021, 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	\$ 6,076,340	\$ 6,076,340	\$ -	\$ -	\$ -
Domestic corporate bonds	16,556,308	4,041,908	12,514,400	-	-
U.S. treasury securities	41,223,439	29,999,495	11,223,944	-	-
Pooled Investments					
Mortgage-backed securities	1,209,081	-	1,209,081	-	-
Domestic corporate bonds	226,244	-	20,190	177,321	28,733
US government and agency securities	382,444	-	194,998	39,907	147,539
	<u>65,673,856</u>	<u>\$ 40,117,743</u>	<u>\$ 25,162,613</u>	<u>\$ 217,228</u>	<u>\$ 176,272</u>
Items not subject to interest rate risk:					
Equity securities	787,733				
Pooled Investments					
Accrued interest	3,799				
Corporate stocks	36,364,685				
Limited partnerships - Alternative	12,619,562				
Real estate holdings (Investments not securities)	1,045,603				
Total Investments	<u>\$116,495,238</u>				
Foundation					
U.S. government and agency securities	\$ 2,079,124	\$ -	\$ 1,455,817	\$ 132,703	\$ 490,604
Certificates of deposit	105,264	105,264	-	-	-
Other time deposits	309,252	309,252	-	-	-
Corporate bonds	1,618,849	-	933,662	589,638	95,549
Mortgage-backed securities	4,754,375	-	4,754,375	-	-
		<u>\$ 414,516</u>	<u>\$ 7,143,854</u>	<u>\$ 722,341</u>	<u>\$ 586,153</u>
Items not subject to interest rate risk:					
Corporate stocks	130,523,860				
Limited partnerships - Alternative	41,963,319				
Other investments	79,487,841				
Total Investments	<u>\$260,841,884</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, 2022, and their exposure to credit risk follows:

	Rating	Fair Value
University		
U.S. agency securities	S&P/Moody's - AA+/Aaa	\$ 36,069,143
U.S. treasury securities	Not rated	38,243,538
Corporate bonds	S&P/Moody's - AA+/Aaa	7,931,606
Domestic equity securities	Not rated	759,454
Pooled Investments		
Mortgage-backed securities	Not rated	11,368
Domestic equity securities	Not rated	2,898,909
Limited partnerships - Alternative	Not rated	40,987,888
Real estate holdings (investments not securities)	Not rated	987,262
Total Investments		<u>\$ 127,889,168</u>
Foundation		
U.S. government and agency securities	Moody's---Aaa	\$ 17,708,497
Other time deposits	Not rated	322,239
Corporate stocks	Not rated	87,883
Mutual funds	Not rated	29,846,464
Mortgage-backed securities	Not rated	40,706
Limited partnerships - Alternative	Not rated	146,771,562
Other investments (investments not securities)	Not rated	83,860,238
Total Investments		<u>\$ 278,637,589</u>

A summary of the investments at June 30, 2021, and their exposure to credit risk follows:

	Rating	Fair Value
University		
U.S. agency securities	S&P/Moody's - AA+/Aaa	\$ 6,076,340
U.S. treasury securities	Not rated	41,223,439
Corporate bonds	S&P/Moody's - AA+/Aaa	16,556,308
Domestic equity securities	Not rated	787,733
Pooled Investments		
U.S. government and agency securities	Aaa	386,243
Mortgage-backed securities	Not rated	1,209,081
Domestic equity securities	Not rated	31,914,089
Corporate bonds	A1 to BAA1	226,244
Foreign equity securities	Not rated	4,450,596
Limited partnerships - Alternative	Not rated	12,619,562
Real estate holdings (investments not securities)	Not rated	1,045,603
Total Investments		<u>\$ 116,495,238</u>
Foundation		
U.S. government and agency securities	Moody's---Aaa	\$ 2,079,124
Certificates of deposit	Federally insured	105,264
Other time deposits	Not rated	309,252
Corporate bonds	A1 to BAA1	1,618,849
Domestic equity securities	Not rated	60,391,460
Mutual funds	Not rated	55,333,014
Foreign equity securities	Not rated	14,799,386
Mortgage-backed securities	Not rated	4,754,375
Limited partnerships - Alternative	Not rated	41,963,319
Other investments (investments not securities)	Not rated	79,487,841
Total Investments		<u>\$ 260,841,884</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, 2022 and 2021, total bank balances of the University were \$135,029,021 and \$-, 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, 2022.

2022	Balance as of June 30, 2022	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	\$ 38,243,538	\$ 38,243,538	\$ -	\$ -
Agency securities (GSEs)	36,069,143	-	36,069,143	-
Domestic corporate bonds	7,931,606	-	7,931,606	-
Total Debt Securities	82,244,287	38,243,538	44,000,749	-
Equity Securities				
Common	685,926	685,926	-	-
Nonredeemable securities	73,528	-	-	73,528
Total Equity Securities	759,454	685,926	-	73,528
Total Investments by Fair Value Level	83,003,741	\$ 38,929,464	\$ 44,000,749	\$ 73,528
Investments held by Foundation				
Mutual funds	2,898,909	2,898,909	-	-
Mortgage backed securities	11,368	11,368	-	-
Real estate holdings	987,262	-	-	-
Total investments Held by Foundation by Fair Value Level	3,897,539	\$ 2,910,277	\$ -	\$ -
Investments Held by Foundation measured by NAV				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited Partnerships - Alternative				
Private markets	\$ 681,628	\$ 5,977,571	None	None
Private real assets	329,552	1,635,148	None	None
Private credit	1,385,112	4,099,538	None	None
Global equity	17,358,095	-	Monthly	16 Days
Opportunistic credit	12,249,921	-	Monthly	16 Days
Total Limited Partnerships - Alternative	32,004,308	11,712,257		
Hedge Fund Investments				
Multi-strategy	2,699,583	-	Quarterly	90 Days
Equity long/short	4,471,626	-	None	None
Total Hedge Fund Investments	7,171,209	-		
Domestic Venture Capital Investments				
Venture capital	1,812,371	-		
Total Domestic Venture Capital Investments	1,812,371	-	None	None
Total Investments Held by Foundation measured by NAV	40,987,888	\$ 11,712,257		
Total Investments	\$ 127,889,168			

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, 2021.

2022	Balance as of June 30, 2022	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	\$ 41,223,439	\$ 41,223,439	\$ -	\$ -
Agency securities (GSEs)	6,076,340	-	6,076,340	-
Corporate bonds	16,556,308	-	16,556,308	-
Total Debt Securities	63,856,087	41,223,439	22,632,648	-
Equity Securities				
Common	678,208	678,208	-	-
Preferred	35,997	35,997	-	-
Nonredeemable securities	73,528	-	-	73,528
Total Equity Securities	787,733	714,205	-	73,528
Total Investments by Fair Value Level	64,643,820	\$ 41,937,644	\$ 22,632,648	\$ 73,528
Investments held by Foundation				
Corporate stocks and bonds	\$ 22,816,579	\$ 22,590,334	\$ 226,245	\$ -
Mutual funds	13,774,350	13,774,350	-	-
Mortgage backed securities	1,209,081	1,126,899	82,182	-
Government bonds	382,444	-	382,444	-
Real estate holdings	1,045,603	-	-	1,045,603
Total investments Held by Foundation by Fair Value Level	39,228,057	\$ 37,491,583	\$ 690,871	\$ 1,045,603
Investments Held by Foundation measured by NAV				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund Investments				
Multi-strategy	\$ 8,439,189	\$ 275,528	Quarterly	90 Days
Equity long/short	2,473,911	3,968,558	None	None
Total Hedge Fund Investments	10,913,100	4,244,086		
Domestic Venture Capital Investments				
Venture capital	1,706,462	-		
Total Domestic Venture Capital Investments	1,706,462	-	None	None
Total Investments Held by Foundation measured by NAV	12,619,562	\$ 4,244,086		
Other Investments held by Foundation				
Accrued interest income	3,799			
Total Investments	\$ 116,495,238			

The following table presents the fair value measurements of Foundation 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, 2022.

2022	Balance as of June 30, 2022	Quoted Prices in Active Markets For Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Corporate Stocks and Bonds				
Large cap growth	\$ 53,723	53,723	-	-
Total Corporate Stocks and Bonds	<u>53,723</u>	<u>53,723</u>	<u>-</u>	<u>-</u>
Other Investments				
Mutual funds	29,880,624	29,880,624	-	-
Mortgage backed securities	-	-	-	-
Mortgage backed securities- foreign	40,706	40,706	-	-
Government bonds	17,708,497	-	17,708,497	-
Non-marketable securities	80,325,000	-	-	80,325,000
Real estate holdings	3,535,238	-	-	3,535,238
Total Other Investments	<u>131,490,065</u>	<u>29,921,330</u>	<u>17,708,497</u>	<u>83,860,238</u>
Total Investments by Fair Value Level	<u>131,543,788</u>	<u>\$ 29,975,053</u>	<u>\$ 17,708,497</u>	<u>\$ 83,860,238</u>
Investments Held by Foundation measured by NAV				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited Partnerships - Alternative				
Private markets	\$ 2,440,811	\$ 21,404,797	Quarterly	90 Days
Private real assets	1,180,076	-	Quarterly	90 Days
Private credit	4,959,882	14,679,840	Quarterly	90 Days
Global equity	62,156,765	-	Quarterly	90 Days
Opportunistic credit	43,865,153	-	Quarterly	90 Days
Total Limited Partnerships - Alternative	<u>114,602,687</u>	<u>36,084,</u>		
Hedge Fund Investments				
Multi-strategy	9,666,808	1,425,732	Quarterly	90 Days
Equity long/short	16,012,231	4,690,518	None	None
Total Hedge Fund Investments	<u>25,679,039</u>	<u>6,116,250</u>		
Domestic Venture Capital Investments				
Venture capital	6,489,836	-		
Total Domestic Venture Capital Investments	<u>6,489,836</u>	<u>-</u>	None	None
Total Investments Held by Foundation measured by NAV	<u>146,771,562</u>	<u>\$ 42,200,887</u>		
Other Investments held by Foundation				
Accrued interest income and other short term investments	322,239			
Total Investments	<u>\$ 278,637,589</u>			

The following table presents the fair value measurements of Foundation 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, 2021.

2021	Balance as of June 30, 2021	Quoted Prices in Active Markets For Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Corporate Stocks and Bonds				
Foreign emerging markets	\$ 5,720,168	\$ 5,720,168	\$ -	\$ -
Large cap value	25,948,662	25,948,662	-	-
Large cap growth	22,330,729	22,330,729	-	-
Foreign developed markets	9,079,217	9,079,217	-	-
Small cap value	7,403,701	7,403,701	-	-
Small cap growth	4,704,453	4,704,453	-	-
Corporate bonds	752,324	-	752,324	-
Total Corporate Stocks and Bonds	75,939,254	75,186,930	752,324	-
Other Investments				
Mutual funds	57,744,720	57,744,720	-	-
Mortgage backed securities	2,919,829	2,646,551	273,278	-
Mortgage backed securities- foreign	1,100,681	1,100,681	-	-
Government bonds	1,271,724	-	1,271,724	-
Non-marketable securities	75,990,000	-	-	75,990,000
Real estate holdings	3,476,898	-	-	3,476,898
Total Other Investments	142,503,852	61,491,952	1,545,002	79,466,898
Total Investments by Fair Value Level	218,443,106	\$ 136,678,882	\$ 2,297,326	\$ 79,466,898
Investments Held by Foundation measured by NAV				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund Investments				
Multi-strategy	\$ 28,062,494	\$ 916,204	Quarterly	90 Days
Equity long/short	8,226,396	13,196,484	None	None
Total Hedge Fund Investments	36,288,890	14,112,688		
Domestic Venture Capital Investments				
Venture capital	5,674,428	-		
Total Domestic Venture Capital Investments	5,674,428	-	None	None
Total Investments Held by Foundation measured by NAV	41,963,318	\$ 14,112,688		
Other Investments held by Foundation				
Accrued interest income and other short term investments	435,460			
Total Investments	\$ 260,841,884			

Note 4 – Accounts Receivable and Unearned Revenue

Accounts receivable consists of the following at June 30, 2022 and 2021:

	2022	2021
University		
Student tuition and fees	\$ 53,875,572	\$ 55,840,962
Federal, state, and private grants and contracts	47,941,689	29,140,384
Other	8,292,203	6,306,946
Due from Discrete Component Unit	1,990,516	1,534,251
Less: allowance for doubtful accounts	<u>(43,542,592)</u>	<u>(43,854,682)</u>
Net accounts receivable	<u>\$ 68,557,388</u>	<u>\$ 48,967,861</u>
Fiduciary Fund		
Net miscellaneous accounts receivable	<u>\$ 442,528</u>	<u>\$ 45,113</u>
Foundation		
Net miscellaneous accounts receivable	<u>\$ 10,260,072</u>	<u>\$ 5,817,793</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, 2022 and 2021:

	2022	2021
University		
Student tuition and fees	\$ 1,188,838	\$ 2,401,298
Federal, state, and private grants and contracts	7,091,446	7,963,290
Other	<u>12,723,711</u>	<u>13,026,634</u>
Total unearned revenue	<u>\$ 21,003,995</u>	<u>\$ 23,391,222</u>
Foundation		
Total unearned revenue	<u>\$ 350,413</u>	<u>\$ 366,402</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, 2022, were as follows:

	Balance July 1 2021	Additions	Transfers	Retirements	Balance June 30 2022
University					
Capital assets not depreciated:					
Land and land improvements	\$ 12,730,942	\$ -	\$ -	\$ -	\$ 12,730,942
Construction in progress	8,387,631	30,442,092	(6,010,732)	(870,326)	31,948,665
Total capital assets not being depreciated	<u>\$ 21,118,573</u>	<u>\$ 30,442,092</u>	<u>\$ (6,010,732)</u>	<u>\$ (870,326)</u>	<u>\$ 44,679,607</u>
Capital assets being depreciated:					
Buildings	\$ 842,865,528	\$ 131,482	\$ 4,216,962	\$ (28,236,185)	\$ 818,977,787
Infrastructure	88,080,870	-	1,793,770	(808,232)	89,066,408
Equipment	121,839,642	10,225,194	-	(5,233,017)	126,831,819
Software	13,444,257	102,985	-	(43,511)	13,503,731
Library books	98,400,246	3,056,986	-	(731,226)	100,726,006
Intangible right-to-use lease assets	2,170,837	96,492	-	(21,660)	2,245,669
Total other capital assets	<u>1,166,801,380</u>	<u>13,613,139</u>	<u>6,010,732</u>	<u>(35,073,831)</u>	<u>1,151,351,420</u>
Less accumulated depreciation for:					
Buildings	(454,207,630)	(20,773,568)	-	14,446,401	(460,534,797)
Infrastructure	(61,787,887)	(2,967,060)	-	81,766	(64,673,181)
Equipment	(98,336,876)	(5,554,689)	-	3,635,594	(100,255,971)
Software	(12,846,313)	(158,927)	-	40,416	(12,964,824)
Library books	(75,171,289)	(3,375,872)	-	471,688	(78,075,473)
Less accumulated amortization for intangible right-to-use lease assets	<u>(943,606)</u>	<u>(494,041)</u>	<u>-</u>	<u>5,956</u>	<u>(1,431,691)</u>
Total accumulated depreciation	<u>(703,293,601)</u>	<u>(33,324,157)</u>	<u>-</u>	<u>18,681,821</u>	<u>(717,935,937)</u>
Capital assets being depreciated, net	<u>\$ 463,507,779</u>	<u>\$ (19,711,018)</u>	<u>\$ 6,010,732</u>	<u>\$ (16,392,010)</u>	<u>\$ 433,415,483</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 21,118,573	\$ 30,442,092	\$ (6,010,732)	\$ (870,326)	\$ 44,679,607
Other capital assets, at cost	1,166,801,380	13,613,139	6,010,732	(35,073,831)	1,151,351,420
Total cost of capital assets	<u>1,187,919,953</u>	<u>44,055,231</u>	<u>-</u>	<u>(35,944,157)</u>	<u>1,196,031,027</u>
Less: accumulated depreciation	<u>(703,293,601)</u>	<u>(33,324,157)</u>	<u>-</u>	<u>18,681,821</u>	<u>(717,935,937)</u>
Capital assets, net	<u>\$ 484,626,352</u>	<u>\$ 10,731,074</u>	<u>\$ -</u>	<u>\$ (17,262,336)</u>	<u>\$ 478,095,090</u>
Foundation					
Capital assets	\$ 755,733	\$ -	\$ -	\$ -	\$ 755,733
Less: accumulated depreciation	(723,822)	(4,778)	-	-	(728,600)
Capital assets, net	<u>\$ 31,911</u>	<u>\$ (4,778)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,133</u>

Of the total retirements in fiscal year 2022, a total book value of \$34,077,629 and depreciation of \$17,574,162 relates to the transfer to Southeast New Mexico College from NMSU Carlsbad.

