

Audit Report 2024
Year Ending June 30, 2024



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New Mexico Institute of Mining and Technology
Official Roster
June 30, 2024

Board of Regents

Ex-Officio Members

| | |
|--------------------------------------|------------------------------------------------|
| The Honorable Michelle Lujan Grisham | Governor of the State of New Mexico |
| Stephanie Rodriguez | Cabinet Secretary, Higher Education Department |

Appointed Members

| | |
|------------------------|---------------------|
| Jerry A. Armijo | President |
| Dr. David Lepre, Sr. | Secretary-Treasurer |
| Dr. Yolanda Jones King | Member |
| Dr. Srinivas Mukkamala | Member |
| Adrian Salustri | Member |

Principal Administrative Officials

| | |
|------------------------|--------------------------------------------------------------------|
| Dr. Mahyar Amouzegar | President |
| Richard Cervantes, CPA | Vice President for Administration and Finance |
| Dr. David L. Greene | Vice President for Student Life/ Chief Diversity Officer |
| Dr. Michael Jackson | Associate Vice President for Academic Affairs |
| Dr. Van Romero | Vice President for Research of Special Projects |
| Dr. Mike Doyle | Vice President for Research |
| Dr. Peter Phaiah | Assistant Vice President for Student Life/ Title IX Coordinator |
| Shaojie (Jenny) Ma | Associate Vice President for Administration and Finance |
| Carlos Romero | Associate Vice President for Research |
| Dr. Michael Timmons | Director, New Mexico Bureau of Geology and Mineral Resources |
| Dr. Robert Balch | Director, New Mexico Petroleum Recovery Research Center |
| Melissa Tull | Controller |
| JoAnn Salome | Director, Human Resources |
| Daniel Lunceford | Director, Information Technology and Communications |
| Gayle Bailey | Director, Sponsored Projects |
| Carrie Marsyla | Director, Cost Accounting and Reporting |
| Emma Aafloy | Director, Budget and Analysis |

Report of Independent Auditors

The Board of Regents
New Mexico Institute of Mining and Technology
and
Mr. Joseph M. Maestas, P.E., C.F.E.
New Mexico State Auditor

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit, of New Mexico Institute of Mining and Technology (the Institute) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Institute'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 and the aggregate discretely presented component unit of the New Mexico Institute of Mining and Technology as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 Institute 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 1, the financial statements of the Institute are intended to present the financial position, the changes in financial position, and 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 Institute. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2024, the change in its financial position, or cash flows for the year 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 Institute'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 Institute'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 Institute'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, Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions, Notes to Defined Benefit Retirement Plan RSI, Schedule of Employer Contributions – Other Postemployment Benefits (OPEB), Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of OPEB Investment Returns as referenced in the table of contents 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 Institute's basic financial statements. The accompanying budgetary comparisons, schedule of pledged collateral, schedules of individual deposit and investment accounts, multiple-year capital projects funded by general obligation bond and severance tax bond capital outlay appropriations from the state required by 2.2.2 NMAC, schedule of joint powers agreements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) 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. 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 accompanying budgetary comparisons, schedule of pledged collateral, schedule of individual deposit and investment accounts, multiple-year capital projects funded by general obligation bond and severance tax bond capital outlay appropriations from the state required by 2.2.2 NMAC, schedule of joint powers agreements, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, on our consideration of New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Albuquerque, New Mexico
October 24, 2024

Management's Discussion and Analysis

New Mexico Institute of Mining and Technology Management's Discussion and Analysis Year Ended June 30, 2024

The New Mexico Institute of Mining and Technology (New Mexico Tech, NMIMT, NMT, or the Institute) Management's Discussion and Analysis (MDA) of annual financial statements provides an overview of the New Mexico Tech's financial activities for the fiscal year ended June 30, 2024. Included for comparison purposes is the 2023 financial summary. This annual report is presented in the Governmental Accounting Standard Board Statements (GASB) 34 and 35 reporting format. New Mexico Tech, like all colleges and universities in New Mexico, uses the business-type activity (BTA) format for reporting financial statements. The purpose of the MDA is to provide users of this report with a brief overview of the year's activities as they relate to the funds and assets administered by New Mexico Tech. The MDA is a written discussion of the primary financial statements included in the annual report. It also provides the reader with a discussion of the major activities that occurred during the year and the effect of the activities to New Mexico Tech.

A brief summary is provided for the following financial reports:

The MDA gives New Mexico Tech's management a forum to analyze the activities for the fiscal year; including, but not limited to, a comparison of the current fiscal year to with last year's financial summary, enrollment data, research activities and capital projects. The report gives provides the reader with a written assessment of the impact of the decisions made during the year that support the mission of New Mexico Tech. Therefore, the MDA begins with a brief description of the primary financial statements.

Statement of Net Position (SNP) – The SNP is a report of the financial and capital resources managed by New Mexico Tech. The SNP is a summary of New Mexico Tech's assets and liabilities and is a snapshot of New Mexico Tech at the close of business at the date of the statement, in this case, June 30, 2024.

The statement format used by New Mexico Tech is Assets plus Deferred Outflows minus Liabilities minus Deferred Inflows equals Net Position. GASB 68 requires New Mexico Tech financial statements to report its pro rata share of pension liability even though the New Mexico Educational Retirement Board (NMERB) manages and oversees the retirement assets and administration of the funds dedicated to New Mexico Tech.

New Mexico Institute of Mining and Technology
Management's Discussion and Analysis
Year Ended June 30, 2024

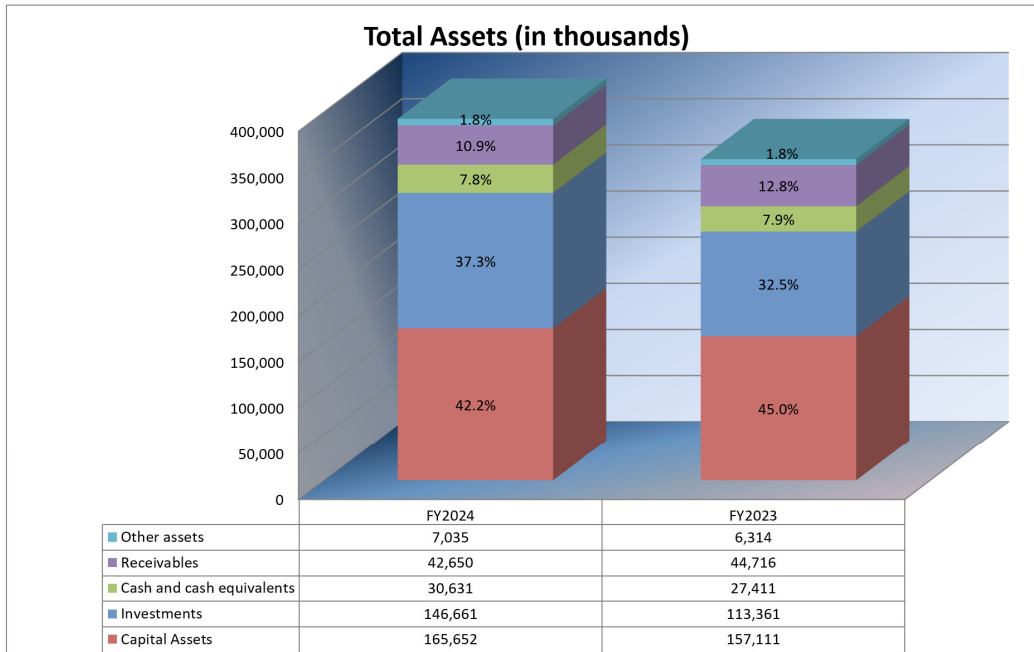
New Mexico Tech adopted GASB Statement No. 80, *Blending Requirements for Certain Component Units*. New Mexico Tech also adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The following table summarizes the Institute's assets, deferred outflows, liabilities, deferred inflows, and net position as of:

| | Balance June 30, 2024 (In Thousands) | Balance June 30, 2023 (In Thousands) | Difference | Percentage Change |
|---------------------------------------------------------------|--------------------------------------------|--------------------------------------------|------------------|----------------------|
| Current assets | \$ 121,675 | \$ 97,411 | \$ 24,264 | 24.9% |
| Capital assets, net | 165,652 | 157,111 | 8,541 | 5.4% |
| Other noncurrent assets | 105,302 | 94,391 | 10,911 | 11.6% |
| Total assets | <u>392,629</u> | <u>348,913</u> | <u>43,716</u> | <u>12.5%</u> |
| Deferred outflows | 32,113 | 52,554 | (20,441) | -38.9% |
| Total assets and deferred outflows | <u>\$ 424,742</u> | <u>\$ 401,467</u> | <u>\$ 23,275</u> | <u>5.8%</u> |
| Current liabilities | \$ 29,730 | \$ 25,571 | \$ 4,159 | 16.3% |
| Noncurrent liabilities | 183,804 | 185,190 | (1,386) | -0.7% |
| Total liabilities | <u>213,534</u> | <u>210,761</u> | <u>2,773</u> | <u>1.3%</u> |
| Deferred inflows | 42,725 | 84,830 | (42,105) | -49.6% |
| Net position | | | | |
| Capital assets, net of related debt | 147,356 | 137,196 | 10,160 | 7.4% |
| Restricted net position | 51,229 | 51,499 | (270) | -0.5% |
| Unrestricted net position | <u>(30,102)</u> | <u>(82,819)</u> | <u>52,717</u> | <u>-63.7%</u> |
| Total net position | <u>168,483</u> | <u>105,876</u> | <u>62,607</u> | <u>59.1%</u> |
| Total assets, liabilities, deferred inflows, and net position | <u>\$ 424,742</u> | <u>\$ 401,467</u> | <u>\$ 23,275</u> | <u>5.8%</u> |

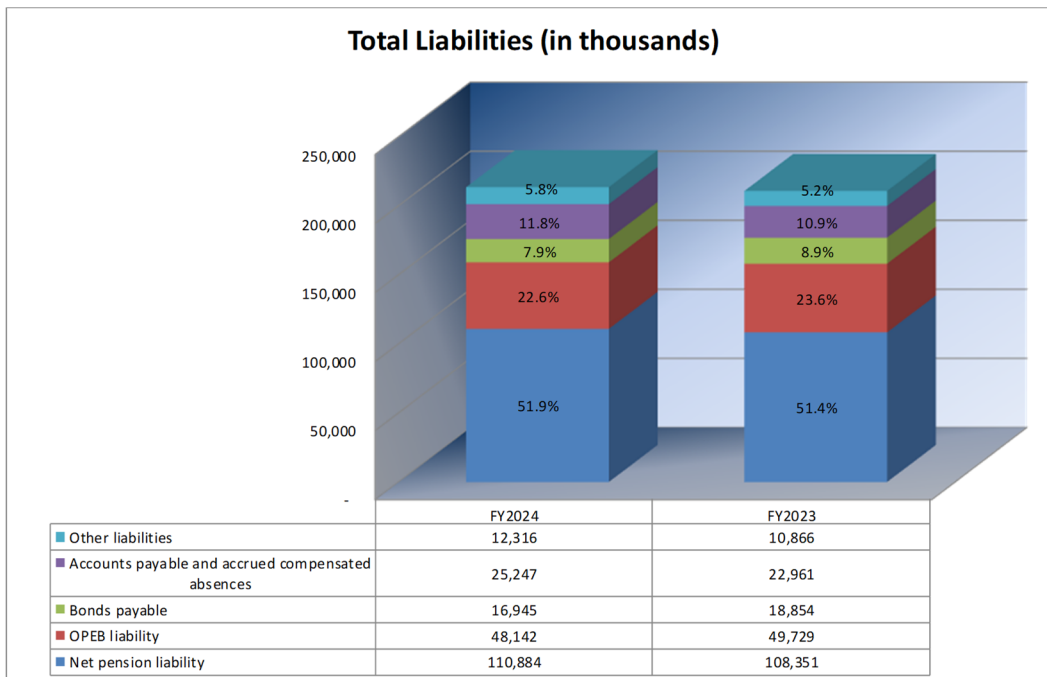
Total assets increased by \$43.7 million, or 12.5 percent. Changes are mainly in:

- Current assets increased by \$24.3 million, or 24.9 percent, due to normal operating activities.
- Capital assets increased by \$8.5 million, or 5.4 percent. This is primarily due to the net of capital assets acquired throughout the fiscal year and the recording of depreciation.
- Other noncurrent assets increased by \$10.9 million, or 11.6 percent. The increase was mainly due to the appreciation of the investment market during the year.

**New Mexico Institute of Mining and Technology
Management's Discussion and Analysis
Year Ended June 30, 2024**



Total liabilities increased by \$2.8 million, or 1.3 percent. The net pension liability increased by \$2.5 million, and liabilities related to other postemployment benefits (OPEB) decreased by \$1.5 million due to the changes in actuarial reporting related to GASB Statements No. 68 and 75 and NMERB schedules of employer allocations.



New Mexico Institute of Mining and Technology
Management's Discussion and Analysis
Year Ended June 30, 2024

Net position has three categories:

- *Capital assets, net of related debt* – This category consists of capital assets reduced by outstanding debt and the accumulated depreciation. The net increase is \$10.2 million. Increases in assets were investments in equipment during the year offset by debt related to assets.
- *Restricted net position* – This category is subdivided into nonexpendable and expendable. Nonexpendable are restricted assets earmarked for investment purposes only, such as endowments. Expendable restricted assets are available for expenditures restricted by the creditor, donor, or other external sources such as grants and contracts. The restricted net position category had a slight decrease of \$270 thousand.
- *Unrestricted net position* – This category reports the assets available to New Mexico Tech for any lawful purpose. These funds increased by \$52.7 million.

Statement of Revenue, Expenses, and Changes in Net Position – The statement of revenues, expenses, and changes in net position presents revenues earned and expenses incurred during fiscal years ended June 30, 2024 and June 30, 2023. Revenues and expenses are divided into operating and nonoperating. According to GASB guidelines, state appropriations are typically classified as nonoperating revenues.