Changes in capital asset balances for the year ended June 30, 2021, were as follows:

	Balance July 1 2020	Additions	Transfers	Retirements	Balance June 30 2021
University					
Capital assets not depreciated:					
Land and land improvements	\$ 12,443,083	\$ 287,859	\$ -	\$ (1,120)	\$ 12,729,822
Construction in progress	9,642,610	10,345,214	(11,600,193)	-	8,387,631
Total capital assets not being depreciated	<u>\$ 22,085,693</u>	<u>\$ 10,633,073</u>	<u>\$ (11,600,193)</u>	<u>\$ (1,120)</u>	<u>\$ 21,117,453</u>
Capital assets being depreciated:					
Buildings	\$ 831,921,238	\$ 315,780	\$ 10,628,510	\$ -	\$ 842,865,528
Infrastructure	87,109,187	-	971,683	-	88,080,870
Equipment	118,148,510	4,783,754	-	(1,092,622)	121,839,642
Software	13,280,370	163,887	-	-	13,444,257
Library books	95,717,191	2,812,427	-	(129,372)	98,400,246
Intangible right-to-use lease assets	1,847,690	323,147	-	-	2,170,837
Total other capital assets	<u>1,148,024,186</u>	<u>8,398,995</u>	<u>11,600,193</u>	<u>(1,221,994)</u>	<u>1,166,801,380</u>
Less accumulated depreciation for:					
Buildings	(432,350,438)	(21,857,192)	-	-	(454,207,630)
Infrastructure	(58,725,965)	(3,061,922)	-	-	(61,787,887)
Equipment	(94,095,026)	(5,263,538)	-	1,021,688	(98,336,876)
Software	(12,676,191)	(170,122)	-	-	(12,846,313)
Library books	(71,945,259)	(3,355,402)	-	129,372	(75,171,289)
Less accumulated amortization for intangible right-to-use lease assets	<u>(450,674)</u>	<u>(492,932)</u>	<u>-</u>	<u>-</u>	<u>(943,606)</u>
Total accumulated depreciation	<u>(670,243,553)</u>	<u>(34,201,108)</u>	<u>-</u>	<u>1,151,060</u>	<u>(703,293,601)</u>
Capital assets being depreciated, net	<u>\$ 477,780,633</u>	<u>\$ (25,802,113)</u>	<u>\$ 11,600,193</u>	<u>\$ (70,934)</u>	<u>\$ 463,507,779</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 22,085,693	\$ 10,633,073	\$ (11,600,193)	\$ (1,120)	\$ 21,117,453
Other capital assets, at cost	1,148,024,186	8,398,995	11,600,193	(1,221,994)	1,166,801,380
Total cost of capital assets	<u>1,170,109,879</u>	<u>19,032,068</u>	<u>-</u>	<u>(1,223,114)</u>	<u>1,187,918,833</u>
Less: accumulated depreciation	<u>(670,243,553)</u>	<u>(34,201,108)</u>	<u>-</u>	<u>1,151,060</u>	<u>(703,293,601)</u>
Capital assets, net	<u>\$ 499,866,326</u>	<u>\$ (15,169,040)</u>	<u>\$ -</u>	<u>\$ (72,054)</u>	<u>\$ 484,625,232</u>
Foundation					
Capital assets	\$ 755,733	\$ -	\$ -	\$ -	\$ 755,733
Less: accumulated depreciation	<u>(706,148)</u>	<u>(17,674)</u>	<u>-</u>	<u>-</u>	<u>(723,822)</u>
Capital assets, net	<u>\$ 49,585</u>	<u>\$ (17,674)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,911</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, 2022, follows:

		Balance July 1 2021	Additions	Reductions	Balance June 30 2022	Current Portion (due in 2023)
University						
Bonds and contracts payable:						
Revenue bonds payable	\$	113,352,890	\$ -	\$ (8,477,110)	\$ 104,875,780	\$ 7,290,000
Subordinate revenue note, notes from direct borrowing		9,325,000	-	(1,090,000)	8,235,000	1,165,000
Lease liability		1,209,690	96,492	(609,106)	697,076	402,731
Total bonds and contracts		123,887,580	96,492	(10,176,216)	113,807,856	8,857,731
Other liabilities:						
Accrued compensated absences		18,676,136	4,126,194	(4,304,166)	18,498,164	3,663,279
Other post employment benefits		171,693,793	10,527,448	(52,701,556)	129,519,685	4,845,000
Net pension liability		1,257,204,608	-	(824,181,655)	433,022,953	-
Accrued benefit reserve		659,630	-	-	659,630	-
Other		189,851	133,739	-	323,590	-
Total other liabilities		1,448,424,018	14,787,381	(881,187,377)	582,024,022	8,508,279
Total long-term liabilities	\$	1,572,311,598	\$ 14,883,873	\$ (891,363,593)	\$ 695,831,878	\$ 17,366,010
	Balance July 1 2021	Additions	Reductions	Changes in Estimate	Balance July 1 2022	Current Portion (due in 2022)
Foundation						
Gift annuities payable	\$ 2,281,236	\$ -	\$ (232,169)	\$ (578,871)	\$ 1,470,196	\$ 149,154
Payable under unitrusts	-	-	-	-	-	-
Other long-term liabilities	\$ 2,281,236	-	\$ (232,169)	\$ (578,871)	\$ 1,470,196	\$ 149,154

A summary of changes in long-term liabilities for the University and Discrete Component Unit for the year ended June 30, 2021, follows:

	Balance July 1 2020				Balance June 30 2021	Current Portion (due in 2022)
		Additions	Reductions			
University						
Bonds and contracts payable:						
Revenue bonds payable	\$ 121,996,132	\$ -	\$ (8,643,242)	\$ 113,352,890	\$ 7,355,000	
Subordinate revenue note	10,340,000	-	(1,015,000)	9,325,000	1,015,000	
direct borrowing	1,397,016	323,147	(510,473)	1,209,690	402,731	
Lease liability						
Total bonds and contracts	133,733,148	323,147	(10,168,715)	123,887,580	8,772,731	
Other liabilities:						
Accrued compensated absences	18,426,957	4,828,443	(4,579,264)	18,676,136	3,735,227	
Other post employment benefits	165,830,023	11,582,166	(5,718,396)	171,693,793	5,718,000	
Net pension liability	487,324,359	769,880,249	-	1,257,204,608	-	
Accrued benefit reserve	659,630	-	-	659,630	-	
Other	100,516	89,335	-	189,851	-	
Total other liabilities	672,341,485	786,380,193	(10,297,660)	1,448,424,018	9,453,227	
Total long-term liabilities	\$ 806,074,633	\$ 786,703,340	\$ (20,466,375)	\$ 1,572,311,598	\$ 18,225,958	
	Balance July 1 2020	Additions	Reductions	Changes in Estimate	Balance July 1 2021	Current Portion (due in 2022)
Foundation						
Gift annuities payable	\$2,508,835	\$ -	\$ -	\$ (227,599)	\$ 2,281,236	\$ 210,215
Payable under unitrusts	140,851	-	-	(140,851)	-	-
Other long-term liabilities	\$2,649,686	\$ -	\$ -	\$ (368,450)	\$ 2,281,236	\$ 210,215

Bonds Payable. 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, 2022, there are \$7,575,000 of outstanding bonds that have been defeased through an irrevocable trust. All other outstanding University revenue bonds as of June 30, 2022 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 2022 and 2021 are \$202,732,000 and \$198,715,000, 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 2022 and 2021 was \$4,525,519 and \$3,600,064, respectively, net of interest income.

Total University bonds issued and outstanding at June 30, 2022 and 2021 :

	Total Issued	2022	Outstanding 2021
Bond Series 2013A, 2013B, 2013C (2.00% - 5.00%) Final Maturity 2033	56,200,000	13,545,000	16,285,000
Refunding and Improvement Revenue Bonds			
Bond Series 2017A, 2017B, 2017C (1.75% - 5.00%) Final Maturity 2042	73,240,000	62,825,000	65,730,000
Refunding and Improvement Revenue Bonds			
Bond Series 2019A and 2019B (2.00% - 5.00%) Final Maturity 2040	24,985,000	21,515,000	23,225,000
Total Bonds Payable	154,425,000	97,885,000	105,240,000
Plus: Unamortized Net Premium	20,646,409	6,990,780	8,112,890
Bonds Payable, net	<u>\$ 175,071,409</u>	<u>\$ 104,875,780</u>	<u>\$ 113,352,890</u>

The maturity schedule for the University bonds payable at June 30, 2022, follows:

Year Ending June 30	Principal	Interest
2023	\$ 7,290,000	\$ 4,277,086
2024	6,660,000	3,948,034
2025	6,940,000	3,649,426
2026	6,360,000	3,336,720
2027	5,935,000	3,061,364
2028-2032	29,350,000	11,301,438
2033-2037	24,095,000	5,650,574
2038-2042	11,255,000	1,610,416
Total	<u>\$ 97,885,000</u>	<u>\$ 36,835,058</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 \$286,278 and \$317,438 for fiscal years ended June 30, 2022 and 2021, respectively.

The maturity schedule for the subordinate revenue note at June 30, 2022, follows:

Year Ending June 30	Principal	Interest
2023	\$ 1,165,000	\$ 252,815
2024	1,240,000	217,049
2025	1,325,000	178,981
2026	1,410,000	138,304
2027	1,500,000	95,017
2028	1,595,000	48,967
Total	<u>\$ 8,235,000</u>	<u>\$ 931,133</u>

Lease Liability. The University acquires various types of equipment under 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. NMSU recognized total outflows related to leases of \$632,525 and \$539,922 in fiscal years ended June 30, 2022 and 2021, respectively. 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, 2022.

Type of Property	Asset Carrying Value	Net Present Value of Minimum Lease Payments
Office equipment	\$ 338,863	\$ 221,411
Computer equipment	140,133	11,679
Real Estate	862,225	463,985
Total	<u>\$ 1,341,221</u>	<u>\$ 697,075</u>

Year Ending June 30	Principal	Interest	Minimum Payments
2023	\$ 265,047	\$ 8,334	\$ 273,381
2024	200,570	6,544	207,114
2025	135,635	4,709	140,344
2026	92,747	2,827	95,574
2027	3,076	1,061	4,137
Total	<u>\$ 697,075</u>	<u>\$ 23,475</u>	<u>\$ 720,550</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:

	2022	2021	2020
Employee's earning \$24,000 or less:			
University contribution	15.15%	14.15%	14.15%
Employee contribution	7.90%	7.90%	7.90%
Employee's earning \$24,000 or less:			
University contribution	15.15%	14.15%	14.15%
Employee contribution	10.70%	10.70%	10.70%
University's contribution to ERB	\$ 27,684,763	\$ 28,188,265	\$ 26,135,142
University's contribution to ERB for Return to Work Program	\$289,151	\$278,796	\$270,671

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, 2022 total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2020. The total ERB pension liability was rolled forward from the valuation date to the plan year June 30, 2021, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2020. At June 30, 2022 and 2021 the University reported liabilities of \$433,022,953 and \$1,257,204,608, 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, 2021. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2021, the University's proportion was 6.10970% which was a decrease of 0.09385% from its proportion measured as of June 30, 2020. At June 30, 2020, the University proportion was 6.20355% which was a decrease of 0.22782% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2022, the University recognized a pension expense of \$28,120,888. At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,024,377	\$ 1,066,331
Changes of assumptions	288,242,261	493,144,282
Net difference between projected and actual earnings on pension plan investments	-	107,684,023
Changes in proportion and differences between University contributions and proportionate share of contributions	-	17,512,247
University contributions subsequent to the measurement date	29,432,003	-
Total	<u>\$ 351,698,641</u>	<u>\$ 619,406,883</u>

The \$29,432,003 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

For the year ended June 30, 2021, the University recognized a pension expense of \$293,163,731. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,804,685	\$ 4,847,698
Changes of assumptions	503,772,630	-
Net difference between projected and actual earnings on pension plan investments	42,689,616	-
Changes in proportion and differences between University contributions and proportionate share of contributions	-	21,972,246
University contributions subsequent to the measurement date	27,684,763	-
Total	<u>\$ 581,951,694</u>	<u>\$ 26,819,944</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an adjustment to pension expense as follows:

Year Ending June 30	
2023	\$ 26,654,151
2024	136,257,028
2025	98,298,849
2026	35,930,217
	<u>\$ 297,140,245</u>

Actuarial assumptions: As described above, the June 30, 2022 total ERB pension liability and net

pension liability are based on an actuarial valuation performed as of June 30, 2020. The total ERB pension liability was rolled forward from the valuation date to the Plan year June 30, 2021 using generally accepted actuarial principles. Specifically, the liabilities measured as of June 30, 2021 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, 2021 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, 2020 in conjunction with the six-year experience study period ended June 30, 2019.

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	2.30%
Salary Increases	Composition; 2.30% inflation, plus .70% productivity increase rate, plus step-rate promotional increases for members with less than 15 years of service
Investment Rate of Return	7.00%
Single Discount Rate	7.00%
Retirement Age	Experienced-based table rates based on age and service. Adopted by NMERB on April 17, 2020 in conjunction with the six- year experience study for the period ended June 30, 2019.
Mortality	Healthy Males - RP-2000 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from year 2020. Healthy Females - GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
Amortization method	Level percentage of payroll
30, Remaining amortization period	Amortized over a closed 30-year period from June 2019, ending June 30, 2049
Actuarial Cost Method	Entry Age Normal

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changed in price (valuation, defaults, etc.); 2) application of key economic projections (inflation, real growth, dividends, etc); and 3) structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

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	18%	
Equities - International	14%	
Fixed Income	23%	
Alternatives	44%	
Cash	1%	
Total	100%	7.00%

Discount rate: A single discount rate of 7.00% and 3.89% was used to measure the total ERB pension liability as of June 30, 2021 and June 30, 2020, respectively. For 2021, the single discount rate was based on an expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. For 2020, the single discount rate was based on the expected rate of return on pension investments of 7.00% a municipal bond rate of 2.45%. 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.

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 2022 and 2021. 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, (6.00%) and (2.89%), or one percentage point higher, (8.00%) and (4.89%) than the single discount rate for June 30, 2021 and 2020, respectively.

	2022 1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00)
New Mexico State University's proportionate share of the net pension liability	\$ 613,112,325	\$ 433,022,953	\$ 284,197,072

	2021 1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
New Mexico State University's proportionate share of the net pension liability	\$ 1,587,712,720	\$ 1,257,204,608	\$ 991,289,351

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, 2021 and 2020 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:

	2022	2021	2020
Employee's earning \$24,000 or less:			
University contribution	15.15%	14.15%	14.15%
Employee contribution	7.90%	7.90%	7.90%
Employee's earning \$24,000 or less:			
University contribution	15.15%	14.15%	14.15%
Employee contribution	10.70%	10.70%	10.70%
Administration fee to ERB	4.25%	3.25%	3.25%
Payroll expenses covered by ARP	\$ 36,715,552	\$ 35,096,862	\$ 33,359,460
University's contribution to the ERB for ARP	\$ 4,003,943	\$ 3,827,195	\$ 3,638,320
Administration fee paid to ERB for ARP	\$ 1,559,604	\$ 1,140,648	\$ 1,084,144
Employee contributions made to ARP	\$ 3,929,617	\$ 3,756,969	\$ 3,571,562

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, 2021 there was 0 employees enrolled under CSRS and 2 employees under FERS.

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

	2022	2021	2020
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	\$ 23,538	\$ 35,403	\$ 127,192
Employee's contribution	\$ 1,076	\$ 1,770	\$ 16,078

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, 2022 and 2021, 1,450 and 1,438 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, 2021 and 2020, the following employees were covered by the benefit terms:

	2022	2021
Current retirees receiving benefits	1,779	1,880
Current active members	1,676	1,938

Annual OPEB Cost and Total 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 total OPEB obligation related for fiscal year 2022:

	Total OPEB Liability
Total OPEB Liability - Start of Year (July 1, 2021)	\$ 171,693,793
Changes for the year	
Service cost	6,725,906
Interest cost	3,801,542
Differences between expected and actual experience	(20,103,342)
Changes in assumptions or other inputs	(27,753,429)
Benefit payments	(4,844,785)
Net change in total OPEB liability	(42,174,108)
Total OPEB Liability - End of Year (June 30, 2022)	<u>\$ 129,519,685</u>

The total OPEB liability and sensitive information were based on an annual actuarial valuation performed as of June 30, 2022.

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 total OPEB obligation related for fiscal year 2021:

	Total OPEB Liability
Total OPEB Liability - Start of Year (July 1, 2020)	\$ 165,830,023
Changes for the year	
Service cost	6,497,191
Interest cost	3,745,243
Differences between expected and actual experience	-
Changes in assumptions or other inputs	1,339,732
Benefit payments	(5,718,396)
Net change in total OPEB liability	5,863,770
Total OPEB Liability - End of Year (June 30, 2021)	\$ 171,693,793

The total OPEB liability and sensitive information were based on an annual actuarial valuation performed as of June 30, 2022. 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, 2022 and 2021:

	2022	2021
Present Value of Future Benefits	\$ 158,721,000	\$ 218,085,105
Total OPEB Liability (Beginning of Fiscal Year)	\$ 171,693,793	\$ 165,830,023
Total OPEB Liability (End of Fiscal Year)	\$ 129,519,685	\$ 171,693,793

For the year ended June 30, 2022, the University recognized a OPEB expense of \$3,910,590. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 18,263,094
Changes of assumptions	8,123,326	21,532,006
Total	\$ 8,123,326	\$ 39,795,100

For the year ended June 30, 2021, the University recognized a OPEB expense of \$14,755,057. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,464,747
Changes of assumptions	\$ 17,290,742	\$ 1,257,855
Total	<u>\$ 17,290,742</u>	<u>\$ 7,722,602</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	
2023	\$ 6,660,835
2024	10,542,613
2025	11,129,482
2026	3,338,844
	<u>\$ 31,671,774</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, 2022, 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, 2022
Measurement Date	June 30, 2022
Discount Rate	2.16% per annum (BOY) 3.54% per annum (EOY) <i>Source: Bond Buyer 20-Bond GO Index</i>
Salary Increase Rate	2.5% 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 6.5% for retirees 65 years of age and under and 5.5% for retirees over 65 years of age and on an ultimate basis at 4.25%. The trend rates are reduced .25% each year until ultimate trend.
select reaching the	
Per Capita Health Claim Cost	Expected pre Medicare retiree claim costs were developed by applying age adjustments to the current fully insured premiums. The annual age 60 claim costs retirees and their spouses is \$7,704. The age 70 costs for retirees is \$3,132.
Mortality Rate	Pub-2010 mortality table with generational scale MP-2021.

Discount Rate. A single discount rate of 3.54% and 2.16% was used to measure the total OPEB liability as of June 30, 2022 and 2021, respectively.

Other Information. The discount rate was updated from the prior valuation. Termination rates were updated to the rates from the 2021 NMERB Actuarial Valuation. The trend rates were rest to an initial rate of 6.50% (5.50% for post-Medicare), grading down by 0.25% per year until reaching the ultimate rate of 4.25% based on current Healthcare Analytics Consulting. The mortality projection scale was updated from MP-2019 to MP-2020 to reflect the Society of Actuaries' recent mortality study. 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 Total OPEB Liability if the health care cost trend rate used was 1% higher than the assumed health care cost trend rate and 1% lower than the assumed health care cost trend rate for June 30, 2022 and 2021, respectively.

	2022		
	1% Decrease	Current Trend	1% Increase
New Mexico State University's total OPEB liability	\$ 113,174,000	\$ 129,519,685	\$ 150,009,000

	2021		
	1% Decrease	Current Trend	1% Increase
New Mexico State University's total OPEB liability	\$ 147,344,000	\$ 171,693,793	\$ 203,086,000

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 2022 and 2021. 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, (4.54%) and (1.16%), or one percentage point higher, (2.54%) and (3.16%) than the single discount rate for June 30, 2022 and 2021, respectively.

	2022		
	1% Decrease (4.54%)	Current Discount Rate (3.54%)	1% Increase (2.54%)
New Mexico State University's total OPEB liability	\$ 113,703,000	\$ 129,519,685	\$ 149,116,000

	2021		
	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
New Mexico State University's total OPEB liability	\$ 202,222,000	\$ 171,693,793	\$ 147,725,000

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 Total 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, 2022, the estimated remaining costs to complete these and other in-house construction and renovation projects was approximately \$96.4 million. These projects are in various stages of completion. Those deemed to be major projects are expected to be completed by December 2022. The remaining cost of all budgeted projects (both capital and non-capital) will be financed as follows:

Funding Sources	Amount
Revenue bonds	\$ 810,250
General obligation bonds (State of New Mexico)	50,512,168
Severance tax bonds (State of New Mexico)	9,008,453
University Funds	14,808,349
State funds	18,538,889
Gifts, grants and contracts	2,754,692
Total	<u>\$ 96,432,801</u>

Other Commitments. At June 30, 2022, 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 \$32.3 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 of Arrowhead Center, Inc. financial information as of June 30, 2022 and 2021, and for the fiscal years then ended follows:

	2022	2021
Net Position		
Total assets	\$ 16,134,292	\$ 16,498,626
Total liabilities	812,918	783,882
Deferred inflows of resources	13,596,196	14,007,176
Total net position	<u>\$ 1,725,178</u>	<u>\$ 1,707,568</u>
Changes in Net Position		
Total revenues	\$ 795,213	\$ 845,145
Total expenditures	<u>777,603</u>	<u>544,710</u>
Change in net position	17,610	300,435
Net position, beginning	<u>1,707,568</u>	<u>1,407,133</u>
Net position, ending	<u>\$ 1,725,178</u>	<u>\$ 1,707,568</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 October 31, 2022, 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:

	2022		2021	
	University	Component Unit	University	Component Unit
Operating Expenses				
Salaries				
Faculty	\$ 95,188,798	\$ -	\$ 96,872,187	\$ -
Exempt staff	108,873,882	3,641,483	109,259,196	2,061,377
Non-exempt staff	13,350,355	-	14,835,367	-
Student/graduate assistant	33,244,435	20,672	29,603,921	5,856
Other compensation	4,951,939	8,954	7,147,614	1,861
Total salaries	<u>255,609,409</u>	<u>3,671,109</u>	<u>257,718,285</u>	<u>2,069,094</u>
Other Operating Expenses				
Benefits*	80,001,650	-	362,111,405	-
Travel	9,706,545	125,602	3,423,194	7,165
Scholarship and fellowships and other program support	83,414,714	14,018,645	54,944,465	10,466,792
Utilities	15,326,176	4,763	10,946,180	4,682
Professional fees	32,180,514	636,757	20,227,162	374,936
Supplies and other services	88,675,247	919,626	75,615,783	2,426,696
Depreciation	33,324,157	4,778	34,201,108	17,674
Total operating expenses	<u>\$598,238,412</u>	<u>\$ 19,381,280</u>	<u>\$819,187,582</u>	<u>\$ 15,367,039</u>

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, 2022:

	2022	2021
Unrestricted Net Position	\$ (695,592,141)	\$ (668,764,380)
Add: Unfunded Pension	700,731,195	702,072,858
Add: Long-Term Compensated Absences	14,834,885	14,940,909
Add: Other Post Employment Benefits	<u>161,191,459</u>	<u>162,125,653</u>
Adjusted Unrestricted Net Position	<u><u>181,165,398</u></u>	<u><u>210,375,040</u></u>
Unrestricted - Instruction and General	\$ 35,134,273	\$ 29,641,663
Unrestricted - Research	24,185,761	20,072,579
Unrestricted - Public Service	17,778,238	10,421,956
Unrestricted - Other	17,365,126	17,203,574
Quasi Endowments Funds	13,123,951	18,180,124
Renewals and Replacements - Buildings	21,904,462	41,221,807
Renewals and Replacements - Auxiliary Enterprises	7,827,497	8,425,214
Renewals and Replacements - Internal Services Units	6,698,491	5,893,485
Renewals and Replacements - Equipment	4,010,645	26,404,758
Unexpended plant - Designated to Projects	10,876,355	6,694,009
Unexpended plant - Future Projects/Contingency	<u>22,260,599</u>	<u>26,215,871</u>
Total	<u><u>\$ 181,165,398</u></u>	<u><u>\$ 210,375,040</u></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 annual comprehensive financial report (ACFR). No University revenue was impacted by abatement agreements.

Note 16 – New Accounting Standards

GASB Statement No.94 (*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*) will become effective for fiscal year 2023. This statement provides guidance for public-private and public-public partnership arrangements (PPPs) that meet the definition of a lease in GASB 87. For all others, it provides accounting and financial reporting requirements for use of underlying assets. The University has not yet determined the impact of this statement.

GASB Statement No. 96 (*Subscription-Based Information Technology Arrangements*) will become effective for fiscal year 2023. This statement defines subscription-based technology arrangements and clarifies its applicability to GASB 87, as amended. Under this statement, a government should generally recognize right-to-use subscription assets and corresponding subscription liabilities. The University has not yet determined the impact of this statement.

GASB Statement No. 99 (*Omnibus 2022*) will become effective from immediate to fiscal year 2024. This statement is intended to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The statement addresses updates to the following:

- Clarification to GASB 87 and GASB 96 related to lease accounting and reporting.
- Guidance relating to accounting for activity in Supplemental Nutrition Assistance Program (SNAP) programs.

The University has not yet determined the impact of this statement.

GASB Statement No. 100 (*Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*) will become effective for fiscal year 2024. This statement serves to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information. The University has not yet determined the impact of this statement.

GASB Statement No. 101 (*Compensated Absences*) will become effective for fiscal year 2024. The statement provides updates for accounting and reporting for compensated absences. The University has not yet determined the impact of this statement.

Note 17 – Subsequent Events

On August 24, 2022, the Board adopted the Resolution authorizing the issuance and sale of Improvement Revenue Bonds, Series 2022 pursuant to a private placement with the New Mexico Finance Authority for the purpose of purchasing, erecting, altering, remodeling, expanding, improving, repairing, furnishing and equipping of buildings, improvements and facilities for the use of the University, including but not limited to improving the University's Recreation Activity and Aquatic Center, Aggie Memorial Stadium, Corbett Center Student Union Building and the Pan American Center, funding capitalized interest on the Bonds, if necessary, and paying the costs of issuance of the Bonds. The bonds are anticipated to be issued in the aggregate principal amount between \$28,000,000 and \$28,500,000.

Schedule 1 - Combining Statement of Net Position

ASSETS	Main Campus 2022	Alamogordo Campus 2022	Dona Ana Campus 2022	Carlsbad Campus 2022	Grants Campus 2022	Arrowhead Center, Inc. 2022	Total 2022
Current assets:							
Cash and cash equivalents	\$ 18,008,172	\$ 2,944,580	\$ 18,448,396	\$ -	\$ 7,404,018	\$ 1,520,766	\$ 48,325,932
Restricted cash and cash equivalents	9,155,086	60,502	275,128	-	2,307	150,942	9,643,965
Cash and cash equivalents held in trust by component unit for NMSU	2,270,240	-	-	-	-	-	2,270,240
Cash and cash equivalents held in trust by others	-	-	-	-	-	-	-
Short-term investments	29,657,804	-	-	-	-	-	29,657,804
Accounts receivable, net	58,286,103	1,103,183	6,431,486	-	715,498	30,602	66,566,872
Due from component unit	1,990,516	-	-	-	-	-	1,990,516
Inventories	4,553,922	-	17,024	-	-	-	4,570,946
Prepaid expenses	661,016	-	-	-	-	-	661,016
Long-term receivable - current portion	502,328	-	-	-	-	306,981	809,309
Total current assets	125,085,187	4,108,265	25,172,034	-	8,121,823	2,009,291	164,496,600
Non-current assets:							
Unrestricted cash and cash equivalents	18,424,061	6,758,575	6,940,283	-	4,789,804	-	36,912,723
Restricted cash and cash equivalents	11,247,605	-	11,873,243	-	142,543	-	23,263,391
Investments held in trust by component unit for NMSU	43,819,449	182,541	338,456	-	544,981	-	44,885,427
Other long-term investments	53,239,982	-	-	-	-	105,955	53,345,937
Long-term receivable	4,705,096	-	925,000	-	-	13,289,215	18,919,311
Capital assets, net	394,908,171	14,487,476	55,948,839	-	12,020,773	729,831	478,095,090
Total non-current assets	526,344,364	21,428,592	76,025,821	-	17,498,101	14,125,001	655,421,879
TOTAL ASSETS	651,429,551	25,536,857	101,197,855	-	25,619,924	16,134,292	819,918,479
DEFERRED OUTFLOWS OF RESOURCES	308,671,670	8,503,867	40,098,121	-	3,704,838	-	360,978,496
LIABILITIES							
Current liabilities:							
Accounts payable	17,063,654	44,391	457,192	-	121,479	32,727	17,719,443
Due to NMSU	(50,000)	-	-	-	-	50,000	-
Other accrued liabilities	18,188,909	-	-	-	-	-	18,188,909
Accrued interest payable	1,132,475	-	-	-	-	-	1,132,475
Unearned revenue	16,243,722	391,377	4,204,680	-	163,856	360	21,003,995
Held in trust by NMSU	615,449	-	-	-	-	-	615,449
Long-term liabilities - current portion	17,366,010	-	-	-	-	-	17,366,010
Total current liabilities	70,560,219	435,768	4,661,872	-	285,335	83,087	76,026,281
Non-current liabilities:							
Accrued benefit reserves	659,630	-	-	-	-	-	659,630
Other long-term liabilities	119,378,769	-	-	-	-	729,831	120,108,600
Net pension liability	370,075,035	10,233,830	48,255,549	-	4,458,539	-	433,022,953
Other post-employment benefit liability	105,846,596	3,060,998	14,433,516	-	1,333,575	-	124,674,685
Total non-current liabilities	595,960,030	13,294,828	62,689,065	-	5,792,114	729,831	678,465,868
TOTAL LIABILITIES	666,520,249	13,730,596	67,350,937	-	6,077,449	812,918	754,492,149
DEFERRED INFLOWS OF RESOURCES	565,654,516	15,579,223	73,460,663	-	6,787,348	13,596,196	675,077,946
NET POSITION							
Net investment in capital assets	292,726,748	14,487,476	56,873,839	-	12,013,773	-	376,101,836
Restricted for:							
Non-expendable:							
Endowments	32,257,602	182,541	338,456	-	544,981	-	33,323,580
Expendable:							
Endowments	1,462,479	-	-	-	-	-	1,462,479
General activities	6,204,987	47,956	187,319	-	20,959	-	6,461,221
Federal student loans	5,490,747	-	-	-	200	-	5,490,947
Capital projects	9,895,473	45,299	12,048,943	-	320,834	-	22,310,549
Related entity activities	(64,734)	12,546	94,270	-	1,149	1,725,178	1,768,409
Unrestricted	(620,046,818)	(10,044,942)	(69,058,451)	-	3,558,070	-	(695,592,141)
TOTAL NET POSITION	\$ (272,073,516)	\$ 4,730,876	\$ 484,376	\$ -	\$ 16,459,966	\$ 1,725,178	\$ (248,673,120)

See accompanying independent auditor's report.

Schedule 1 - Combining Statement of Net Position

	New Mexico State University 2021	Alamogordo Campus 2021	Dona Ana Campus 2021	Carlsbad Campus 2021	Grants Campus 2021	Arrowhead Center, Inc. 2021	Total 2021
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 32,184,296	\$ 3,483,222	\$ 14,655,414	\$ 27,620,197	\$ 6,682,469	\$ 1,631,082	\$ 86,256,680
Restricted cash and cash equivalents	8,516,553	57,592	348,666	33,648	23,088	-	8,979,547
Cash and cash equivalents held in trust by component unit for NMSU	2,717,427	-	-	-	-	-	2,717,427
Short-term investments	40,117,743	-	-	-	-	-	40,117,743
Accounts receivable, net	38,571,571	897,227	6,448,193	697,653	800,974	17,992	47,433,610
Due from component unit	1,534,251	-	-	-	-	-	1,534,251
Inventories	2,609,653	-	30,612	-	-	-	2,640,265
Prepaid expenses	458,059	-	-	-	-	-	458,059
Long-term receivable - current portion	745,269	-	-	-	-	309,390	1,054,659
Total current assets	127,454,822	4,438,041	21,482,885	28,351,498	7,506,531	1,958,464	191,192,241
Non-current assets:							
Unrestricted cash and cash equivalents	19,271,068	4,042,475	5,211,713	26,501,764	4,326,515	-	59,353,535
Restricted cash and cash equivalents	20,773,336	41,191	12,984,163	76,527	84,941	-	33,962,158
Investments held in trust by component unit for NMSU	50,680,247	181,436	337,577	131,745	520,413	-	51,851,418
Other long-term investments	24,420,122	-	-	-	-	-	24,526,077
Long-term receivable	8,043,765	-	-	-	-	105,955	24,526,077
Capital assets, net	380,941,641	15,565,685	58,695,015	15,959,810	12,727,780	13,697,786	21,741,551
Total non-current assets	504,130,179	19,830,787	77,228,468	42,671,846	17,659,649	14,540,162	484,626,352
TOTAL ASSETS	631,585,001	24,268,828	98,711,353	71,023,344	25,166,180	16,498,626	676,061,091
							867,253,332
							600,613,732
DEFERRED OUTFLOWS OF RESOURCES							
	499,975,829	14,162,171	66,778,845	13,526,901	6,169,886	-	
LIABILITIES							
Current liabilities:							
Accounts payable	11,944,979	141,750	720,571	183,584	263,830	16,500	13,271,214
Other accrued liabilities	17,133,652	-	-	-	-	25,000	17,158,652
Accrued interest payable	1,223,652	-	-	-	-	-	1,223,652
Unearned revenue	18,668,258	353,817	3,508,580	643,086	211,520	5,961	23,391,222
Held in trust by NMSU	-	-	-	-	-	-	-
Long-term liabilities - current portion	18,225,958	-	-	-	-	-	18,225,958
Total current liabilities	67,196,499	495,567	4,229,151	826,670	475,350	47,461	73,270,698
Non-current liabilities:							
Accrued benefit reserves	659,630	-	-	-	-	-	659,630
Other long-term liabilities	129,509,188	-	-	-	-	736,421	130,245,609
Net pension liability	1,046,067,300	29,712,092	140,101,346	28,379,301	12,944,569	-	1,257,204,608
Other post-employment benefit liability	137,141,213	4,057,718	19,133,347	3,875,702	1,767,813	-	165,975,793
Total non-current liabilities	1,313,377,331	33,769,810	159,234,693	32,255,003	14,712,382	736,421	1,554,085,640
TOTAL LIABILITIES	1,380,573,830	34,265,377	163,463,844	33,081,673	15,187,732	783,882	1,627,356,338
							50,933,563
DEFERRED INFLOWS OF RESOURCES							
	31,125,611	815,996	3,849,379	779,741	355,660	14,007,176	
NET POSITION							
Net investment in capital assets	267,374,366	15,565,685	59,620,015	15,925,655	12,720,780	-	371,206,501
Restricted for:							
Non-expendable:							
Endowments	34,963,885	43,854	337,577	131,745	520,413	-	35,997,474
Expendable:							
Endowments	1,171,317	-	-	-	-	-	1,171,317
General activities	6,179,946	48,277	261,380	25,012	21,239	-	6,535,854
Federal student loans	8,661,504	-	-	-	200	-	8,661,704
Capital projects	17,736,750	9,315	12,885,727	82,116	329,642	-	31,043,550
Related entity activities	1,738,567	181,436	87,287	8,636	1,649	1,707,568	3,725,143
Unrestricted	(618,689,952)	(12,498,939)	(74,090,009)	34,515,668	2,198,852	-	(668,764,380)
TOTAL NET POSITION	(281,063,617)	3,349,628	(898,023)	50,688,832	15,792,775	1,707,568	(210,422,837)
							\$

See accompanying independent auditor's report.