Comparative statement of revenues and expenses (in thousands) for the fiscal years ended:

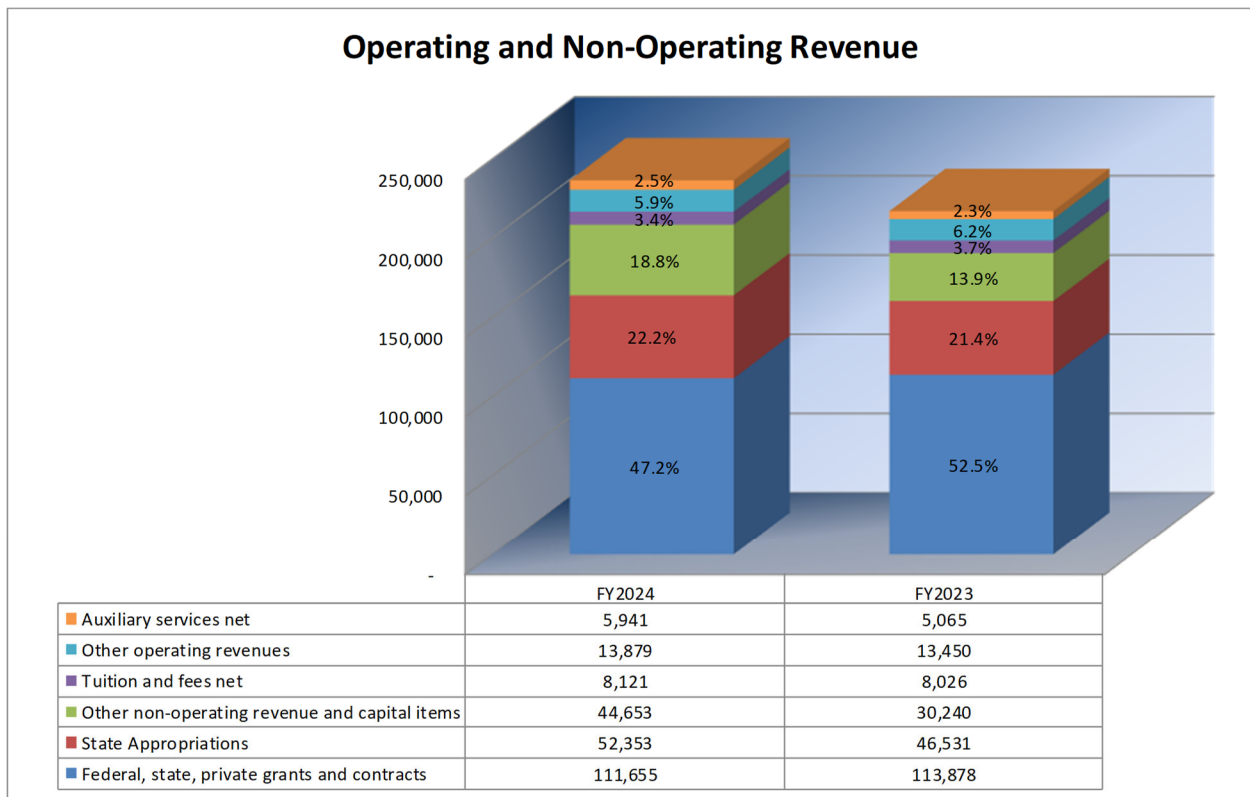
| | June 30, 2024 (In Thousands) | June 30, 2023 (In Thousands) | Difference | Percentage |
|-----------------------------------------|---------------------------------|---------------------------------|------------|------------|
| Operating revenue | \$ 139,596 | \$ 140,419 | \$ (823) | -0.6% |
| Operating expense | 173,995 | 204,019 | (30,024) | -14.7% |
| Operating loss | (34,399) | (63,600) | 29,201 | -45.9% |
| Nonoperating revenue | 66,770 | 57,398 | 9,372 | 16.3% |
| Loss before other revenues and expenses | 32,371 | (6,202) | 38,573 | -621.9% |
| Other revenues and capital items | 30,236 | 19,374 | 10,862 | 56.1% |
| Increase(decrease) in net position | \$ 62,607 | \$ 13,172 | \$ 49,435 | -565.9% |

Operating revenues are received in order to provide goods and services to the constituencies of New Mexico Tech. Operating revenue includes tuition and fees, federal, state and private grants and contracts, and auxiliary service fees.

New Mexico Institute of Mining and Technology Management's Discussion and Analysis Year Ended June 30, 2024

Compared to the fiscal year 2023, total operating revenue decreased by \$823 thousand. Year-to-year changes of the individual components within the total operating revenue are:

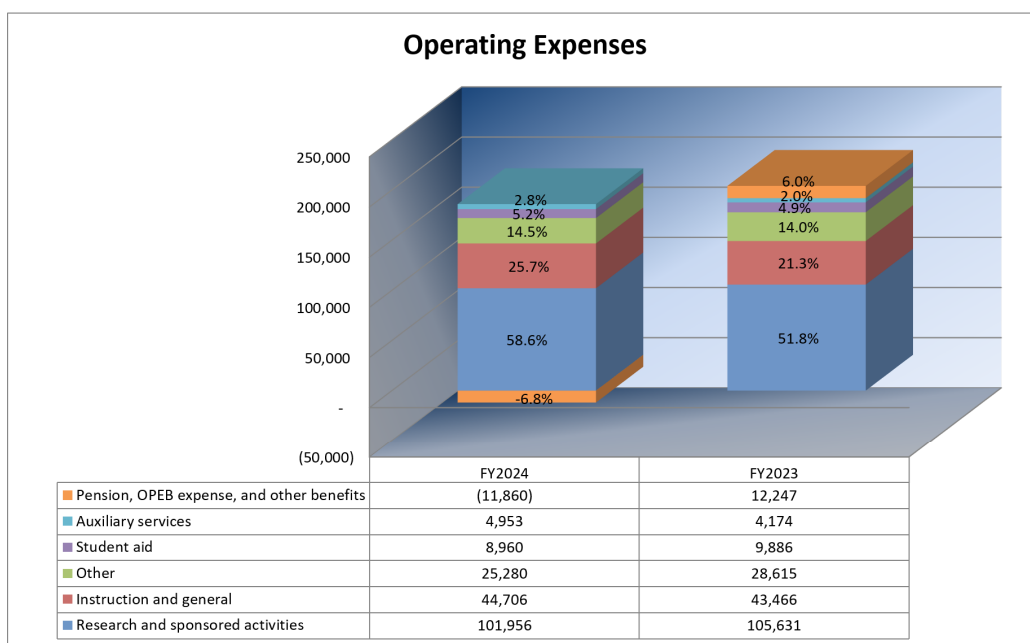
- Net tuition and fee revenue increased by \$95 thousand.
- Net income from auxiliary services increased by \$876 thousand.
- Grants and contracts revenue decreased by \$2.2 million.
- Other operating income primarily related to service center sales increased by \$429 thousand.



New Mexico Institute of Mining and Technology Management's Discussion and Analysis Year Ended June 30, 2024

Operating expenses are the cost of providing the goods and services for the operating revenue received.

- Total operating expenses decreased by \$30.0 million, including the decrease of 3.7 million in research and other sponsored project expenses.



One major exception for public colleges and universities is state appropriations. GASB 34 and 35 require state appropriations to be classified and reported as nonoperating revenues, even if these revenues directly support the educational mission of the Institute. However, instruction and general expenses are reported as operating expenses. As a result, operating losses are often reported due to this anomaly. The net operating loss in fiscal year 2024 is \$34.4 million, a decrease of \$29.2 million compared to \$63.6 million in fiscal year 2023.

Nonoperating revenues include state appropriations, investment income, capital and noncapital financing activities, such as interest income, gifts and endowments received by the Institute. Nonoperating expenses include activities such as interest on capital asset-related debt and other expenses that are defined as nonoperating expenses by GASB 9 and GASB 34.

Compared to the fiscal year 2023, nonoperating revenues increased by \$9.4 million in fiscal year 2024. This mainly includes:

- State appropriations for Instruction and General (I&G) and Research and Public Service Projects (RPSPs) increased by \$5.8 million, from \$46.5 million in fiscal year 2023, to \$52.4 million in fiscal year 2024;
- Interest and investment income increased by \$3.6 million.

New Mexico Institute of Mining and Technology Management's Discussion and Analysis Year Ended June 30, 2024

Statement of Cash Flows – The statement of cash flows is a summary of the sources and uses of funds received by New Mexico Tech. The statement is presented in four sections within the accompanying reconciliations. Each section is a summary of the funds received correlated to that particular activity and the funds used for the activity. The statement of cash flows includes:

- Cash flows from operating activities;
- Cash flows from noncapital financing activities;
- Cash flows from capital and related financing activities;
- Cash flows from investment activities; and
- Reconciliation of operating income (loss) to net cash provided by (used in) operating activities.

Note: The New Mexico Tech Foundation is included as a component unit, but its operations are not managed or controlled by New Mexico Tech.

Comparison of Budget to Actual – Included in this audit report is a Budget Comparison Summary of the original budget to the final budget to actual revenue and expenses for current unrestricted funds and current restricted funds. This report is written in a format required by the New Mexico State Auditor called “fund accounting format,” which is used for accounting and budgeting by the State of New Mexico. The Original Budget and the Final Budget are compared to Actual Revenues and Expenditures to reflect the changes in the original budget at New Mexico Tech compared to the outcome. The annual budget is adjusted during the year on the Budget Adjustment Request (BAR), which is submitted to and approved by the New Mexico Higher Education Department (HED) and the New Mexico Department of Finance (DFA).

The restricted current funds revenues and expenditures budget comparisons are presented in accordance with state auditor standards. Unlike the unrestricted current fund, the activity for restricted current funds may not coincide with the New Mexico Tech fiscal year.

Capital Assets – The Kelly Hall construction will be split into two phases. Phase I of the project will be a two-story, 16,000-square-foot building. The current total budget for the Phase I is \$20.1 million. It is funded by a combination of General Obligation Bonds, Severance Bonds, and the New Mexico Tech Construction Reserves. Phase I was moved forward in late fall 2023. Estimated duration of the project including both phases is fourteen months.

In fiscal year 2024 the campus-wide roof repair and replacement project were recognized as completed. Roofs for Speare Building, Macey Center, and Weir Hall were replaced; and roofs for Mineral Science and Engineering Complex (MSEC) and Wells Hall were repaired.

Other campus infrastructure upgrades were completed such as the control upgrades at IRIS, Energetic Materials Research and Testing Center (EMRTC), and Gold buildings, as well as the Fitch Hall HVAC upgrade have been completed.

**New Mexico Institute of Mining and Technology
Management’s Discussion and Analysis
Year Ended June 30, 2024**

Currently Known Facts

Enrollment – Compared to Fall 2023, total enrollment in Fall 2024 has increased slightly by 74.

| <u>School Year</u> | <u>Headcount</u> | <u>Credit Hours (CH)</u> | <u>End-of-Course</u> | <u>(EOCCH)</u> |
|--------------------|------------------|--------------------------|----------------------|----------------|
| 2023-24 | 2,088 | 42,060 | 41,194 | 97.90% |
| 2022-23 | 2,014 | 42,450 | 41,569 | 97.90% |
| 2021-22 | 2,003 | 43,348 | 42,225 | 97.40% |
| 2020-21 | 1,882 | 42,657 | 41,893 | 98.20% |
| 2019-20 | 2,123 | 44,159 | 43,200 | 97.80% |

As the chart above demonstrates, the total headcount has increased and credit hours have decreased in the 2023-24 school year. The end-of-course completion rates continue to hover around 98%. The End-of-Course is a measure used to calculate the higher education funding formula. It indicates that increased performance is directly related to the quality of the students, faculty and staff at New Mexico Tech.

The New Mexico Tech faculty, staff, and administration have continued to deliver quality education to the students. Additional faculty have been hired for the current school year to fill vacant positions.

New Mexico Tech graduates with bachelor’s degrees continue to obtain entry-level employment in the \$60,000 and above pay range. This level is a testament to the quality of the education received by New Mexico Tech graduates and the increasing demand for highly qualified students with science, technology, engineering, and math (STEM) degrees.

Higher Education Funding Formula – The funding formula for higher education in New Mexico was updated in the fiscal year 2016. Instead of funding universities for student credit hours at the census date, the third week of classes, the new formula now funds universities on outcomes, end-of-course completion, awards (diplomas and certificates), workforce incentives (STEM), at-risk student enrollment (Pell-eligible) and sector-specific measures, which for the research universities is calculated as research expenditures. The HED is leading in reviewing and evaluating the state’s higher education funding formula, which determines annual funding recommendations for state appropriations to the operational budgets of the state’s public colleges and universities.

The Opportunity Scholarship and Lottery Tuition Funds provided by the state have helped in financial aid for students. The state also expanded the eligibility requirements, which will potentially attract additional students to the universities in New Mexico.

Concern for future enrollment is based on the same circumstances that existed for several years; i.e., the forecast for high school graduation rates in New Mexico continues to be discouraging because of smaller graduating classes and low high school graduation rates. Smaller high school graduating classes mean fewer students are in the pipeline to attend New Mexico colleges and universities. New Mexico Tech has been successful in recruiting and enrolling New Mexico high school graduates. The Fall 2024 undergraduate enrollment of New Mexico students is 88.8 percent.

New Mexico Institute of Mining and Technology Management's Discussion and Analysis Year Ended June 30, 2024

Research – While RPSPs and some grants and contracts are funded through the state, most other research functions are not. Most are funded through federal resources.

Research continues to provide a public service to the community and enhance the educational experience for students. By the time they graduate, most students have practical hands-on experience in their major field of study because of the research programs at New Mexico Tech. This is an important discriminator for employers that seek students with valuable research experience, and it is provided by only a select few universities in the world. Our students have an advantage when they go into the workforce. The effort pays off with the overwhelming majority of students finding employment in their chosen field of study.

New Mexico Tech's Incurred Cost report demonstrates externally funded research and other sponsored activities remain strong in fiscal year 2024. External funding award amounts are as follows (in thousands):

| | |
|------------------|------------|
| Fiscal year 2024 | \$ 101,956 |
| Fiscal year 2023 | 105,631 |
| Fiscal year 2022 | 76,486 |
| Fiscal year 2021 | 52,545 |
| Fiscal year 2020 | 55,842 |

The Bureau of Geology and Mineral Resources (NMBGMR, the Bureau), Geophysical Research Center (GRC), and Institute of Complex Additive Systems Analysis (ICASA) are mainly funded by the State of New Mexico through the RPSPs line item in the higher education budget. In addition to the state RPSP funding, the Bureau received approximately \$3.9 million grant, contract and gift funding in fiscal year 2024. Funding sources included the National Science Foundation, Department of Energy, United States Geological Survey, National Park Service, State agencies and philanthropic organizations, among others. The Bureau participated in eight regional hydrogeology research projects and five statewide research projects in fiscal year 2024. They currently operate 23 seismic monitoring stations to better monitor and understand seismic hazards in New Mexico.