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

	New Mexico State University 2022	Alamogordo Campus 2022	Dona Ana Campus 2022	Carlsbad Campus 2022	Grants Campus 2022	Arrowhead Center, Inc. 2022	Total 2022
REVENUES							
Operating revenues:							
Student tuition and fees (gross)	\$ 103,411,898	\$ 2,048,102	\$ 9,338,251	\$ 922,635	\$ 931,823	\$ -	\$ 118,652,709
Less: scholarship allowances	(40,791,066)	(191,161)	(912,542)	(83,466)	(154,344)	-	(42,132,579)
Student tuition and fees (net)	62,620,832	1,856,941	8,425,709	839,169	777,479	-	74,520,130
Federal appropriations, grants and contracts	84,219,456	1,938,222	10,580,213	1,544,353	1,193,723	-	99,475,967
State grants and contracts	14,588,672	625,051	4,163,963	685,916	512,390	-	20,575,992
Local Appropriations, grants and contracts	2,954,875	-	2,000	-	-	-	2,956,875
Non-governmental grants, contracts and gifts	8,206,930	-	-	-	49,787	-	8,256,717
Sales and services	6,922,079	8,270	202,174	885	60,410	-	7,193,818
Auxiliary enterprises (net of scholarship allowances)	14,828,666	-	-	-	-	-	14,828,666
Other operating revenues	16,084,905	206,663	1,556,562	113,313	232,846	-	18,194,289
Total operating revenues	210,426,415	4,635,147	24,930,621	3,183,636	2,826,635	-	246,002,454
EXPENSES							
Operating expenses:							
Instruction	117,466,080	4,542,451	24,666,145	4,334,580	2,438,657	-	153,445,913
Research	98,730,903	425,282	133,898	620	-	-	99,290,703
Public service	49,697,156	458,884	702,023	571,650	114,767	-	51,544,480
Academic support	18,766,771	1,049,184	4,282,464	808,069	416,317	-	25,322,805
Student services	13,333,679	600,207	2,718,151	486,126	526,183	-	17,664,346
Institutional support	30,134,996	1,134,525	4,872,022	(5,019,148)	616,578	-	31,738,973
Operation and maintenance of plant	27,511,603	1,851,130	4,843,483	892,133	1,380,167	-	36,478,516
Scholarships and fellowships	49,123,137	1,819,313	20,043,497	1,658,791	1,268,164	-	73,912,902
Auxiliary enterprises	19,896,104	606	152,570	82,695	4,130	-	20,136,105
Independent operations	24,388,893	-	-	-	-	-	24,388,893
Intercollegiate athletics	24,154,882	-	-	-	-	-	24,154,882
Student social and cultural	3,436,773	-	251,905	292,241	-	-	3,980,919
Loan administration (net)	2,854,818	-	-	-	-	-	2,854,818
Depreciation	27,876,111	1,183,090	3,533,455	-	731,501	-	33,324,157
Total operating expenses	507,371,906	13,064,672	66,199,613	4,107,757	7,494,464	-	598,238,412
Net operating income (loss)	(296,945,491)	(8,429,525)	(41,268,992)	(924,121)	(4,667,829)	-	(352,235,958)
Non-operating revenues (expenses):							
State appropriations	192,064,901	7,309,019	24,625,537	3,968,553	3,618,800	-	231,586,810
Federal Pell grants	24,638,558	974,117	10,218,928	866,118	758,627	-	37,456,348
State lottery scholarship	19,302,739	82,313	648,152	58,717	18,378	-	20,110,299
Local tax levy revenue	-	770,880	5,968,377	19,456,324	319,973	-	26,515,554
Gifts and non-exchange grants	10,138,633	32,028	439,809	32,465	12,069	-	10,655,004
Investment income (loss)	(7,470,286)	31,081	109,181	106,891	42,309	-	(7,180,824)
Building fees	3,541,417	60,361	400,000	-	-	-	4,001,778
Land lease and permanent fund	4,280,410	-	-	-	-	-	4,280,410
Loss on disposal of plant	(20,528,339)	-	(930)	19,507,843	-	-	(1,021,426)
Additions to quasi endowments	44,631	-	-	-	-	-	44,631
Interest and other expenses on capital asset-related debt	(3,681,321)	-	-	-	-	-	(3,681,321)
Other non-operating revenues (expenses)	58,596,492	5,039	(332,248)	(5,421,436)	6,972	17,610	52,872,429
Net non-operating revenues	280,927,835	9,264,838	42,076,806	39,575,475	4,777,128	17,610	375,639,692
Income (loss) before other revenues	(16,017,656)	835,313	807,814	37,651,354	109,299	17,610	23,403,734
Capital appropriations	13,551,669	1,706,402	1,942,671	1,385,895	1,393,043	-	19,979,680
Capital grants, gifts, and other income	11,126,102	(1,161,573)	(1,368,966)	(1,328,286)	(859,721)	-	6,407,556
Additions to permanent endowments	329,988	1,105	879	(130,724)	24,568	-	225,816
Special item - Carlsbad separation	-	-	-	(88,267,069)	-	-	(88,267,069)
Increase (decrease) in net position	8,990,103	1,381,247	1,382,398	(50,688,830)	667,189	17,610	(38,250,283)
NET POSITION							
Beginning of year	(281,063,612)	3,349,627	(898,025)	50,688,830	15,792,775	1,707,568	(210,422,837)
End of year	(272,073,509)	4,730,874	484,373	\$ -	\$ -	\$ -	(248,673,120)

See accompanying independent auditor's report.

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

	New Mexico State University 2021	Alamogordo Campus 2021	Dona Ana Campus 2021	Carlsbad Campus 2021	Grants Campus 2021	Arrowhead Center, Inc 2021	Total 2021
REVENUES							
Operating revenues:							
Student tuition and fees (gross)	\$ 105,351,993	\$ 2,160,270	\$ 8,956,449	\$ 1,078,076	\$ 714,683	\$ -	\$ 118,261,471
Less: scholarship allowances	(42,351,600)	(369,333)	(3,423,788)	(280,744)	(244,053)	-	(46,669,518)
Student tuition and fees (net)	63,000,393	1,790,937	5,532,661	797,332	470,630	-	71,591,953
Federal appropriations, grants and contracts	82,419,387	1,273,886	5,867,986	1,600,192	434,644	-	91,596,098
State grants and contracts	8,064,879	714,188	4,484,053	541,314	384,891	-	14,189,325
Local Appropriations, grants and contracts	2,743,202	-	2,000	-	-	-	2,745,202
Non-governmental grants, contracts and gifts	6,712,096	-	-	-	-	-	6,712,096
Sales and services	4,872,632	19,619	218,917	6,218	52,481	-	5,169,867
Auxiliary enterprises (net of scholarship allowances)	14,389,685	-	-	-	-	-	14,389,685
Other operating revenues	15,150,218	169,988	783,668	174,951	66,886	-	16,345,711
Total operating revenues	197,352,492	3,968,621	16,889,285	3,120,007	1,409,532	-	222,739,937
EXPENSES							
Operating expenses:							
Instruction	216,085,807	4,992,401	23,535,269	4,476,336	1,779,255	-	250,869,068
Research	138,166,145	100,660	180,745	15	15,917	-	138,463,482
Public service	70,828,338	524,255	666,218	413,118	96,134	-	72,528,063
Academic support	33,643,413	1,233,293	4,327,576	1,707,416	427,624	-	41,339,322
Student services	24,454,451	663,027	2,493,128	1,318,349	498,193	-	29,427,148
Institutional support	46,057,545	1,421,547	5,304,066	2,134,455	741,108	-	55,658,721
Operation and maintenance of plant	42,144,034	2,674,319	8,571,095	2,817,460	2,170,561	-	58,377,469
Scholarships and fellowships	30,376,176	1,450,795	15,315,646	1,109,917	897,861	-	49,150,395
Auxiliary enterprises	28,430,497	1,908	97,629	104,764	858	-	28,635,656
Independent operations	30,153,164	-	-	-	-	-	30,153,164
Intercollegiate athletics	25,450,453	-	-	-	-	-	25,450,453
Student social and cultural	3,693,052	17,745	126,352	24,402	205	-	3,861,756
Loan administration (net)	1,071,777	-	-	-	-	-	1,071,777
Depreciation	21,751,458	1,149,605	3,426,234	1,189,266	684,545	-	34,201,108
Total operating expenses	718,306,310	14,229,555	64,043,958	15,295,498	7,312,261	-	819,187,582
Net operating income (loss)	(520,953,818)	(10,260,934)	(47,154,673)	(12,175,491)	(5,902,729)	-	(596,447,645)
Non-operating revenues (expenses):							
State appropriations	167,274,141	6,908,699	23,141,882	4,367,160	3,407,300	-	205,099,182
Federal Pell grants	24,974,279	1,053,376	11,163,153	869,498	689,293	-	38,749,599
State lottery scholarship	14,288,269	48,121	575,339	53,826	27,183	-	14,992,738
Local tax levy revenue	-	749,008	6,063,632	15,098,802	297,587	-	22,209,029
Gifts and non-exchange grants	7,603,087	36,907	536,628	23,215	34,782	-	8,234,619
Investment income (loss)	11,826,775	20,591	65,580	134,616	33,177	-	12,080,739
Building fees	3,762,135	60,353	400,000	-	-	-	4,222,488
Land lease and permanent fund	3,765,317	-	-	-	-	-	3,765,317
Loss on disposal of plant	(65,285)	-	(446)	(5,203)	-	-	(70,934)
Additions to quasi endowments	53,045	-	-	-	-	-	53,045
Interest and other expenses on capital asset-related debt	(3,898,429)	-	-	-	-	-	(3,898,429)
Other non-operating revenues (expenses)	18,303,325	367,548	(260,425)	9,280	-	-	18,780,564
Net non-operating revenues	247,886,659	9,244,603	41,685,343	20,551,194	4,549,723	300,435	324,217,957
Income (loss) before other revenues	(273,067,159)	(1,016,331)	(5,469,330)	8,375,703	(1,353,006)	300,435	(272,229,688)
Capital appropriations	5,781,393	12,488	8,988,761	24,131	8,309	-	14,815,082
Capital grants, gifts, and other income	(3,776,254)	971,355	1,726,437	1,584,354	1,341,149	-	1,848,041
Additions to permanent endowments	702,410	-	(2,872)	-	(11,189)	-	688,349
Increase (decrease) in net position	(270,358,610)	(32,488)	5,242,996	9,984,188	(14,737)	300,435	(254,878,216)
NET POSITION							
Beginning of year	(10,705,002)	3,382,115	(6,141,021)	40,704,642	15,807,512	1,407,133	44,455,379
End of year	(281,063,612)	\$ 3,349,627	\$ (898,025)	\$ 50,688,830	\$ 15,792,775	\$ 1,707,568	\$ (210,422,837)

See accompanying independent auditor's report.

Schedule 3A - Budgetary Comparison Schedules - Unrestricted and Restricted - All Operations for June 30, 2022

	Original Budget	Revised Budget	Actuals	Revised Budget vs Actuals - Variance Favorable (Unfavorable)
Unrestricted and restricted beginning fund balance	\$ 189,804,261	\$ 229,793,966	\$ 229,793,966	\$ -
Unrestricted and restricted revenues:				
State government appropriations	212,671,500	231,591,466	231,586,810	(4,656)
Federal revenue sources	152,398,441	238,244,431	188,549,750	(49,694,681)
Tuition and fees income	119,759,617	119,436,497	117,234,682	(2,201,815)
Land and permanent fund	3,397,136	3,397,136	4,280,410	883,274
Endowment and private gifts	13,892,125	15,088,086	13,020,247	(2,067,839)
Other sources	138,536,135	213,449,040	176,022,699	(37,426,341)
Total unrestricted and restricted revenues	640,654,954	821,206,656	730,694,598	(90,512,058)
Unrestricted and restricted expenditures:				
Instruction	158,933,460	211,983,497	172,244,898	39,738,599
Academic support	28,360,466	33,007,900	31,120,180	1,887,720
Student services	20,087,432	22,991,276	20,716,991	2,274,285
Institutional support	32,929,021	41,885,796	37,570,035	4,315,761
Operation and maintenance	25,433,748	28,466,047	27,168,081	1,297,966
Subtotal instruction and general	265,744,127	338,334,516	288,820,185	49,514,331
Student social and cultural activities	4,380,468	5,083,916	4,341,522	742,394
Research	110,630,979	120,035,752	114,582,080	5,453,672
Public service	53,800,389	66,128,466	54,826,048	11,302,418
Internal services	(1,469,299)	8,839,720	(1,074,854)	9,914,574
Student aid, grants and stipends	100,900,496	148,060,934	121,139,527	26,921,407
Auxiliary services	21,766,043	23,707,752	20,639,513	3,068,239
Intercollegiate athletics	20,921,647	24,904,099	24,854,282	49,817
Independent operations	20,833,385	30,668,157	24,839,344	5,828,813
Capital outlay	36,688,685	94,355,986	67,504,298	26,851,688
Renewal and replacement	18,120,834	35,260,121	29,475,279	5,784,842
Retirement of indebtedness	12,156,823	12,206,821	12,156,820	50,001
Total unrestricted and restricted expenditures	664,474,577	907,586,240	762,104,044	145,482,196
Net transfers to (from)	(427,171)	(377,927)	(405,928)	28,001
Change in fund balance	(23,392,452)	(86,001,657)	(31,003,518)	54,998,139
Ending fund balance	\$ 166,411,809	\$ 143,792,309	\$ 198,790,448	\$ 54,998,139

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, 2022

	Original Budget	Revised Budget	Actuals	Revised Budget vs Actuals - Variance Favorable (Unfavorable)
Unrestricted beginning fund balance	\$ 14,657,343	\$ 38,725,146	\$ 38,725,146	\$ -
Unrestricted revenues:				
Tuition and fees income	98,774,071	96,813,342	95,472,623	(1,340,719)
Miscellaneous fees	7,948,730	9,931,268	8,980,424	(950,844)
Federal government appropriations	-	-	-	-
State government appropriations	161,324,600	169,129,468	169,129,368	(100)
Local government appropriations	13,605,690	26,732,324	26,517,553	(214,771)
Federal government grants and contracts	136,850	175,514	180,088	4,574
State government grants and contracts	-	-	-	-
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	3,397,136	3,397,136	4,280,410	883,274
Private gifts	-	-	3	3
Sales and services	607,000	585,210	745,695	160,485
Other sources	17,153,643	23,867,463	22,789,765	(1,077,698)
Total unrestricted revenues	302,947,720	330,631,725	328,095,929	(2,535,796)
Unrestricted expenditures:				
Instruction	145,473,417	162,044,532	142,916,540	19,127,992
Academic support	26,231,841	30,922,332	29,673,005	1,249,327
Student services	18,938,933	22,422,139	20,261,824	2,160,315
Institutional support	32,634,994	41,692,304	37,407,768	4,284,536
Operation and maintenance	25,403,073	28,438,697	27,160,152	1,278,545
Total unrestricted expenditures	248,682,258	285,520,004	257,419,289	28,100,715
Net transfers to (from)	52,930,056	71,609,108	66,319,421	5,289,687
Change in fund balance	1,335,406	(26,497,387)	4,357,219	30,854,606
Ending fund balance	\$ 15,992,749	\$ 12,227,759	\$ 43,082,365	\$ 30,854,606

See accompanying independent auditor's report.

Schedule 3C- Budgetary Comparison Schedules - Restricted - Instruction and General for June 30, 2022

	Original	Revised		Revised Budget vs Actuals - Variance Favorable (Unfavorable)
	Budget	Budget	Actuals	
Restricted beginning fund balance	\$ -	\$ -	\$ -	\$ -
Restricted revenues:				
Tuition and fees income	-	-	-	-
Miscellaneous fees	-	-	-	-
Federal government appropriations	9,689,877	44,887,902	24,416,610	(20,471,292)
State government appropriations	2,419,308	2,248,972	1,941,637	(307,335)
Local government appropriations	-	-	-	-
Federal government grants and contracts	-	-	-	-
State government grants and contracts	-	-	-	-
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	110,687	225,919	200,652	(25,267)
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	4,841,997	5,451,719	4,841,997	(609,722)
Sales and services	-	-	-	-
Other sources	-	-	-	-
Total restricted revenues	17,061,869	52,814,512	31,400,896	(21,413,616)
Restricted expenditures:				
Instruction	13,460,043	49,938,965	29,328,358	20,610,607
Academic support	2,128,625	2,085,568	1,447,175	638,393
Student services	1,148,499	569,137	455,167	113,970
Institutional support	294,027	193,492	162,267	31,225
Operation and maintenance	30,675	27,350	7,929	19,421
Total restricted expenditures	17,061,869	52,814,512	31,400,896	21,413,616
Net transfers to (from)	-	-	-	-
Change in fund balance	-	-	-	-
Ending fund balance	\$ -	\$ -	\$ -	\$ -

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, 2022

Total Unrestricted and Restricted Revenues:		\$ 730,694,598
Reconciling Items:		
Scholarship allowance	\$ (47,775,510)	
Elimination of Internal Revenues	(23,066,427)	
Endowment fund revenues	(2,623,007)	
Quasi endowment fund revenues	(44,631)	
Investment Income	(5,056,173)	
Blended Component Unit Revenues (AHI, ADI)	920,670	
Loan Fund Additions	(167,684)	
Financial statement adjustments	76,109	
Total reconciling items		(77,736,653)
Total reconciled unrestricted and restricted revenues		\$ 652,957,945
Basic Financial Statements		
Operating revenues	\$ 246,002,454	
Non-operating revenues	327,470,010	
Non-operating revenues netted in other non-operating revenues and expenses	52,872,429	
Other Revenues	26,613,052	
Total revenues per Financial Statements	\$ 652,957,945	
Difference	\$ -	
Total Unrestricted and Restricted Expenses:		\$ 762,104,044
Reconciling Items:		
Scholarship allowance	\$ (47,775,510)	
Elimination of Internal Sales	(23,066,427)	
Blended Component Unit expenditures (AHI, ADI)	939,828	
Depreciation expense	33,324,157	
Loan fund expenditures	2,854,818	
Other operating expense	(29,907,386)	
Bond principal payments	(8,447,500)	
Pension Expense	(1,341,663)	
Accounts Payable accrual, net	1,495,571	
Financial statement reporting adjustments	6,870	
Loss on disposal of plant	1,021,426	
Total reconciling items		(70,895,816)
Total reconciled unrestricted and restricted expenses		\$ 691,208,228
Basic Financial Statements		
Operating expenditures	\$ 598,238,412	
Non-operating expenditures	3,681,321	
Loss on disposal of plant	1,021,426	
Special item - Carlsbad separation	88,267,069	
Total Expenditures per Financial Statements	\$ 691,208,228	
Difference	\$ -	