The Petroleum Research and Recovery Center (PRRC) is also partially funded via the state RPSP budget. PRRC's research program emphasizes the development of improved oil recovery processes that can be applied to many of the older oil fields. They transfer technology and provide data and technical assistance to New Mexico producers and the public. The funding they bring in from federal and private industry generates more job opportunities and revenues for New Mexico. A Department of Energy carbon sequestration project has been in place for several years, bringing in approximately \$90 million dollars. Additional awards with DOE and the Bureau of Reclamation brought in the funding of over \$20 million dollars.

New Mexico Cybersecurity Center of Excellence (NMCCoE) continues to build the CyberReady New Mexico program to improve workforce development, research, innovation, and cybersecurity for the state while increasing awareness of cybersecurity concerns and best practices. In addition to the state RPSP funding, NMCCoE received nearly \$783 million in external funding in fiscal year 2024 and received commitments totaling more than \$5.5 million in fiscal year 2024.

New Mexico Institute of Mining and Technology Management's Discussion and Analysis Year Ended June 30, 2024

The EMRTC continues to work with the Department of Homeland Security (DHS) training program. In fiscal year 2024 EMRTC received approximately \$28.9 million in awards, with \$22 million coming from the DHS training program and around \$6.9 million from the Energetic Materials Business Unit.

The Magdalena Ridge Observatory (MRO) 2.4-meter telescope continues to be NASA's flagship telescope for near-Earth object observations. The telescope conducted numerous campaigns to track and characterize close approaching asteroids. Funding for the 2.4-meter telescope comes from NASA (80%) and the Department of Defense (20%). The construction of the Interferometer at MRO continues. The first telescope was installed on the array and the Air Force Research Lab (AFRL) continues to fund this project. They have received steady funding from NASA at \$1.4 million every three years.

All these research programs provide financial and other support for faculty and students to carry out various aspects of research and educational activities.

Economic Outlook – The economic outlook for New Mexico Tech continues to be closely monitored by the administration. Decisions by the New Mexico Tech administration is dependent on actions taken by the state and federal governments. Overall, state appropriations for I&G and RPSP programs, including nonrecurring funds, increased by approximately 13% in fiscal year 2024. Funding for higher education will be offset by continued increased operational costs and by unfunded mandates placed on higher education by the state. New Mexico Tech staff have been very collaborative in managing their departmental budgets, and have picked up additional duties to continue providing a quality educational experience for students through ongoing student support services and facilities.

New Mexico Tech's national and international reputation as an outstanding research university has made it a go-to organization for many federal, state, and private companies to address their needs. The research programs enhance the teaching, research and economic development missions of New Mexico Tech, the local community, the State of New Mexico, and the United States of America.

The longevity and the success of the established programs at New Mexico Tech have helped solidify their funding; however, their budgets for future funding continue to be scrutinized by both the state and federal grantors.

New Mexico Tech continues to be recognized as a Hispanic-serving institution, and the Office of Admission will continue to increase enrollment efforts in states with large Hispanic populations.

Requests for Information – This financial report is designed to provide the public, students, vendors, creditors, and other interested parties with a general overview of the Institute's finances and to demonstrate the Institute's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Controller's Office at New Mexico Institute of Mining and Technology, 801 Leroy Place, Socorro, New Mexico 87801-4796. There are separately issued financial statements available for the New Mexico Tech Foundation and New Mexico Tech University Research Park Corporation, the component units of the Institute. These are available at the same location.

Financial Statements

New Mexico Institute of Mining and Technology
Statement of Net Position – Proprietary Funds
June 30, 2024

| ASSETS | <u>Institute</u> | <u>Component Unit Foundation</u> |
|------------------------------------------------------------------------|-----------------------|--------------------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 30,416,069 | \$ 2,113,722 |
| Short-term investments | 45,866,764 | 25,822,716 |
| Contract and grant billed and unbilled receivables | 27,818,201 | |
| Student accounts receivable, net of allowance for doubtful accounts | 490,941 | - |
| Due from state agencies and other accounts receivables | 11,415,829 | 314,177 |
| Due from component unit | 49,621 | - |
| Inventories | 2,227,467 | - |
| Other assets | 3,390,352 | - |
| Total current assets | <u>121,675,244</u> | <u>28,250,615</u> |
| NONCURRENT ASSETS | | |
| Restricted cash and cash equivalents | 214,651 | - |
| Endowment investments | 77,100,576 | 14,110,287 |
| Other long-term investments | 23,693,673 | - |
| Capital assets, net of accumulated depreciation and amortization | 165,651,879 | 1,129,799 |
| Other noncurrent receivables | 2,875,180 | 373,829 |
| Other noncurrent assets | 1,417,666 | - |
| Total noncurrent assets | <u>270,953,625</u> | <u>15,613,915</u> |
| TOTAL ASSETS | <u>\$ 392,628,869</u> | <u>\$ 43,864,530</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Related to pensions | \$ 12,683,555 | \$ - |
| Related to other postemployment benefits | 19,429,865 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 32,113,420</u> | <u>\$ -</u> |

See accompanying notes.

New Mexico Institute of Mining and Technology
Statement of Net Position – Proprietary Funds
June 30, 2024

| | <u>Institute</u> | <u>Component Unit Foundation</u> |
|------------------------------------------------------|-----------------------|--------------------------------------|
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 16,010,098 | \$ 48 |
| Bonds payable, current portion | 1,020,000 | - |
| Accrued compensated absences, current portion | 6,400,358 | - |
| Due to primary government | - | 49,621 |
| Deposits | 302,300 | - |
| Unearned revenue | 4,172,154 | - |
| Other liabilities, current portion | 1,824,837 | - |
| Total current liabilities | <u>29,729,747</u> | <u>49,669</u> |
| NONCURRENT LIABILITIES | | |
| Accrued compensated absences, net of current portion | 2,836,918 | - |
| Bonds payable, net | 14,100,818 | - |
| Net pension liability | 110,883,556 | - |
| Net OPEB liability | 48,141,637 | - |
| Other noncurrent liabilities | 7,840,867 | - |
| Total noncurrent liabilities | <u>183,803,796</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>\$ 213,533,543</u> | <u>\$ 49,669</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Related to pensions | \$ 19,096,861 | \$ - |
| Related to other postemployment benefits | 20,992,902 | - |
| Related to leases | 2,635,189 | 165,213 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>\$ 42,724,952</u> | <u>\$ 165,213</u> |
| NET POSITION | | |
| NET INVESTMENT IN CAPITAL ASSETS | \$ 147,356,027 | \$ 1,129,799 |
| RESTRICTED FOR | | |
| Nonexpendable | | |
| Endowments and all other nonexpendable | 85,888,885 | 14,623,096 |
| Inventory | 2,227,467 | - |
| Expendable | | |
| Scholarships, research, instruction, and other | 12,717,580 | 4,939,867 |
| Other postemployment benefits | (49,704,674) | - |
| Loans | 100,030 | - |
| UNRESTRICTED NET (DEFICIT) POSITION | <u>(30,101,521)</u> | <u>22,956,886</u> |
| TOTAL NET POSITION | <u>\$ 168,483,794</u> | <u>\$ 43,649,648</u> |

See accompanying notes.

New Mexico Institute of Mining and Technology
Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
Year Ended June 30, 2024

| | Institute | Component Unit Foundation |
|-------------------------------------------------------------------------------------------|---------------------|------------------------------|
| OPERATING REVENUES | | |
| Tuition and fees, net of discounts and allowances of \$6,331,767 | \$ 8,120,932 | \$ - |
| Federal grants and contracts | 92,191,546 | - |
| State and local grants and contracts | 5,758,147 | - |
| Private grants and contracts | 7,952,618 | - |
| Other grants and contracts | 5,753,079 | - |
| Sales and services of auxiliary enterprises, net of scholarship allowances of \$2,620,517 | 5,941,212 | - |
| Other | 13,878,653 | 2,251,216 |
| Total operating revenues | <u>139,596,187</u> | <u>2,251,216</u> |
| EXPENSES | | |
| Instruction and general | | |
| Instruction | 19,578,811 | - |
| Institutional support | 10,852,244 | - |
| Operations and maintenance support | 7,474,745 | - |
| Student services | 2,754,745 | - |
| Academic support | 4,045,919 | - |
| Other sponsored activities | 63,657,180 | - |
| Research | 38,298,486 | - |
| Student aid grants and stipends, net of tuition discounts and allowances of \$6,331,767 | 8,959,862 | 1,332,312 |
| Depreciation and amortization | 15,150,423 | 66,868 |
| Auxiliary enterprises, net of discounts and allowances of \$2,620,517 | 4,953,337 | - |
| Change in value of pension liability | (16,284,695) | - |
| Other postemployment benefits expense | 4,379,118 | - |
| Other operating expenses | 10,129,864 | 1,741,166 |
| Benefit trust expenses | 45,019 | - |
| Total operating expenses | <u>173,995,058</u> | <u>3,140,346</u> |
| Operating loss | <u>(34,398,871)</u> | <u>(889,130)</u> |

See accompanying notes.

New Mexico Institute of Mining and Technology
Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
Year Ended June 30, 2024

| | Institute | Component Unit Foundation |
|---------------------------------------------------------------------|-----------------------|------------------------------|
| NONOPERATING REVENUES | | |
| State appropriations | \$ 52,352,674 | \$ - |
| Gifts | 2,883,512 | - |
| Interest and investment loss, net | 11,534,160 | 3,688,670 |
| Net nonoperating revenues | <u>66,770,346</u> | <u>3,688,670</u> |
| Loss before other revenues and expenses | <u>32,371,475</u> | <u>2,799,540</u> |
| OTHER REVENUES AND EXPENSES | | |
| Other revenues | 6,125,866 | 100,858 |
| Additions to permanent endowments | 2,349,808 | - |
| State land grant permanent fund income | 2,565,318 | - |
| Capital gifts and grants | 2,145,550 | - |
| Capital project appropriations from state issued bonds and other | <u>17,049,865</u> | <u>-</u> |
| Net other revenues | <u>30,236,407</u> | <u>100,858</u> |
| Change in net position | 62,607,882 | 2,900,398 |
| NET POSITION, beginning of year | <u>105,875,912</u> | <u>40,749,250</u> |
| NET POSITION, end of year | <u>\$ 168,483,794</u> | <u>\$ 43,649,648</u> |

See accompanying notes.

New Mexico Institute of Mining and Technology
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024

| | Institute | Component Unit Foundation |
|------------------------------------------------------------------|----------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 7,944,182 | \$ - |
| Grants and contracts | 124,134,399 | - |
| Sales and services of auxiliary enterprises | 5,941,212 | - |
| Other receipts | 3,046,627 | 2,524,932 |
| Payments to employees | (76,577,530) | - |
| Payments to suppliers | (100,988,626) | (301,346) |
| Other payments | - | (2,845,128) |
| Net cash used by operating activities | <u>(36,499,736)</u> | <u>(621,542)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 52,352,674 | - |
| Gifts for other than capital purposes | 2,883,512 | - |
| Other nonoperating receipts | 6,125,866 | - |
| Net cash from noncapital financing activities | <u>61,362,052</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchase of capital assets | (21,229,323) | - |
| Proceeds from sale of capital assets | 5,766 | - |
| Payments on leases | (1,894,726) | - |
| Payments of principal on bond obligations | (995,000) | - |
| Proceeds from issuance of note payable | 1,055,816 | - |
| Payments of principal on note payable | (709,748) | - |
| Capital project appropriations from state issued bonds and other | 17,049,865 | - |
| Capital gifts and grants | 2,145,550 | - |
| Net cash used by capital and relating financing activities | <u>(4,571,800)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from lease payments | 211,511 | 100,858 |
| Proceeds from sales of investments, net | 3,343,248 | 3,172,308 |
| Investment purchases | (25,288,667) | (1,633,068) |
| Additions to endowments | 2,349,808 | - |
| Distributions received from land grant permanent fund | 2,565,318 | - |
| Cash paid for patents and trademark | (251,875) | - |
| Net cash from investing activities | <u>(17,070,657)</u> | <u>1,640,098</u> |
| NET INCREASE in cash and cash equivalents | 3,219,859 | 1,018,556 |
| CASH AND CASH EQUIVALENTS, beginning of year | 27,410,861 | 1,095,166 |
| CASH AND CASH EQUIVALENTS, end of year | <u>\$ 30,630,720</u> | <u>\$ 2,113,722</u> |
| CASH AND CASH EQUIVALENTS | | |
| Unrestricted | \$ 30,416,069 | \$ 2,113,722 |
| Restricted | 214,651 | - |
| TOTAL CASH AND CASH EQUIVALENTS | <u>\$ 30,630,720</u> | <u>\$ 2,113,722</u> |

See accompanying notes.