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</i>					
<i>Endowment</i>	None				\$ 31,135
FIRST NATIONAL BANK OF ALAMOGORDO					
<i>Cash</i>	Mortgage-Backed	31418BBB1	3/1/2024	\$ 33,604	\$ 651,252
<i>Cash</i>	Mortgage-Backed	3128MMXB4	1/1/2033	\$ 489,217	
WELLS FARGO BANK OF NEW MEXICO					
<i>Cash</i>	FMAC FEPC	3131XYDD8	10/1/2047	\$ 4,072,941	\$ 60,203,693
<i>Cash</i>	FMAC FEPC	31329KVG6	6/1/2036	\$ 8,647,462	
<i>Cash</i>	FMAC FEPC	31339UWQ9	11/1/2049	\$ 427,050	
<i>Cash</i>	FMAC FEPC	3133A0LY8	12/1/2049	\$ 2,724,276	
<i>Cash</i>	FMAC FEPC	3133A1F23	1/1/2050	\$ 3,088,824	
<i>Cash</i>	FNMA FNMS	3140K0WP9	10/1/2049	\$ 4,060,423	
<i>Cash</i>	FNMA FNMS	36179TUA1	3/20/2048	\$ 17,196,556	
<i>Cash</i>	FNMA FNMS	3617UB7G9	12/20/2050	\$ 6,805,535	
<i>Cash</i>	FNMA FNMS	3622AALL6	3/20/2050	\$ 12,202,922	
WESTERN COMMERCE BANK, CARLSBAD					
<i>Cash</i>					\$ 15,832

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				
<i>Certificate of Deposit</i>				
<i>Endowment</i>	\$ 31,135	\$ -	\$ -	\$ -
FIRST NATIONAL BANK OF ALAMOGORDO				
<i>Cash</i>	\$ 250,000	\$ 401,252	\$ 522,821	\$ 322,195
WELLS FARGO BANK OF NEW MEXICO				
<i>Cash</i>	\$ 250,000	\$ 59,953,693	\$ 59,225,991	\$ 29,249,144
WESTERN COMMERCE BANK, CARLSBAD				
<i>Cash</i>	\$ 15,832	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

Schedule 5 - Schedule of Changes in Total OPEB liability and Related Ratios. (unaudited)

	2022	2021	2020	2019	2018
Total OPEB liability					
Service Cost	\$ 6,725,906	\$ 6,497,191	\$ 5,787,303	\$ 5,127,283	\$ 4,936,250
Interest	3,801,542	3,745,243	5,208,772	5,268,892	5,291,343
Current Recognized deferred outflows/(inflows):					
Difference between expected and actual experience	(20,103,342)	-	(13,724,348)	-	-
Changes of assumptions or other inputs	(27,753,429)	1,339,732	28,160,992	7,135,616	(5,357,825)
Benefit payments	(4,844,785)	(5,718,396)	(5,274,882)	(5,758,812)	(5,523,530)
Net change in total OPEB liability	\$ (42,174,108)	\$ 5,863,770	\$ 20,157,837	\$ 11,772,979	\$ (653,762)
Total OPEB liability-beginning	<u>\$ 171,693,793</u>	<u>\$ 165,830,023</u>	<u>\$ 145,672,186</u>	<u>\$ 133,899,207</u>	<u>\$ 134,552,969</u>
Total OPEB liability-ending	<u>\$ 129,519,685</u>	<u>\$ 171,693,793</u>	<u>\$ 165,830,023</u>	<u>\$ 145,672,186</u>	<u>\$ 133,899,207</u>
Covered-employee payroll	\$ 116,864,662	\$ 135,947,000	\$ 131,987,721	\$ 153,961,000	\$ 150,205,439
Total OPEB liability as a percentage of covered-employee payroll	111 %	126 %	126 %	95 %	89 %

	2022	2021	2020	2019	2018
Current retirees receiving benefits	1,779	1,880	1,802	1,740	1,716
Current active members	1,676	1,938	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 five 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)**Schedule of Proportionate Share of Net Pension Liability - ERB Plan**

	2022	2021	2020	2019
University's proportion of the net pension liability	6.10970%	6.20355%	6.43137 %	6.66230 %
University's proportion share of the net pension liability	\$ 433,022,953	\$ 1,257,204,608	\$ 487,324,359	\$ 792,236,144
University's covered-employee payroll	\$ 205,566,001	\$ 206,801,497	\$ 196,414,377	\$ 194,360,458
University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	210.65 %	607.93 %	248.11 %	407.61 %
Plan fiduciary net position as a percentage of the total pension liability	69.77%	39.11 %	64.13 %	52.17 %

	2018	2017	2016	2015
University's proportion of the net pension liability	6.75462 %	7.05471 %	7.31378 %	7.56103 %
University's proportion share of the net pension liability	\$ 750,673,479	\$ 507,687,518	\$ 473,733,007	\$ 431,412,011
University's covered-employee payroll	\$ 194,360,458	\$ 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	386 %	252.10 %	237.23 %	187.82 %
Plan fiduciary net position as a percentage of the total pension liability	52.95 %	61.58 %	63.97 %	66.54 %

Schedule of Employer Contributions - ERB Plan

	2022	2021	2020	2019
Statutorily required employer contribution	\$ 29,432,003	\$ 28,041,065	\$ 28,188,265	\$ 26,135,142
Contribution in relation to the statutorily required contribution	<u>29,432,003</u>	<u>28,041,065</u>	<u>28,188,265</u>	<u>26,135,142</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered-employee payroll	203,545,335	205,566,001	206,801,497	196,414,377
Contributions as percentage of covered-employee payroll	14.46 %	13.64 %	13.63 %	13.31 %

	2018	2017	2016	2015
Statutorily required employer contribution	\$ 25,880,341	\$ 26,736,537	\$ 28,006,297	\$ 31,140,209
Contribution in relation to the statutorily required contribution	<u>25,880,341</u>	<u>26,736,537</u>	<u>28,006,297</u>	<u>31,140,209</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered-employee payroll	193,115,948	194,360,458	201,383,448	199,689,623
Contributions as percentage of covered-employee payroll	13.40 %	13.76 %	13.91 %	15.59 %

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 eight years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER					
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	AGRICULTURAL RESEARCH_BASIC & APPLIED		10.001	\$ 10,000	\$ 2,086,487
			10.001 Total	\$ 10,000	\$ 2,086,487
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	PLANT & ANIMAL DISEASE, PEST CONTROL, & ANIMAL CARE		10.025	\$ -	\$ 583,343
			10.025 Total	\$ -	\$ 583,343
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	SPECIALTY CROP BLOCK GRANT		10.170	\$ 244,660	\$ 585,411
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Texas A&M University	SPECIALTY CROP BLOCK GRANT	AM190200XXXXG008	10.170	\$ -	\$ 74,974
			10.170 Total	\$ 244,660	\$ 660,385
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Utah State University	ACER ACCESS AND DEVELOPMENT PROGRAM	21ACERUT1001-00	10.174	\$ -	\$ 16,178
			10.174 Total	\$ -	\$ 16,178
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Kansas State University	GRANTS FOR AGRICULTURAL RESEARCH	2019-38624-30289	10.200	\$ -	\$ (382)
Kansas State University	GRANTS FOR AGRICULTURAL RESEARCH	2021-38624-35736	10.200	\$ -	\$ 728
Kansas State University	GRANTS FOR AGRICULTURAL RESEARCH	No. 2020-38624-32472	10.200	\$ -	\$ 10,404
Texas A&M University	GRANTS FOR AGRICULTURAL RESEARCH	2021-38624-35737	10.200	\$ -	\$ 1,134
			10.200 Total	\$ -	\$ 11,885
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	COOPERATIVE FORESTRY RESEARCH		10.202	\$ 34,620	\$ 226,953
			10.202 Total	\$ 34,620	\$ 226,953
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	HATCH FEDERAL APPROPRIATIONS		10.203	\$ -	\$ 1,546,829
			10.203 Total	\$ -	\$ 1,546,829
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	ANIMAL HEALTH FEDERAL APPROPRIATION		10.207	\$ -	\$ 32,512
			10.207 Total	\$ -	\$ 32,512
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Montana State University	SUSTAINABLE AGRICULTURE RESEARCH & EDUCATION	2018-38640-28418	10.215	\$ -	\$ 8,346
Montana State University	SUSTAINABLE AGRICULTURE RESEARCH & EDUCATION	2019-3864029880	10.215	\$ -	\$ 26,197
Montana State University	SUSTAINABLE AGRICULTURE RESEARCH & EDUCATION	2020-38640-31523	10.215	\$ -	\$ 20,144
Utah State University	SUSTAINABLE AGRICULTURE RESEARCH & EDUCATION	2017-38640-26913	10.215	\$ -	\$ 23,216
			10.215 Total	\$ -	\$ 77,903
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	HIGHER EDUCATION - CHALLENGE GRANTS		10.217	\$ 9,387	\$ 31,097
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Rutgers University	HIGHER EDUCATION - CHALLENGE GRANTS	2021-70003-35433	10.217	\$ -	\$ 97,817
			10.217 Total	\$ 9,387	\$ 128,914
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Bureau of Indian Education	TRADITION NAVAJO FOOD & FIBER CROP	N/A	10.227	\$ -	\$ 30,184
			10.227 Total	\$ -	\$ 30,184
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	AGRICULTURAL AND RURAL ECONOMIC RESEARCH		10.250	\$ -	\$ 9,986
			10.250 Total	\$ -	\$ 9,986
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	CONSUMER DATA AND NUTRITION RESEARCH		10.253	\$ -	\$ 57,329
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Tufts University	CONSUMER DATA AND NUTRITION RESEARCH	59-4000-0-0067	10.253	\$ -	\$ 26,276
			10.253 Total	\$ -	\$ 83,605
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
The Board of Regents of the University of Nebraska	AGRICULTURAL AND FOOD POLICY RESEARCH CENTERS	58-0111-20-008	10.291	\$ -	\$ 66,983
			10.291 Total	\$ -	\$ 66,983
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	SPECIALTY CROP RESEARCH INITIATIVE		10.309	\$ 295,848	\$ 444,884
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Washington State University	SPECIALTY CROP RESEARCH INITIATIVE	2018-5118128435	10.309	\$ -	\$ 109,901
Washington State University	SPECIALTY CROP RESEARCH INITIATIVE	2019-51181-30013	10.309	\$ -	\$ 7,841
			10.309 Total	\$ 295,848	\$ 562,626
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	AGRICULTURE & FOOD RESEARCH INITIATIVE		10.310	\$ 194,269	\$ 886,459
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Colorado State University	AGRICULTURE & FOOD RESEARCH INITIATIVE	2015-68001-23240	10.310	\$ -	\$ 43,499
Drexel University	AGRICULTURE & FOOD RESEARCH INITIATIVE	2019-68008-29908	10.310	\$ -	\$ 88,008
Iowa State University	AGRICULTURE & FOOD RESEARCH INITIATIVE	2019-67023-29414	10.310	\$ -	\$ 6,407
Kansas State University	AGRICULTURE & FOOD RESEARCH INITIATIVE	2021-67013-33782	10.310	\$ -	\$ 26,033
New Mexico Institute of Mining and Technology	AGRICULTURE & FOOD RESEARCH INITIATIVE	2022-67020-36265	10.310	\$ -	\$ 27,346
Regents University of California Davis	AGRICULTURE & FOOD RESEARCH INITIATIVE	2019-67013-29235	10.310	\$ -	\$ 54,829
Regents University of California Davis	AGRICULTURE & FOOD RESEARCH INITIATIVE	2021-67013-33942	10.310	\$ -	\$ 34,334
Regents University of California Davis	AGRICULTURE & FOOD RESEARCH INITIATIVE	2021-68012-35914	10.310	\$ -	\$ 78,894
Regents University of California Merced	AGRICULTURE & FOOD RESEARCH INITIATIVE	2021-69012-35916	10.310	\$ -	\$ 141,746
Texas A&M University	AGRICULTURE & FOOD RESEARCH INITIATIVE	2017-68007-26318	10.310	\$ -	\$ 32,196
University of Arizona	AGRICULTURE & FOOD RESEARCH INITIATIVE	2017-68005-26867	10.310	\$ -	\$ 488,549
University of Texas	AGRICULTURE & FOOD RESEARCH INITIATIVE	2020-67023-32905	10.310	\$ -	\$ 86,069
		2022-67037-36259	10.310	\$ -	\$ 5,139
			10.310 Total	\$ 194,269	\$ 1,999,506

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER					
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	FARM BUSINESS MANAGEMENT AND BENCHMARKING		10.319	\$ 352,741	\$ 1,642,679
			10.319 Total	\$ 352,741	\$ 1,642,679
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	ENERGY EFFICIENCY & POLLUTION PREVENTION		10.351	\$ -	\$ 10,037
			10.351 Total	\$ -	\$ 10,037
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	EQUIPMENT GRANT PROGRAM		10.519	\$ -	\$ 331,584
			10.519 Total	\$ -	\$ 331,584
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Energy And Minerals Department	FOREST HEALTH PROTECTION	N/A	10.680	\$ -	\$ 15,988
			10.680 Total	\$ -	\$ 15,988
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	INTERNATIONAL FORESTRY PROGRAMS		10.684	\$ -	\$ 30,803
			10.684 Total	\$ -	\$ 30,803
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU State of NM Econ Development	RURAL ENERGY FOR AMERICA	718821345	10.868	\$ -	\$ 14,454
			10.868 Total	\$ -	\$ 14,454
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	SOIL & WATER CONSERVATION		10.902	\$ -	\$ 354,688
			10.902 Total	\$ -	\$ 354,688
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	SOIL SURVEY		10.903	\$ -	\$ 102,964
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU West Virginia University	SOIL SURVEY	NR1874820006C006	10.903	\$ -	\$ 27,557
			10.903 Total	\$ -	\$ 130,521
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	PLANT MATERIALS FOR CONSERVATION		10.905	\$ -	\$ 114,925
			10.905 Total	\$ -	\$ 114,925
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	STRATEGIES TO IMPROVE SOIL & WATER		10.912	\$ -	\$ 712,358
			10.912 Total	\$ -	\$ 712,358
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	DEPARTMENT OF AGRICULTURE		10.rd	\$ -	\$ 157,617
			10.rd Total	\$ -	\$ 157,617
DEPARTMENT OF COMMERCE (DOC) - PASS THRU University of Arizona	CLIMAS AIR QUALITY & CLIMATE ASSE	NA170AR4310288	11.431	\$ -	\$ 42,112
			11.431 Total	\$ -	\$ 42,112
DEPARTMENT OF COMMERCE (DOC) - PASS THRU Saint Josephs University	MEASUREMENT AND ENGINEERING RESEARCH	70NANB19H102	11.609	\$ -	\$ 8,081
DEPARTMENT OF COMMERCE (DOC) - PASS THRU Saint Josephs University	MEASUREMENT AND ENGINEERING RESEARCH	70NANB21H167	11.609	\$ -	\$ 9,155
			11.609 Total	\$ -	\$ 17,236
DEPARTMENT OF DEFENSE (DOD) - DIRECT	BASIC & APPLIED SCIENTIFIC RESEARCH		12.300	\$ 162,886	\$ 423,480
			12.300 Total	\$ 162,886	\$ 423,480
DEPARTMENT OF DEFENSE (DOD) - PASS THRU Universities Space Research Association	SCIENCE TECHNOLOGY ENGINEERING & MATH EDUCATION	FA9453-21-20064	12.330	\$ -	\$ 47,858
			12.330 Total	\$ -	\$ 47,858
DEPARTMENT OF DEFENSE (DOD) - DIRECT	BASIC SCIENTIFIC RESEARCH		12.431	\$ -	\$ 94,695
DEPARTMENT OF DEFENSE (DOD) - PASS THRU Northeastern University	BASIC SCIENTIFIC RESEARCH	W911NF2220001	12.431	\$ -	\$ 55,066
			12.431 Total	\$ -	\$ 149,760
DEPARTMENT OF DEFENSE (DOD) - DIRECT	BASIC, APPLIED, & ADVANCED RESEARCH IN SCIENCE & ENG		12.630	\$ -	\$ 577,107
			12.630 Total	\$ -	\$ 577,107
DEPARTMENT OF DEFENSE (DOD) - DIRECT	AIR FORCE DEFENSE RESEARCH SCIENCES PROGRAM		12.800	\$ 11,980	\$ 503,800
			12.800 Total	\$ 11,980	\$ 503,800
DEPARTMENT OF DEFENSE (DOD) - DIRECT	DEPARTMENT OF DEFENSE		12.rd	\$ 4,973,478	\$ 15,047,349
DEPARTMENT OF DEFENSE (DOD) - PASS THRU Aerojet Rocketdyne Coleman Aerospace	DEPARTMENT OF DEFENSE	HQ0147-14-C-0001	12.rd	\$ -	\$ 93,977
Aerojet Rocketdyne Coleman Aerospace	DEPARTMENT OF DEFENSE	HQ0147-14-C-001	12.rd	\$ -	\$ 44,515
ARCTOS TECHNOLOGY SOLUTIONS, LLC.	DEPARTMENT OF DEFENSE	FA8650-21-D-2014	12.rd	\$ -	\$ 6,693
Colorado State University	DEPARTMENT OF DEFENSE	N/A	12.rd	\$ -	\$ 817
Corvid Technologies, LLC	DEPARTMENT OF DEFENSE	HQ0860-20-C-7405	12.rd	\$ -	\$ 242,161
Corvid Technologies, LLC	DEPARTMENT OF DEFENSE	N00178-19-D-5001	12.rd	\$ -	\$ 415,212
Corvid Technologies, LLC	DEPARTMENT OF DEFENSE	W9124P-19-9-0001	12.rd	\$ -	\$ 1,368,933
Corvid Technologies, LLC	DEPARTMENT OF DEFENSE	W9124-P-19-9-0001	12.rd	\$ -	\$ 1,393,491
Excet, Inc.	DEPARTMENT OF DEFENSE	GSO0816BP0059	12.rd	\$ -	\$ 105,800
Excet, Inc.	DEPARTMENT OF DEFENSE	GSO0816BP0059	12.rd	\$ -	\$ 211,042
General Dynamics C4 Systems Inc	DEPARTMENT OF DEFENSE	N/A	12.rd	\$ -	\$ 42,570
JSL Technologies, Inc	DEPARTMENT OF DEFENSE	N00178-10-D-6124	12.rd	\$ -	\$ 59,555
JT4, LLC	DEPARTMENT OF DEFENSE	FA8240-18-C-7218	12.rd	\$ -	\$ 444,055
Kratos Defense & Security Solutions Inc	DEPARTMENT OF DEFENSE	FA8650-20-C-2404	12.rd	\$ -	\$ 70,488
Kratos Defense & Security Solutions Inc	DEPARTMENT OF DEFENSE	FA8818-20-F-0013	12.rd	\$ -	\$ (594)