New Mexico Institute of Mining and Technology
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024

| | Institute | Component Unit Foundation |
|------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------|
| RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES | | |
| Operating (loss) income | \$ (34,398,871) | \$ (889,130) |
| Adjustments to reconcile operating loss to net cash from operating activities | | |
| Depreciation and amortization expense | 15,194,139 | 66,868 |
| Gain on sale of assets and patents | 377,994 | - |
| Donated stock | - | (26,725) |
| Amortization of bond premium | (85,816) | - |
| Changes in assets and liabilities | | |
| Student accounts receivable | (198,200) | - |
| Contract and grant billed and unbilled receivables | 10,631,277 | - |
| Other accounts receivable | (10,831,026) | 199,236 |
| Inventories | (372,105) | - |
| Other assets | 37,698 | 1,382 |
| Deferred outflows of resources | 20,440,282 | 485 |
| Accounts payable and accrued expenses | 1,618,475 | (14,327) |
| Student and other deposits | 21,450 | - |
| Unearned revenue | 1,847,732 | - |
| Compensated absences | (31,685) | - |
| Deferred inflows of resources | (40,290,652) | - |
| Net pension liability | 2,532,343 | - |
| Net OPEB liability | (1,587,488) | - |
| Other payables | (1,405,283) | 40,669 |
| NET CASH USED BY OPERATING ACTIVITIES | <u>\$ (36,499,736)</u> | <u>\$ (621,542)</u> |
| Supplemental Disclosure of Cash Flow Information | | |
| Noncash recognition of lease receivable and deferred inflows of resources on new leases | <u>\$ 1,794,578</u> | <u>\$ -</u> |
| Noncash recognition of ROU lease asset and lease liability for new leases | <u>\$ 2,049,555</u> | <u>\$ -</u> |
| Noncash recognition of subscription-based IT arrangement (SBITA) asset and SBITA liability for new IT subscriptions | <u>\$ 796,470</u> | <u>\$ -</u> |

See accompanying notes.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Note 1 – Description of Business

Organization – The New Mexico Institute of Mining and Technology (the Institute, NMIMT, or NMT) is declared to be and is confirmed as a state educational institution by Section 11 of Article XII of the Constitution of the State of New Mexico, as amended. The Institute was founded in 1889 under the New Mexico Territorial Laws of 1889.

According to the Constitution of the State of New Mexico, the legislature shall provide for the control and management by a Board of Regents consisting of five members appointed by the Governor and confirmed by the State Senate for overlapping terms of six years. Section 21-11-4 of the New Mexico Statutes Annotated, 1978 Compilation (NMSA 1978), also vests this control and management in the Board of Regents.

The Institute offers both graduate and undergraduate degree programs in many fields. Major programs offered include earth sciences, physical and biological sciences, mineral engineering disciplines, mathematics, and computer science. The Institute is also involved in numerous research projects, many of which are performed under government or private contracts.

Note 2 – Basis of Presentation and Summary of Significant Accounting Policies

(A) Basis of presentation

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

GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity – Omnibus*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units*, provides guidance in determining whether certain organizations are component units and the presentation of these component units in the financial statements. Criteria for determining whether related organizations are component units include the following circumstances:

- Appointment of a voting majority of an organization's governing authority and the ability of the Institute to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Institute, or;
- An organization is fiscally dependent on the Institute and provides specific financial benefits to, or imposes specific financial burdens on, the Institute, or;

New Mexico Institute of Mining and Technology

Notes to Financial Statements

- It is determined that it would be misleading to exclude the related organization from the Institute's financial statements because of the nature of the entity or because the entity is closely related to or financially integrated with the Institute.

In evaluating how to define the Institute for financial reporting purposes, management has evaluated the Institute's potential component units. The basic, but not the only, criterion for including a potential component unit as part of the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestations of this ability include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and the accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of the criterion involves considering whether the activity benefits the Institute. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing or fiduciary relationships, regardless of whether the Institute is able to exercise oversight responsibilities and Institute being the sole corporate member of the component unit.

The following entities are presented in the financial statements as component units:

Discretely presented component Unit – In the financial statements, discrete presentation entails reporting component unit financial data in a column separate from the financial data of the Institute. Based on the application of these criteria, the New Mexico Tech Foundation is included in these financial statements as discretely presented component unit.

The New Mexico Tech Foundation (the Foundation) is a New Mexico not-for-profit corporation located in Socorro, New Mexico. The Foundation is organized to solicit, receive, hold, invest, and transfer funds to the New Mexico Institute of Mining and Technology by making available funds for institutional support, scholarships, and other benefits. The Foundation has no component units.

The inclusion of the assets, liabilities, and net income of the Foundation as a discretely presented component unit of the Institute, for accounting purposes only, has been directed by generally accepted accounting principles as applied to governmental units. The Foundation has no obligation to provide resources and earnings to the Institute, except by action of the Foundation's Board of Trustees. The Foundation's Board of Trustees is made up of eleven total Trustees with seven having no employment relationship with the Institute and four Trustees with an employment relationship.

Blended component unit

New Mexico Institute of Mining and Technology Employee Benefit Trust (the Trust) is a single-employer benefit plan organized as a legally formed trust that is tax exempt under section 501(c)(9) of the Internal Revenue Code. The Trust was established to provide a funding vehicle to which participants and the Institute contribute to prefund, in part, the cost of other postemployment benefits for eligible retirees of the Institute.

The Trust has been informed by legal opinion and accepted by management that the Plan is a legally-formed independent trust and is therefore recognized as a blended component unit in the Institute's financial statements.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

The Trust may be terminated upon sixty (60) days' notice by an instrument in writing duly executed by the Trust Committee and delivered to the Institute. On May 12, 2023, the Trustees delivered notice to terminate the Trust. In accordance with the Trust agreement, the Trust shall continue in existence for as long as necessary to wind up its affairs. Effective June 30, 2024, the Trust was officially terminated and the remaining Trust assets totaling \$4,887,146 were transferred to the Institute.

The New Mexico Tech University Research Park Corporation (the Corporation) is a New Mexico not-for-profit corporation located in Socorro, New Mexico. The Corporation is organized to assist the Institute by making available funds to pursue technology research and other programs being carried out by the Institute. The Corporation has no component units. The Institute is the sole member of the Corporation and appoints the board of the Corporation, as a result determined to be a blended component unit of the Institution.

The financial statements of the Foundation, Corporation, and Trust can be obtained directly at the Institute's office at the following address: New Mexico Institute of Mining and Technology, 801 Leroy Place, Socorro, NM 87801.

(B) Impact of recently issued accounting standards

GASB Statement No. 99, *Omnibus 2022*, became effective for 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 implementation of this standard had no material impacts on the Institute's reporting for this year.

GASB Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*, became 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 Institute determined no such situations existed that required additional disclosure or reporting.

GASB Statement No. 101, *Compensated Absences*, will become effective for fiscal year 2025. The statement provides updates for accounting and reporting for compensated absences. The Institute has not yet determined the impact of this statement.

GASB Statement No. 102, *Certain Risk Disclosure*, will become effective for fiscal year 2025. The statement serves to provide users of government financial statements with essential information about risks related to an entity's vulnerabilities due to the variety of risks they face. The Institute has not yet determined the impact of this statement.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

GASB Statement No. 103, *Financial Reporting Model Improvements*, will become effective for fiscal year 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. The Institute has not yet determined the impact of this statement.

(C) Basis of accounting

For financial reporting purposes, the Institute is considered a special-purpose government engaged only in business-type activities in conformity with GAAP. Accordingly, the Institute's primary institution 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. All significant intra-entity transactions have been eliminated.

The accompanying financial statements have been prepared in accordance with GAAP as prescribed by the GASB and the Higher Education Department's Financial Reporting for Public Institutions in New Mexico.