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER					
Kratos Defense & Security Solutions Inc	DEPARTMENT OF DEFENSE	W9124-P-19-9-0001	12.rd	\$ -	\$ 23,867
Luna Labs USA, LLC	DEPARTMENT OF DEFENSE	W911SR-20-C-0030	12.rd	\$ -	\$ 41,339
Luna Labs USA, LLC	DEPARTMENT OF DEFENSE	W911SR-22-C-0020	12.rd	\$ -	\$ 15,085
NorthWest Research Associates, Inc.	DEPARTMENT OF DEFENSE	FA9550-17-C-0021	12.rd	\$ -	\$ 122,847
Purdue University	DEPARTMENT OF DEFENSE	W52P1J-20-9-3009	12.rd	\$ -	\$ 87,814
SPECTRAL SCIENCES, INC.	DEPARTMENT OF DEFENSE	N68335-21-C-0636	12.rd	\$ -	\$ 41,999
UES, Inc.	DEPARTMENT OF DEFENSE	W911NF22C0003	12.rd	\$ -	\$ 8,789
University of Alaska Fairbanks	DEPARTMENT OF DEFENSE	HQ003418D0027	12.rd	\$ -	\$ 347,838
University of Arizona	DEPARTMENT OF DEFENSE	FA7000-20-2-0004	12.rd	\$ -	\$ 43,962
X-Bow Launch Systems Inc.	DEPARTMENT OF DEFENSE	HQ08451990003 & 617981T	12.rd	\$ -	\$ 391,079
			12.rd Total	\$ 4,973,478	\$ 20,670,684
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	CULTURAL RESOURCE MANAGEMENT		15.224	\$ -	\$ 21,036
			15.224 Total	\$ -	\$ 21,036
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	RECREATION RESOURCE MANAGEMENT		15.225	\$ -	\$ 1,136
			15.225 Total	\$ -	\$ 1,136
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	FISH, WILDLIFE, & PLANT CONSERVATION RESOURCE MGT		15.231	\$ -	\$ 8,662
			15.231 Total	\$ -	\$ 8,662
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	RANGELAND RESOURCE MANAGEMENT		15.237	\$ -	\$ 116,400
			15.237 Total	\$ -	\$ 116,400
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	PLANT CONSERVATION AND RESTORATION MGT		15.245	\$ -	\$ 67,958
			15.245 Total	\$ -	\$ 67,958
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	WILDLIFE RESOURCE MANAGEMENT		15.247	\$ -	\$ 11,655
			15.247 Total	\$ -	\$ 11,655
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	WATER DESALINATION RESEARCH & DEV		15.506	\$ -	\$ 364,772
			15.506 Total	\$ -	\$ 364,772
DEPARTMENT OF INTERIOR (DOI) - PASS THRU					
Elephant Butte Irrigation District	DROUGHT RESILIENCY PROJECTS	R21AP10035-00	15.514	\$ -	\$ 1,717
			15.514 Total	\$ -	\$ 1,717
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	NEW MEXICO WEATHER STATIONS		15.541	\$ -	\$ 7,847
			15.541 Total	\$ -	\$ 7,847
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	SECURE WATER ACT		15.560	\$ -	\$ 46,285
			15.560 Total	\$ -	\$ 46,285
DEPARTMENT OF INTERIOR (DOI) - PASS THRU					
State of NM Dept Of Game And Fish	SPORT FISH RESTORATION PROGRAM	F18AF00280	15.605	\$ -	\$ 53,327
State of NM Dept Of Game And Fish	SPORT FISH RESTORATION PROGRAM	F20AF00155	15.605	\$ -	\$ 9,753
State of NM Dept Of Game And Fish	SPORT FISH RESTORATION PROGRAM	N/A	15.605	\$ -	\$ 480
			15.605 Total	\$ -	\$ 63,560
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION		15.611	\$ -	\$ 234,182
DEPARTMENT OF INTERIOR (DOI) - PASS THRU					
Arizona Game and Fish Department	WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	F21AF02778-01	15.611	\$ -	\$ 19,364
State of NM Dept Of Game And Fish	WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	F21AF00889-00	15.611	\$ -	\$ 61,124
State of NM Dept Of Game And Fish	WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	GFDW180D1	15.611	\$ -	\$ 237,584
State of NM Dept Of Game And Fish	WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	WILDLIFE RESTORATION GRANT W-139-R	15.611	\$ -	\$ 31,928
			15.611 Total	\$ -	\$ 584,183
DEPARTMENT OF INTERIOR (DOI) - PASS THRU					
State of NM Dept Of Game And Fish	STATE WILDLIFE GRANTS	F21AF02165	15.634	\$ -	\$ 44,279
			15.634 Total	\$ -	\$ 44,279
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	MIGRATORY BIRD JOINT VENTURE		15.647	\$ -	\$ 70,229
			15.647 Total	\$ -	\$ 70,229
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	COOPERATIVE MARKETING FOR RECREATION ACTIVITIES		15.654	\$ -	\$ 10,875
			15.654 Total	\$ -	\$ 10,875
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	MIGRATORY BIRD MONITORING		15.655	\$ -	\$ 35,977
			15.655 Total	\$ -	\$ 35,977
DEPARTMENT OF INTERIOR (DOI) - PASS THRU					
State of NM Dept Of Game And Fish	ADAPTIVE SCIENCE	F19AP00272	15.670	\$ -	\$ 26,148
			15.670 Total	\$ -	\$ 26,148
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	ASSISTANCE TO STATE WATER RESEARCH INSTITUTES		15.805	\$ 31,247	\$ 302,782
			15.805 Total	\$ 31,247	\$ 302,782
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	US GEOLOGICAL SURVEY		15.808	\$ -	\$ 133,209
			15.808 Total	\$ -	\$ 133,209
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	COOPERATIVE RESEARCH UNITS PROGRAM		15.812	\$ -	\$ 176,383
			15.812 Total	\$ -	\$ 176,383

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER					
DEPARTMENT OF INTERIOR (DOI) - PASS THRU					
Oklahoma State University	NATIONAL AND REGIONAL CLIMATE ADAPTATION	G20AC00067	15.820	\$ -	\$ 24,041
			15.820 Total	\$ -	\$ 24,041
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	COOPERATIVE RESEARCH & TRAINING PROGRAM		15.945	\$ 1,399	\$ 139,788
			15.945 Total	\$ 1,399	\$ 139,788
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	DEPARTMENT OF INTERIOR		15.rd	\$ 69,500	\$ 445,187
DEPARTMENT OF INTERIOR (DOI) - PASS THRU					
Jornada Resource Conservation and Development Council Inc	DEPARTMENT OF INTERIOR	R19AP00267	15.rd	\$ -	\$ 20,589
State of NM Dept Of Game And Fish	DEPARTMENT OF INTERIOR	N/A	15.rd	\$ -	\$ 1,339
State of NM Dept Of Game And Fish	DEPARTMENT OF INTERIOR	Wildlife Restoration Grant W93 R62	15.rd	\$ -	\$ 20,000
University of Texas at El Paso	DEPARTMENT OF INTERIOR	R19AC00115	15.rd	\$ -	\$ 45,508
			15.rd Total	\$ 69,500	\$ 532,623
DEPARTMENT OF TRANSPORTATION (DOT) - DIRECT					
	AIR TRANSPORTATION CENTERS FO EXCELLENCE		20.109	\$ 176,869	\$ 774,976
			20.109 Total	\$ 176,869	\$ 774,976
DEPARTMENT OF TRANSPORTATION (DOT) - PASS THRU					
New Mexico State Highway and Transportation Department	HIGHWAY PLANNING AND CONSTRUCTION	693JJ221300002550NMP921060	20.205	\$ -	\$ 148,657
			20.205 Total	\$ -	\$ 148,657
DEPARTMENT OF TRANSPORTATION (DOT) - DIRECT					
	HIGHWAY TRAINING AND EDUCATION		20.215	\$ -	\$ 35,996
			20.215 Total	\$ -	\$ 35,996
DEPARTMENT OF TRANSPORTATION (DOT) - PASS THRU					
Louisiana State University and A & M College	UNIVERSITY TRANSPORTATION CENTERS PROGRAM	69A3551747106	20.701	\$ -	\$ 96,613
			20.701 Total	\$ -	\$ 96,613
DEPARTMENT OF TRANSPORTATION (DOT) - PASS THRU					
New Mexico State Highway and Transportation Department	DEPARTMENT OF TRANSPORTATION	HWAR919030	20.rd	\$ -	\$ 9,909
New Mexico State Highway and Transportation Department	DEPARTMENT OF TRANSPORTATION	N/A	20.rd	\$ -	\$ 773,750
Utopia Compression Corporation	DEPARTMENT OF TRANSPORTATION	692M15-20-C-00002	20.rd	\$ -	\$ (9,926)
			20.rd Total	\$ -	\$ 773,734
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT					
	SCIENCE GRANTS		43.001	\$ 159,191	\$ 2,026,728
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - PASS THRU					
California Institute of Technology	SCIENCE GRANTS	80NM0018D0004	43.001	\$ -	\$ 56,896
California State University	SCIENCE GRANTS	80NSSC20K0027	43.001	\$ -	\$ 362
Regents University of California Los Angeles	SCIENCE GRANTS	80NSSC20K0604	43.001	\$ -	\$ 27,726
Regents University of California Merced	SCIENCE GRANTS	80NSSC21K0256	43.001	\$ -	\$ 32,297
Southwest Research Institute	SCIENCE GRANTS	80NSSC21K0798	43.001	\$ -	\$ 30
Stanford University	SCIENCE GRANTS	80NSSC21K0958	43.001	\$ -	\$ 62,933
William Marsh Rice University	SCIENCE GRANTS	NNX17AD31G	43.001	\$ -	\$ 4,107
			43.001 Total	\$ 159,191	\$ 2,211,078
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT					
	SPACE OPERATIONS		43.007	\$ -	\$ 75,937
			43.007 Total	\$ -	\$ 75,937
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT					
	EDUCATION		43.008	\$ 476,742	\$ 1,475,081
			43.008 Total	\$ 476,742	\$ 1,475,081
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT					
	ABSORPTION OF NDMA ON CARBONS		43.010	\$ -	\$ 1,500
			43.010 Total	\$ -	\$ 1,500
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - DIRECT					
	SPACE TECHNOLOGY		43.012	\$ -	\$ 300,964
			43.012 Total	\$ -	\$ 300,964
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - PASS THRU					
FORM ALLOY	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	80NSSC20C0303	43.rd	\$ -	\$ 9,743
Orbital Science Corporation	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NNG15WA53C	43.rd	\$ -	\$ 14,130
Orbital Science Corporation	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NNG16WA70C	43.rd	\$ -	\$ 538,344
Peraton Inc.	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	80GSFC19C0063	43.rd	\$ -	\$ 65,505
Peraton Inc.	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NNG16WA70C	43.rd	\$ -	\$ 3,234
Space Telescope Science Institute	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NAS5-26555	43.rd	\$ 23,597	\$ 163,345
Stanford University	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	NNG16PJ24C	43.rd	\$ -	\$ 15,533
			43.rd Total	\$ 23,597	\$ 809,835
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT					
	ENGINEERING GRANTS		47.041	\$ 8,719	\$ 694,835
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
Arizona State University	ENGINEERING GRANTS	EEC-1449501	47.041	\$ 10,132	\$ 594,318
Molten Salt Solutions, LLC	ENGINEERING GRANTS	2036545	47.041	\$ -	\$ 24,746
Stanford University	ENGINEERING GRANTS	EEC-1028968	47.041	\$ -	\$ 141,274
University of New Mexico	ENGINEERING GRANTS	2115169	47.041	\$ -	\$ 6,432
University of North Texas	ENGINEERING GRANTS	1856052	47.041	\$ -	\$ 114,190
University Systems of New Hampshire	ENGINEERING GRANTS	1662098	47.041	\$ -	\$ (20)
Wildlife Protection Management LLC	ENGINEERING GRANTS	2025971	47.041	\$ -	\$ 48,621
			47.041 Total	\$ 18,851	\$ 1,624,396
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT					
	MATHEMATICAL & PHYSICAL SCIENCES		47.049	\$ 178,853	\$ 891,475

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER					
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
Assoc of Universities for Research in Astronomy, Inc. (AURA)	MATHEMATICAL & PHYSICAL SCIENCES	AST-0946422	47.049	\$ -	\$ 1,749
Astrophysical Research Consortium	MATHEMATICAL & PHYSICAL SCIENCES	2034429	47.049	\$ -	\$ 965,002
			47.049 Total	\$ 178,853	\$ 1,858,226
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT					
	GEOSCIENCES		47.050	\$ 2,750	\$ 559,479
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
University of Southern California	GEOSCIENCES	EAR-1600087	47.050	\$ -	\$ 24,288
University of Texas at El Paso	GEOSCIENCES	2012475	47.050	\$ -	\$ 67,252
			47.050 Total	\$ 2,750	\$ 651,019
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT					
	COMPUTER & INFORMATION SCIENCE & ENGINEERING		47.070	\$ -	\$ 462,588
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
Texas A&M University	COMPUTER & INFORMATION SCIENCE & ENGINEERING	1925764	47.070	\$ -	\$ 19,545
The University of Toledo	COMPUTER & INFORMATION SCIENCE & ENGINEERING	1937340	47.070	\$ -	\$ 9,486
University of Texas at El Paso	COMPUTER & INFORMATION SCIENCE & ENGINEERING	1551221	47.070	\$ -	\$ 31,889
University of Texas at El Paso	COMPUTER & INFORMATION SCIENCE & ENGINEERING	2137791	47.070	\$ -	\$ 7,350
Washington University	COMPUTER & INFORMATION SCIENCE & ENGINEERING	1838364	47.070	\$ -	\$ 19,900
			47.070 Total	\$ -	\$ 550,758
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT					
	BIOLOGICAL SCIENCES		47.074	\$ 37,120	\$ 2,157,601
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
The Regents of the University of Michigan	BIOLOGICAL SCIENCES	2110233	47.074	\$ -	\$ 7,526
University of Kansas Center for Research, Inc.	BIOLOGICAL SCIENCES	1001358	47.074	\$ -	\$ 15,065
			47.074 Total	\$ 37,120	\$ 2,180,192
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT					
	SOCIAL, BEHAVIORAL, & ECONOMIC SCIENCES		47.075	\$ 2,433	\$ 202,418
			47.075 Total	\$ 2,433	\$ 202,418
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT					
	EDUCATION & HUMAN RESOURCES		47.076	\$ 544,526	\$ 3,665,852
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
New Mexico Highlands University	EDUCATION & HUMAN RESOURCES	1914463	47.076	\$ -	\$ 229,310
Western Interstate Commission for Higher Education	EDUCATION & HUMAN RESOURCES	2044434	47.076	\$ -	\$ 33,441
			47.076 Total	\$ 544,526	\$ 3,928,604
NATIONAL SCIENCE FOUNDATION (NSF) - DIRECT					
	INTERNATIONAL SCIENCE AND ENGINEERING		47.079	\$ 13,635	\$ 58,706
			47.079 Total	\$ 13,635	\$ 58,706
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
North Dakota State University	OFFICE OF INTEGRATIVE ACTIVITIES	1826834	47.083	\$ -	\$ 227,258
University of Louisiana at Lafayette	OFFICE OF INTEGRATIVE ACTIVITIES	OIA-2119688	47.083	\$ -	\$ 136,059
University of New Mexico	OFFICE OF INTEGRATIVE ACTIVITIES	1757207	47.083	\$ -	\$ 47,064
University of New Mexico	OFFICE OF INTEGRATIVE ACTIVITIES	OIA-1757207	47.083	\$ -	\$ 1,020,479
			47.083 Total	\$ -	\$ 1,430,860
NATIONAL SCIENCE FOUNDATION (NSF) - PASS THRU					
Assoc of Universities for Research in Astronomy, Inc. (AURA)	NATIONAL SCIENCE FOUNDATION	N/A	47.rd	\$ -	\$ 12,037
Regents University of California Davis	NATIONAL SCIENCE FOUNDATION	1758009	47.rd	\$ -	\$ 2,740
University of Texas at El Paso	NATIONAL SCIENCE FOUNDATION	1834620	47.rd	\$ 208,808	\$ 320,825
			47.rd Total	\$ 208,808	\$ 335,602
ENVIRONMENTAL PROTECTION AGENCY (EPA) - PASS THRU					
State of New Mexico	NONPOINT SOURCE IMPLEMENTATION GRANTS	99610120	66.460	\$ 20,745	\$ 22,820
			66.460 Total	\$ 20,745	\$ 22,820
ENVIRONMENTAL PROTECTION AGENCY (EPA) - DIRECT					
	POLLUTION PREVENTION GRANTS		66.708	\$ -	\$ 103,087
ENVIRONMENTAL PROTECTION AGENCY (EPA) - PASS THRU					
State of New Mexico	POLLUTION PREVENTION GRANTS	C9 996101-17, C9 996101-18 & C9 996101-19	66.708	\$ -	\$ 100,873
			66.708 Total	\$ -	\$ 203,960
DEPARTMENT OF ENERGY (DOE) - DIRECT					
	DEPARTMENT OF ENERGY CEMRC		81.005	\$ -	\$ 2,584,966
			81.005 Total	\$ -	\$ 2,584,966
DEPARTMENT OF ENERGY (DOE) - DIRECT					
	OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM		81.049	\$ -	\$ 144,841
			81.049 Total	\$ -	\$ 144,841
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
New Mexico Consortium, Inc.	RENEWAL ENERGY RESEARCH & DEVELOPMENT	DE-EE0008122	81.087	\$ -	\$ (3,096)
New Mexico Consortium, Inc.	RENEWAL ENERGY RESEARCH & DEVELOPMENT	DE-EE0008902	81.087	\$ -	\$ 44,204
University of North Carolina	RENEWAL ENERGY RESEARCH & DEVELOPMENT	DE-EE0008774	81.087	\$ -	\$ 126,769
			81.087 Total	\$ -	\$ 167,878
DEPARTMENT OF ENERGY (DOE) - DIRECT					
	FOSSIL ENERGY RESEARCH AND DEVELOPMENT		81.089	\$ 28,278	\$ 70,993
			81.089 Total	\$ 28,278	\$ 70,993
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
Battelle Savannah River Alliance, LLC	ENVIR REMEDIATION & WASTE PROCESSING & DISPOSAL	DE-ACD9-08SR22470	81.104	\$ 115,268	\$ 270,452
			81.104 Total	\$ 115,268	\$ 270,452
DEPARTMENT OF ENERGY (DOE) - DIRECT					
	NATIONAL NUCLEAR SECURITY ADMINISTRATION		81.123	\$ 269,088	\$ 947,537
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
North Carolina Agricultural and Technical State University	NATIONAL NUCLEAR SECURITY ADMINISTRATION	NA0003983	81.123	\$ -	\$ 163,514
			81.123 Total	\$ 269,088	\$ 1,111,051

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER					
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
North Carolina State University	ADVANCED RESEARCH PROJECTS AGENCY	DE-AR0000976	81.135	\$ -	\$ 18,182
			81.135 Total	\$ -	\$ 18,182
DEPARTMENT OF ENERGY (DOE) - DIRECT					
	DEPARTMENT OF ENERGY		81.rd	\$ -	\$ 427,091
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
Battelle Energy Alliance, LLC	DEPARTMENT OF ENERGY	DE-AC07-05ID14517	81.rd	\$ -	\$ 115,931
Battelle Memorial Institute	DEPARTMENT OF ENERGY	DE-AC07-05ID14517	81.rd	\$ -	\$ 14,859
Honeywell Technology Solutions Incorporated	DEPARTMENT OF ENERGY	DE-NA0002839	81.rd	\$ -	\$ 2,000
National Renewable Energy Laboratory	DEPARTMENT OF ENERGY	DE-AC36-08GO28308	81.rd	\$ -	\$ 26,665
National Renewable Energy Laboratory	DEPARTMENT OF ENERGY	DE-AC36-08GO28308	81.rd	\$ -	\$ 69,046
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	0171	81.rd	\$ -	\$ 11,980
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	DE-ACS2-06NA25396	81.rd	\$ -	\$ 136,832
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	IA 171	81.rd	\$ -	\$ 9,259
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	PRIME: DE-ACS2-06NA25396/ LANS IA NO. 171	81.rd	\$ -	\$ 17,472
NTESS Sandia National Laboratories	DEPARTMENT OF ENERGY	1875431	81.rd	\$ -	\$ 141,764
NTESS Sandia National Laboratories	DEPARTMENT OF ENERGY	CA# 1875431	81.rd	\$ -	\$ 68,993
NTESS Sandia National Laboratories	DEPARTMENT OF ENERGY	CPA# 1875431	81.rd	\$ -	\$ 50,362
NTESS Sandia National Laboratories	DEPARTMENT OF ENERGY	N/A	81.rd	\$ -	\$ 672,113
Nuclear Waste Partnership LLC	DEPARTMENT OF ENERGY	DE-EM=0001971	81.rd	\$ -	\$ 187,033
Nuclear Waste Partnership LLC	DEPARTMENT OF ENERGY	DE-EM0001971	81.rd	\$ -	\$ 171,272
Nuclear Waste Partnership LLC	DEPARTMENT OF ENERGY	DOE-STD-1112-98	81.rd	\$ -	\$ 4,231
Sandia Corporation	DEPARTMENT OF ENERGY	1190106	81.rd	\$ -	\$ (9,082)
Triad National Security, LLC	DEPARTMENT OF ENERGY	89233218CNA000001	81.rd	\$ -	\$ 193,986
Triad National Security, LLC	DEPARTMENT OF ENERGY	89233218CNA000001	81.rd	\$ -	\$ 792,933
Triad National Security, LLC	DEPARTMENT OF ENERGY	Contract No. 89233218CNA000001	81.rd	\$ -	\$ (1)
Univ Of Cal - Berkeley	DEPARTMENT OF ENERGY	DE-FOA-0001905	81.rd	\$ -	\$ 35,338
			81.rd Total	\$ -	\$ 3,140,077
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU					
Texas A&M University	INSTITUTE OF EDUCATION SCIENCES	R305A180060	84.305	\$ -	\$ 54,252
			84.305 Total	\$ -	\$ 54,252
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
University of Texas	PREVENTION OF DISEASE, DISABILITY, AND DEATH	6 U01CK000512-01-09	93.084	\$ -	\$ 26,936
			93.084 Total	\$ -	\$ 26,936
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	FOOD & DRUG ADMINISTRATION RESEARCH		93.103	\$ -	\$ 798,642
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Washington State Department of Agriculture	FOOD & DRUG ADMINISTRATION RESEARCH	5u18fd005913-05	93.103	\$ -	\$ 77,898
			93.103 Total	\$ -	\$ 876,540
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Dona Ana County	COMMUNITY PROGRAMS TO IMPROVE MINORITY HEALTH GRANT	CPIMP211288-01-00	93.137	\$ -	\$ 121,449
			93.137 Total	\$ -	\$ 121,449
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	RESEARCH RELATED TO DEAFNESS & COMMUNICATION		93.173	\$ -	\$ 89,637
			93.173 Total	\$ -	\$ 89,637
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Drexel University	OCCUPATIONAL SAFETY AND HEALTH PROGRAM	1R21OH011740-01-00	93.262	\$ -	\$ 6,829
University of New Mexico	OCCUPATIONAL SAFETY AND HEALTH PROGRAM	2U54OH0047541-16	93.262	\$ -	\$ 843
			93.262 Total	\$ -	\$ 7,672
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
University of New Mexico	DRUG ABUSE AND ADDICTION RESEARCH	3UG1DA049468-0353	93.279	\$ -	\$ 32,739
			93.279 Total	\$ -	\$ 32,739
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	DISCOVERY AND APPLIED RESEARCH FOR TECHNOLOGY		93.286	\$ 11,644	\$ 119,985
			93.286 Total	\$ 11,644	\$ 119,985
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
University of Texas	TRANS NIH-RESEARCH SUPPORT	1U01GM132219-01	93.310	\$ -	\$ 38,934
			93.310 Total	\$ -	\$ 38,934
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
State of New Mexico	CDC PARTNER CRISIS RESPONSE	NH75OT000094	93.391	\$ -	\$ 248,135
			93.391 Total	\$ -	\$ 248,135
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Fred Hutchinson Cancer Research Center	CANCER CAUSE AND PREVENTION RESEARCH	5 R01 CA242735-02	93.393	\$ -	\$ 29,276
			93.393 Total	\$ -	\$ 29,276
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Geographic Management of Cancer Health Disparities Program	PARTNERSHIP FOR THE ADVANCEMENT	3P3OCA118100-1558	93.397	\$ -	\$ 2,128
University of New Mexico	PARTNERSHIP FOR THE ADVANCEMENT	3PLOCA118100-1653	93.397	\$ -	\$ 12,530
			93.397 Total	\$ -	\$ 14,659
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Dona Ana County	COMMUNITY HEALTH WORKERS FOR PUBLIC HEALTH	NU58DP007036-01-00	93.495	\$ -	\$ 45,493
			93.495 Total	\$ -	\$ 45,493
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Vanderbilt University Medical Center	CARDIOVASCULAR DISEASES RESEARCH	1R01HL158976-01	93.837	\$ -	\$ 18,944
			93.837 Total	\$ -	\$ 18,944
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	ALLERGY, IMMUNOLOGY & TRANSPLANTATION RESEARCH		93.855	\$ 542,391	\$ 785,413

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER					
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
University of Texas	ALLERGY, IMMUNOLOGY & TRANSPLANTATION RESEARCH	1U01AI15180701	93.855	\$ -	\$ 140,507
			93.855 Total	\$ 542,391	\$ 925,920
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	BIOMEDICAL RESEARCH & RESEARCH TRAINING		93.859	\$ 2,227,728	\$ 7,707,232
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Board of Regents Nevada System of Higher Education	BIOMEDICAL RESEARCH & RESEARCH TRAINING	5U54GM104944-08	93.859	\$ -	\$ 103,474
El Paso Community College	BIOMEDICAL RESEARCH & RESEARCH TRAINING	1R25GM123928-01	93.859	\$ -	\$ 15,235
New Mexico Institute of Mining and Technology	BIOMEDICAL RESEARCH & RESEARCH TRAINING	1R15GM124620-01A1	93.859	\$ -	\$ 52,840
Regents of the University of Colorado	BIOMEDICAL RESEARCH & RESEARCH TRAINING	2r25ns080685-06	93.859	\$ -	\$ 63,719
University of New Mexico	BIOMEDICAL RESEARCH & RESEARCH TRAINING	1R01CA94496-01A1	93.859	\$ -	\$ 99,459
University of New Mexico	BIOMEDICAL RESEARCH & RESEARCH TRAINING	2K12GM088021-06	93.859	\$ -	\$ 10,449
University of New Mexico	BIOMEDICAL RESEARCH & RESEARCH TRAINING	4UT2GM130166-02	93.859	\$ -	\$ 19,119
			93.859 Total	\$ 2,227,728	\$ 8,071,527
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	CHILD HEALTH & HUMAN DEV EXTRAMURAL RESEARCH		93.865	\$ -	\$ 2,227
			93.865 Total	\$ -	\$ 2,227
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Dona Ana County	ASSISTED OUTPATIENT TREATMENT	1H795M063538-4	93.997	\$ -	\$ 8,214
			93.997 Total	\$ -	\$ 8,214
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	DEPARTMENT OF HEALTH & HUMAN SERVICES		93.rd	\$ 18,244	\$ 940,240
			93.rd Total	\$ 18,244	\$ 940,240
DEPARTMENT OF HOMELAND SECURITY (DHS) - PASS THRU					
State of New Mexico	HAZARD MITIGATION GRANT	S184FMNMP000000025	97.039	\$ -	\$ 17,260
			97.039 Total	\$ -	\$ 17,260
DEPARTMENT OF HOMELAND SECURITY (DHS) - PASS THRU					
Florida Institute of Technology	DEPARTMENT OF HOMELAND SECURITY	2022-21110800003	97.rd	\$ -	\$ 48,707
			97.rd Total	\$ -	\$ 48,707
RESEARCH & DEVELOPMENT CLUSTER TOTAL				\$ 11,468,776	\$ 75,862,631

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Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Federal Assistance Listing Number	Subrecipient Expenditures	Total Expenditures
STUDENT FINANCIAL AID CLUSTER				
DEPARTMENT OF EDUCATION (EDUC) - LOANS				
	PERKINS LOANS - BEGINNING BALANCE	84.038	\$ -	5,499,866
	TOTAL PERKINS LOANS		-	<u>5,499,866</u>
	FEDERAL DIRECT LOANS	84.268	\$ -	<u>31,718,285</u>
	DEPARTMENT OF EDUCATION (EDUC) - LOANS Total		<u>\$ -</u>	<u>\$ 37,218,151</u>
DEPARTMENT OF EDUCATION (EDUC)				
	FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007	-	1,081,971
	FEDERAL WORK-STUDY PROGRAM	84.033	-	1,051,311
	FEDERAL PELL GRANT PROGRAM	84.063	-	37,456,348
	TEACHER EDUCATION ASSISTANCE FOR COLLEGE AND HIGHER EDUCATION GRANTS	84.379	-	4,244
	DEPARTMENT OF EDUCATION (EDUC) Total		<u>\$ -</u>	<u>\$ 39,593,874</u>
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS)				
	SCHOLARSHIPS FOR DISADVANTAGED STUDENTS	93.925	-	672,327
	TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER		<u>\$ -</u>	<u>\$ 77,484,352</u>

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Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing	Subrecipient Expenditures	Total Expenditures
INDIVIDUAL AWARDS - OTHER					
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	WILDLIFE SERVICES		10.028	\$ -	\$ (2)
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Texas A&M University	WILDLIFE SERVICES	12-APWSNWC00	10.028	\$ -	\$ 5,331
			10.028 Total	\$ -	\$ 5,329
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	FEDERAL - STATE MARKETING IMPROVEMENT PROGRAM		10.156	\$ 55,994	\$ 55,994
			10.156 Total	\$ 55,994	\$ 55,994
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	HISPANIC SERVING INSTITUTION GRANTS		10.223	\$ 11,255	\$ 274,027
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Texas A&M University- Kingsville 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	2017-38422-27298 2021-77040-34876 2018-38422-28564	10.223 10.223 10.223 10.223 Total	\$ - \$ - \$ - \$ 11,255	\$ 26,213 \$ 1,951 \$ 85,226 \$ 387,417
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	AGRICULTURE & EDUCATION CHALLENGE GRANTS		10.226	\$ 27,588	\$ 107,428
			10.226 Total	\$ 27,588	\$ 107,428
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Extension Foundation	EXTENSION COLLABORATIVE ON IMMUNIZATION TEACHING	202117704134831	10.229	\$ -	\$ 6,569
			10.229 Total	\$ -	\$ 6,569
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Regents University of California Davis Regents University of California Davis	HOMELAND SECURITY_AGRICULTURAL HOMELAND SECURITY_AGRICULTURAL	2016-37620-25851 2021-37621-35888	10.304 10.304 10.304 Total	\$ - \$ - \$ -	\$ 3,726 \$ 30,658 \$ 34,384
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU New Mexico Cattle Growers Association	BEGINNING FARMER AND RANCHER DEVELOPMENT PRO	2018-70017-28629	10.311	\$ -	\$ 13,607
			10.311 Total	\$ -	\$ 13,607
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	NATIONAL FOOD SAFETY TRAINING, EDUCATION		10.328	\$ -	\$ 34,077
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU State of Oregon State of Oregon University of Arkansas	NATIONAL FOOD SAFETY TRAINING, EDUCATION NATIONAL FOOD SAFETY TRAINING, EDUCATION NATIONAL FOOD SAFETY TRAINING, EDUCATION	2018-70020-28879 2021-70020-35753 2019-70020-30350	10.328 10.328 10.328 10.328 Total	\$ - \$ - \$ - \$ -	\$ 31,058 \$ 957 \$ 24,677 \$ 90,768
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	CROP PROTECTION AND PEST MANAGEMENT		10.329	\$ -	\$ 204,095
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Regents University of California Davis State of Oregon	CROP PROTECTION AND PEST MANAGEMENT CROP PROTECTION AND PEST MANAGEMENT	2018-70006-28881 2018-70006-28881	10.329 10.329 10.329 Total	\$ - \$ - \$ -	\$ 16,727 \$ 2,575 \$ 223,397
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Texas A&M University	VETERINARY SERVICES GRANT	2020-70024-32369	10.336	\$ -	\$ 604
			10.336 Total	\$ -	\$ 604
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	STATE MEDIATION GRANTS		10.435	\$ -	\$ 107,471
			10.435 Total	\$ -	\$ 107,471
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	OUTREACH & ASSISTANCE FOR SOCIALLY DISADVANTAGED		10.443	\$ -	\$ 82,087
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Developing Innovations in Navajo Education, Inc. DIENE, Inc.	OUTREACH & ASSISTANCE FOR SOCIALLY DISADVANTAGED	AO192501X443G030	10.443	\$ -	\$ 20,599
			10.443 Total	\$ -	\$ 102,685
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	COOPERATIVE EXTENSION SERVICE		10.500	\$ 163,072	\$ 269,730
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU Kansas State University Kansas State University	COOPERATIVE EXTENSION SERVICE COOPERATIVE EXTENSION SERVICE	2018-48661-28954 2022-48696-36671	10.500 10.500 10.500 Total	\$ - \$ - \$ 163,072	\$ 21,380 \$ 4,131 \$ 295,241
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	SMITH-LEVER FUNDING		10.511	\$ -	\$ 1,882,500
			10.511 Total	\$ -	\$ 1,882,500
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT	EXPANDED FOOD AND NUTRITION EDUCATION		10.514	\$ -	\$ 575,829
			10.514 Total	\$ -	\$ 575,829

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing	Subrecipient Expenditures	Total Expenditures
INDIVIDUAL AWARDS - OTHER					
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	RENEWABLE RESOURCES EXTENSION ACT		10.515	\$ -	\$ 120,978
			10.515 Total	\$ -	\$ 120,978
DEPARTMENT OF AGRICULTURE (USDA) - DIRECT					
	FARM AND RANCH STRESS ASSISTANCE		10.525	\$ 7,480	\$ 114,964
			10.525 Total	\$ 7,480	\$ 114,964
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Children Youth and Family Dept State NM	HEADSTART CHILD AND ADULT CARE FOOD	N/A	10.558	\$ -	\$ 41,506
			10.558 Total	\$ -	\$ 41,506
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Energy And Minerals Department	COOPERATIVE FORESTRY ASSISTANCE	20-DG-11030000-007	10.664	\$ -	\$ 3,116
			10.664 Total	\$ -	\$ 3,116
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
Extension Foundation	DEPARTMENT OF AGRICULTURE	N/A	10.xx	\$ -	\$ 12,817
			10.xx Total	\$ -	\$ 12,817
DEPARTMENT OF COMMERCE (DOC) - DIRECT					
	CLUSTER GRANTS		11.020	\$ 55,755	\$ 253,324
			11.020 Total	\$ 55,755	\$ 253,324
DEPARTMENT OF COMMERCE (DOC) - DIRECT					
	MBDA BUSINESS CENTER - AMERICAN INDIAN AND ALASKA		11.804	\$ -	\$ 164,143
			11.804 Total	\$ -	\$ 164,143
DEPARTMENT OF COMMERCE (DOC) - PASS THRU					
City of Albuquerque	DEPARTMENT OF COMMERCE	MB210BD8050197	11.xx	\$ -	\$ 12,500
City of Albuquerque	DEPARTMENT OF COMMERCE	MBDA	11.xx	\$ -	\$ -
New Mexico Department of Economic Development	DEPARTMENT OF COMMERCE	PENDING	11.xx	\$ -	\$ 58,797
Synoptic Data Corp.	DEPARTMENT OF COMMERCE	1305M220DNWGW0061	11.xx	\$ -	\$ 54,720
			11.xx Total	\$ -	\$ 126,017
DEPARTMENT OF DEFENSE (DOD) - PASS THRU					
Lockheed Martin Shared Svcs	DEPARTMENT OF DEFENSE	15-C-0107	12.xx	\$ -	\$ 203,973
Southwest Range Services LLC	DEPARTMENT OF DEFENSE	W91151-19-C-0008	12.xx	\$ 328,439	\$ 328,439
			12.xx Total	\$ 328,439	\$ 532,412
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	ENDANGERED SPECIES CONSERV- WOLF LIVESTOCK LOSS		15.666	\$ -	\$ 210,000
			15.666 Total	\$ -	\$ 210,000
DEPARTMENT OF INTERIOR (DOI) - PASS THRU					
America View	NATIONAL LAND REMOTE SENSING EDUCATION OUTREACH	G18AP00077	15.815	\$ -	\$ 36,181
			15.815 Total	\$ -	\$ 36,181
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	NATIVE AMERICAN GRAVE PROTECTION AND REPATRIATION		15.922	\$ -	\$ 34,106
			15.922 Total	\$ -	\$ 34,106
DEPARTMENT OF INTERIOR (DOI) - DIRECT					
	DEPARTMENT OF THE INTERIOR		15.xx	\$ -	\$ 407,131
			15.xx Total	\$ -	\$ 407,131
DEPARTMENT OF INTERIOR (DOI) - PASS THRU					
World Learning, Inc.	ACADEMIC EXCHANGE PROGRAMS	SECAGD19CA0115	19.009	\$ -	\$ 23,209
			19.009 Total	\$ -	\$ 23,209
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) - PASS THRU					
Jacobs Technology Inc.	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	NNJ11HA02C	43.xx	\$ -	\$ 23,821
			43.xx Total	\$ -	\$ 23,821
NATIONAL ENDOWMENT FOR THE HUMANITIES (NEH) - PASS THRU					
New Mexico Humanities Council	PROMOTION OF THE HUMANITIES	ZSO-283159-21	45.129	\$ -	\$ 17,088
			45.129 Total	\$ -	\$ 17,088
NATIONAL ENDOWMENT FOR HUMANITIES (NEH) - DIRECT					
	PROMOTION OF THE HUMANITIES		45.149	\$ -	\$ 9,643
			45.149 Total	\$ -	\$ 9,643
NATIONAL ENDOWMENT FOR HUMANITIES (NEH) - DIRECT					
	PROMOTION OF THE HUMANITIES TEACHING		45.162	\$ -	\$ 36,525
			45.162 Total	\$ -	\$ 36,525
NATIONAL ENDOWMENT FOR HUMANITIES (NEH) - DIRECT					
	MUSEUMS OF AMERICA		45.301	\$ -	\$ 19,242
			45.301 Total	\$ -	\$ 19,242
SMALL BUSINESS ADMINISTRATION (SBA) - DIRECT					
	FEDERAL AND STATE TECHNOLOGY PARTNERSHIP		59.058	\$ -	\$ 133,725
			59.058 Total	\$ -	\$ 133,725
SMALL BUSINESS ADMINISTRATION (SBA) - DIRECT					
	SMALL BUSINESS ADMINISTRATION		59.xx	\$ -	\$ 24,464
			59.xx Total	\$ -	\$ 24,464
ENVIRONMENTAL PROTECTION AGENCY (EPA) - DIRECT					
	SEDIMENT & AGRICULTURAL SAMPLING		66.204	\$ -	\$ 34,964
ENVIRONMENTAL PROTECTION AGENCY (EPA) - PASS THRU					
State of New Mexico	SEDIMENT & AGRICULTURAL SAMPLING	01F22301	66.204	\$ -	\$ 60
			66.204 Total	\$ -	\$ 35,024
ENVIRONMENTAL PROTECTION AGENCY (EPA) - DIRECT					
	CONSOLIDATED PESTICIDE ENFORCEMENT COOP		66.700	\$ -	\$ 436,209
			66.700 Total	\$ -	\$ 436,209

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Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing	Subrecipient Expenditures	Total Expenditures
INDIVIDUAL AWARDS - OTHER					
ENVIRONMENTAL PROTECTION AGENCY (EPA) - PASS THRU					
Extension Foundation	EDUCATING NEW MEXICO'S PESTICIDE AP	83698001	66.716	\$ -	\$ 16,819
			66.716 Total	\$ -	\$ 16,819
ENVIRONMENTAL PROTECTION AGENCY (EPA) - PASS THRU					
State of New Mexico	GOLD KING MINE LONG TERM MONITORING	01F16901	66.802	\$ -	\$ 46,647
			66.802 Total	\$ -	\$ 46,647
DEPARTMENT OF ENERGY (DOE) - DIRECT					
	ENERGY PROGRAM FOR INNOVATION		81.010	\$ 10,000	\$ 134,165
			81.010 Total	\$ 10,000	\$ 134,165
DEPARTMENT OF ENERGY (DOE) - PASS THRU					
National Renewable Energy Laboratory	DEPARTMENT OF ENERGY	N/A	81.xx	\$ -	\$ 23,311
New Mexico Consortium, Inc.	DEPARTMENT OF ENERGY	DE-AC52-06NA25396	81.xx	\$ -	\$ 42,999
NTES Sandia National Laboratories	DEPARTMENT OF ENERGY	DE-AC04-A94AL85000	81.xx	\$ -	\$ 72,812
NTES Sandia National Laboratories	DEPARTMENT OF ENERGY	N/A	81.xx	\$ -	\$ 49,188
Triad National Security, LLC	DEPARTMENT OF ENERGY	89233218CNA000001	81.xx	\$ -	\$ 110,644
			81.xx Total	\$ -	\$ 298,953
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU					
New Mexico Higher Education Department	ADULT EDUCATION	N/A	84.002	\$ -	\$ (44)
New Mexico Higher Education Department	ADULT EDUCATION	V002A200032	84.002	\$ -	\$ 15
New Mexico Higher Education Department	ADULT EDUCATION	V002A210032	84.002	\$ -	\$ 545,442
			84.002 Total	\$ -	\$ 545,413
DEPARTMENT OF EDUCATION (EDUC) - DIRECT					
	HIGHER EDUCATION_INSTITUTIONAL AID		84.031	\$ -	\$ 1,035,208
			84.031 Total	\$ -	\$ 1,035,208
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU					
New Mexico Public Education Department	CARL PERKINS	V048A180031-18A	84.048	\$ -	\$ 14,988
New Mexico Public Education Department	CARL PERKINS	V048A200031	84.048	\$ -	\$ 480
New Mexico Public Education Department	CARL PERKINS	V048A210031	84.048	\$ -	\$ 79,533
New Mexico Public Education Department	CARL PERKINS	V048A210031 - 21A	84.048	\$ -	\$ 129,876
New Mexico Public Education Department	CARL PERKINS	V048A210031-21A	84.048	\$ -	\$ 452,874
			84.048 Total	\$ -	\$ 677,751
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU					
High Plains Regional Education Cooperative #3	IMPROVEMENT OF POSTSECONDARY EDUCATION	P116C200014	84.116	\$ -	\$ 337,112
			84.116 Total	\$ -	\$ 337,112
DEPARTMENT OF EDUCATION (EDUC) - DIRECT					
	COLLEGE ASSISTANCE MIGRANT PGM CAMP		84.149	\$ -	\$ 475,633
			84.149 Total	\$ -	\$ 475,633
DEPARTMENT OF EDUCATION (EDUC) - DIRECT					
	GRADUATION ASSISTANCE IN AREAS OF NATIONAL NEED		84.200	\$ -	\$ 108,625
			84.200 Total	\$ -	\$ 108,625
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU					
New Mexico Public Education Department	STATE PERSONNEL DEVELOPMENT GRANTS	H323A170032-21	84.323	\$ -	\$ 633,851
			84.323 Total	\$ -	\$ 633,851
DEPARTMENT OF EDUCATION (EDUC) - DIRECT					
	ENGLISH LANGUAGE ACQUISITION STATE GRANTS		84.365	\$ -	\$ 373,188
			84.365 Total	\$ -	\$ 373,188
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU					
Texas A&M University	SUPPORTING EFFECTIVE EDUCATOR DEVELOPMENT	U423A180074	84.423	\$ -	\$ 195,618
			84.423 Total	\$ -	\$ 195,618
DEPARTMENT OF EDUCATION (EDUC) - DIRECT					
	HIGHER EDUCATION EMERGENCY RELIEF FUND - STUDENT		84.425E	\$ -	\$ 24,662,230
	HIGHER EDUCATION EMERGENCY RELIEF FUND - INSTITUTIONAL		84.425F	\$ -	\$ 20,497,767
	HIGHER EDUCATION EMERGENCY RELIEF FUND - MSI		84.425L	\$ -	\$ 217,001
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU					
University of New Mexico	GOVERNOR'S EMERGENCY EDUCATION RELIEF FUND	N/A	84.425C	\$ -	\$ 185,089
			84.425 Total	\$ -	\$ 45,562,087
DEPARTMENT OF EDUCATION (EDUC) - PASS THRU					
New Mexico Public Education Department	DEPARTMENT OF EDUCATION	H323A170032-18 & H027A200078	84.xx	\$ -	\$ 129,872
			84.xx Total	\$ -	\$ 129,872
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
National Association of Chronic Disease Directors	CHRONIC DISEASE: RESEARCH, CONTROL, AND PREVENTION	5NU58DP006261-05	93.068	\$ -	\$ 15,000
			93.068 Total	\$ -	\$ 15,000
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	GRADUATE PSYCHOLOGY EDUCATION PROGRAM		93.191	\$ -	\$ 249,565
			93.191 Total	\$ -	\$ 249,565
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES		93.243	\$ -	\$ 147,985
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Children Youth and Family Dept State NM	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	1H79SM082287-01	93.243	\$ -	\$ 861,244
Children Youth and Family Dept State NM	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	TI 080190	93.243	\$ -	\$ 254
Dona Ana County	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	1H79SM084521-01	93.243	\$ -	\$ 11,574
St Lukes Health Care Clinic	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	5H79T108513	93.243	\$ -	\$ 33,873
			93.243 Total	\$ -	\$ 1,054,930

See accompanying independent auditor's report.

Schedule 7 - Schedule of Expenditures of Federal Awards

Name of Program / Agency	Award Title	Grant Number	Federal Assistance Listing	Subrecipient Expenditures	Total Expenditures
INDIVIDUAL AWARDS - OTHER					
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Comagine Health	NATIONAL DIABETES PREVENTION PROGRAM	5NU58DP006369	93.261	\$ -	\$ 3,536
			93.261 Total	\$ -	\$ 3,536
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Children Youth and Family Dept State NM	CHILDREN'S JUSTICE GRANTS TO STATES	G1901NMCJA	93.643	\$ -	\$ 9,955
			93.643 Total	\$ -	\$ 9,955
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Children Youth and Family Dept State NM	TITLE IV-E PROGRAM	G1901-NMFOST/G2001-NMFOST/G2101-NMFOST	93.658	\$ -	\$ 464,417
			93.658 Total	\$ -	\$ 464,417
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	MENTAL & BEHAVIORAL HEALTH EDUCATION & TRAINING		93.732	\$ -	\$ 791,958
			93.732 Total	\$ -	\$ 791,958
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Falling Colors Corporation (FCC)	STATE TARGETED RESPONSE TO THE OPIOID CRISIS	N/A	93.788	\$ -	\$ 77,982
			93.788 Total	\$ -	\$ 77,982
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	DEPARTMENT OF HEALTH & HUMAN SERVICES		93.xx	\$ -	\$ 2,439
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - PASS THRU					
Children Youth and Family Dept State NM	DEPARTMENT OF HEALTH & HUMAN SERVICES	1H79SM082000-01	93.xx	\$ -	\$ 27,482
Children Youth and Family Dept State NM	DEPARTMENT OF HEALTH & HUMAN SERVICES	TI080190	93.xx	\$ -	\$ 67,062
ECECD	DEPARTMENT OF HEALTH & HUMAN SERVICES	CCDF-ACF-IM-2021-02	93.xx	\$ -	\$ 48,353
			93.xx Total	\$ -	\$ 145,336
DEPARTMENT OF HOMELAND SECURITY (DHS) - PASS THRU					
NM Department Of Homeland Security	DISASTER GRANTS - PUBLIC ASSISTANCE	FEMA-4529-DR-NM	97.036	\$ -	\$ 4,994
			97.036 Total	\$ -	\$ 4,994
SNAP CLUSTER					
DEPARTMENT OF AGRICULTURE (USDA) - PASS THRU					
New Mexico Human Services Department	SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	N/A	10.561	\$ -	\$ 1,387,344
			10.561 Total	\$ -	\$ 1,387,344
			SNAP Cluster Total	\$ -	\$ 1,387,344
HEAD START CLUSTER					
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) - DIRECT					
	HEAD START		93.600	\$ -	\$ 1,955,541
			93.600 Total	\$ -	\$ 1,955,541
			Headstart Cluster Total	\$ -	\$ 1,955,541
DEPARTMENT OF EDUCATION (EDUC) - DIRECT					
	TRIO STUDENT SUPPORT SERVICES PROGR		84.042	\$ -	\$ 675,533
			84.042 Total	\$ -	\$ 675,533
DEPARTMENT OF EDUCATION (EDUC) - DIRECT					
	TRIO UPWARD BOUND		84.047	\$ -	\$ 1,035,143
			84.047 Total	\$ -	\$ 1,035,143
			TRIO Cluster Total	\$ -	\$ 1,710,676
INDIVIDUAL AWARDS - OTHER TOTAL				\$ 659,583	\$ 65,147,044
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 12,128,359	\$ 218,494,027

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	\$ 99,475,967
Federal Pell Grant revenue	\$ 37,456,348
CARES revenue reclassified to other non-operating revenue	45,562,087
Surplus and loan fee eliminations	(152,646)
	<u>182,341,756</u>

Plus/(Less) reconciling items:

Adjustment to federal revenue for accrued liabilities and reversals	(1,065,880)
Adjustment to federal revenue for Department of Education loans	37,218,151

Federal Expenditures per Schedule 7

	<u>\$ 218,494,027</u>
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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, 2022. 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, 2022, the University processed \$31,718,285 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, 2022, 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, 2022, and the outstanding student loan balances under the Federal Perkins Loan Program was \$2,936,947.

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

See accompanying independent auditor's report.

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

The Board of Regents
New Mexico State University
and
Mr. Brian S. Colón, Esq.
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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of New Mexico State University (the University) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise New Mexico State University's basic financial statements, and have issued our report thereon dated October 26, 2022.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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*.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mess Adams LLP". The signature is written in a cursive, flowing style.

Albuquerque, New Mexico
October 26, 2022

Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Regents
New Mexico State University
and
Mr. Brian S. Colón, Esq.
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Mexico State University's (the University) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Mess Adams LLP

Albuquerque, New Mexico
October 26, 2022

Schedule of Findings and Questioned Costs
Year ended June 30, 2022

(1) Summary of Auditor's Results

Type of report the auditor issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified: **No**

Significant deficiency(ies) identified: **None reported**

Noncompliance material to the financial statements noted: **No**

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified: **No**

Significant deficiency(ies) identified: **None reported**

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

Student Financial Assistance Cluster – various CFDA numbers - **Unmodified**

Education Stabilization Fund -Higher Education Emergency Relief Fund – CFDA 84.425 -
Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**

Auditee qualified as a low-risk auditee: **Yes**

(2) Financial Statement Findings

None reported.

(3) Federal Award Findings and Questioned Costs

None reported.

Summary Schedule of Prior Audit Findings
Year ended June 30, 2022

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

2021-001 - Other Matters – User and Privileged Access Reviews

User access reviews were not performed during fiscal year 2021 for the systems impacting financial reporting application.

Current Status: Resolved

2021-002 - Other Matters – Cyber Security

The University did not have the following cybersecurity process and procedures in place:

- Tools to disable or destroy information remotely on employee mobile devices, laptops, PCs, etc.
- Cybersecurity insurance.

Current Status: Resolved

2021-003 - Other Matters – Procurement, Suspension, and Debarment, instance of noncompliance.

Controls were not consistently followed related to procedures for verifying that an entity with which the University entered into a covered transaction was not debarred or suspended.

Current Status: Resolved

**Summary Schedule of Other Findings
As Required by New Mexico State Statute 12-6-5, NMSA 1978
Year ended June 30, 2022**

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

None

An exit conference was held on October 26, 2022, 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	Audit Committee Community Member
Mary Jo Billiot	Audit Committee Community Member
Shari Jones	Audit Committee Community Member

Representing New Mexico State University

Ruth Johnston	Vice Chancellor
Kenneth Glascock	Chief Audit Officer
Roy Collins	Chief Legal Affairs Officer
Dorothy Campbell	Interim Provost and Chief Academic Officer
James McAteer	Senior Associate Provost
D'Anne Stuart	Associate Vice President, Finance and Business Services
Ross Justus	Associate Controller
Carolina Muñoz	Manager, Accounting and Finance
Damian López	Audit Liaison
Adam Cavotta	Board of Regents Chief of Staff
Leslie Cervantes	Chief of Staff

Representing New Mexico State University Component Units

Derek Dictson	Vice President of University Advancement, NMSU Foundation, Inc.
Kathryn Hansen	CEO, Arrowhead Center Inc.
Vanessa Mills	Senior Accountant, Arrowhead Center Inc.

Representing Moss Adams LLP

Lisa Todd	Lead Engagement Partner
Ashlee Lent	Senior Manager

The University's management prepared the financial statements. The University is responsible for the financial statements and its contents.