(D) Significant accounting policies

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 expenditures during the reporting period. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include the following:

- a) Net pension liability
- b) Net other postemployment benefits (OPEB) obligation
- c) Unfunded accrued actuarial liability (UAAL) for postemployment benefits
- d) Depreciation
- e) Tuition discounts and allowances
- f) Environmental cleanup liability reserves
- g) Incurred cost rate audit adjustments
- h) Fair value measurements on investments

Budgetary basis and control – The Institute follows the requirements established by the New Mexico Higher Education Department (HED) in formulating its budgets and in exercising budgetary control. It is through the HED's policy that, when an appropriation has been made to the Institute, its Board of Regents can, in general, adopt an operating budget within the limits of available income. Operating budgets are approved via the following procedures:

- a) The institution will submit an original copy that has been approved by the Institution's regents to the HED's office by May 1st.
- b) The HED meets in June and acts on approval of the budgets.
- c) The budgets, as approved by the HED, are transmitted to the Budget Division of the Department of Finance and Administration for official approval prior to July 1.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Unexpended state appropriations do not revert to the State of New Mexico at the end of the fiscal year, and are available for use by the Institute in subsequent years, per the General Appropriation Act.

Under Title 5 of the New Mexico Administrative Code, Chapter 3, part 4, paragraph 10 – *Items of Budgetary Control* – total expenditures or transfers may not exceed the amount shown in the approved budget. Expenditures used as the items of budgetary basis are as follows: (1) unrestricted and restricted expenditures are considered separately; (2) total expenditures in instruction and general; (3) total expenditures of each budget function in current funds other than instruction and general; (4) within the plant funds budget, the items of budgetary control are major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements, and debt service; and (5) each individual item of transfer between funds and/or functions.

Budget revisions must be approved by the executive secretary of the New Mexico Department of Higher Education and then by the Budget Division of the Department of Finance and Administration.

Cash and cash equivalents – Cash and cash equivalents consist of cash on hand and current investments, which are defined as investments that are readily convertible to cash or reach their original maturity date within three months. Cash restricted by grants and collected for auxiliary projects is included in cash and cash equivalents. The Institute accounts for its investments at fair value in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* and GASB No. 72, *Fair Value Measurement and Application*.

Restricted cash and cash equivalents – This cash constitutes resources that the Institute is legally or contractually obligated to spend in accordance with imposed restrictions by third parties.

Investments – Investments are made in accordance with the Constitution of the State of New Mexico and the policies of the Board of Regents. The investment policy has incorporated the provisions of the State of New Mexico Uniform Prudent Management of Institutional Funds Act (Chapter 46, Article 9A NMSA 1978) in accounting for net appreciation/depreciation of endowments. The Institute accounts for its investment portfolio at fair value on June 30 of each fiscal year.

Stocks, bonds, real estate held for sale or investment, and similar investments are generally reported at fair value. The basis of determining the fair value of investments is the readily determinable sales price or current exchange rate of the investments based on prices or quotations from over-the-counter markets. In the case of pooled funds or mutual funds, the fair value is determined as the number of units held in the fund multiplied by the price per unit share as publicly quoted. The income from the Institute's interest in the Land Grant Permanent Fund, which interests are managed by the New Mexico State Investment Council, is distributed monthly to the Institute.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Endowments – The Institute accounts for its endowed investment portfolio at fair value on June 30 of each fiscal year. Additions to endowments are reported each year based on the fair value of the investments. The investments are managed on a total return basis with 4.5% of the average five-year market value being made available for expenditure, and the remaining returns retained in the funds to compensate for inflationary growth. State statute 46-9-6 NMSA 1978 provides the Institution with the authority to use the net appreciation of restricted endowments as established by the donor. An institution may appropriate for expenditures or accumulate as much as it determines prudent for the uses, benefits, purposes, and duration of the endowment. Each institution sets the amounts and/or percentage of net appreciation on endowment investments that are authorized for expenditure in its spending plan. In the case of reserve, allocated, and agency funds, the total returns will remain with the funds until these funds are authorized to be expended for the purposes for which they were established.

Accounts receivable – The Institute records student tuition and fees and student accounts receivable at rates established at the time a student registers for classes. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the Institute's grants and contracts. A provision for uncollectible student accounts is recorded to maintain an adequate allowance for anticipated losses. The allowance for doubtful accounts includes consideration for the credit risk associated with the various receivables. There were no accounts receivable due from the federal, state and local governments, or private sources deemed to be uncollectible.

Other receivables – Other receivables consist of amounts due under various agreements not related to grants or contracts and amounts due from component units. Management reviews the collectability of its receivables and, if necessary, records an allowance for its estimate of uncollectible accounts. Bad debt history and current facts and circumstances are their primary bases for this estimate. When an account is deemed uncollectible, it is charged off against the allowance. In the opinion of management, there was no allowance necessary at year-end.

Inventories – Inventories of supplies and materials held for sale or use are stated substantially at average weighted cost. Golf course inventory is stated at cost.

Income taxes – The Institute, as an instrumentality of the State of New Mexico, is exempt from federal income taxes under Section 115 of the Internal Revenue Code. Contributions to the Institute are deductible by donors as provided under Section 170 of the Internal Revenue Code. The Foundation and the Corporation are both exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and the Trust is exempt from taxes under Section 501(c)(9) of the Internal Revenue Code for normal activities not unrelated to their exempt purpose.

Other assets – Other assets primarily consist of student loans outstanding under the federal Perkins loan program.

Noncurrent cash and investments – Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the statement of net position.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Capital assets – Capital assets purchased or acquired at a value of \$5,000 or greater are capitalized per Section 12-6-10 NMSA 1978. All capital assets are valued at historical cost or estimated historical cost if actual history is not available. Donated assets, or those contributed by other governmental entities, are valued at their estimated fair value on the date donated. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized in the year in which the project was considered completed. The Institute does not capitalize historical treasures or works of art as they are immaterial. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is calculated on the straight-line basis over estimated useful lives with no salvage value. Estimated useful lives and capitalization thresholds of capital assets are as follows:

| | <u>Life (in years)</u> | <u>Threshold</u> |
|-------------------|------------------------|------------------|
| Land improvements | 30 | \$ 100,000 |
| Building | 30 | \$ 100,000 |
| Infrastructure | 30 | \$ 100,000 |
| Computers | 3 | \$ 5,000 |
| Equipment | 5 | \$ 5,000 |
| Vehicles | 7 | \$ 5,000 |
| Heavy equipment | 12 | \$ 5,000 |
| Library books | 10 | All |
| Software - minor | 5 | \$ 5,000 |
| Software - major | 10 | \$ 50,000 |

Right-of-use assets and obligations – The Institute recognizes right-of-use assets and obligations for lease contracts and subscription-based information technology arrangements which convey the control of the right to use another party’s asset or software and have a term exceeding one year. At the contract inception, the asset and obligation are measured at the present value of payments expected during the contract term. The Institute uses a discount rate that is explicitly stated in the contract, or alternatively, the Institute’s borrowing rate at the start of the contract. Right-of-use assets are amortized on the straight-line basis over the shorter period of the lease term or estimated useful life of the equipment. Short-term contracts that do not have a term exceeding one year are expensed when incurred.

Compensated absences – The Institute accounts for the accumulated vacation leave on the accrual basis. Accrued vacation up to 240 hours for employees with 10 years of service and 336 hours thereafter is recorded at 100% of the employee’s hourly wage. Compensatory time is accrued at a rate of one and one-half hours for each hour of employment for which overtime compensation is required for those employees covered by the Fair Labor Standards Act (FLSA). Employees exempt from coverage by FLSA earn one hour of compensatory time for each overtime hour.

Unearned revenue – Revenue for each academic session is reported within the fiscal year during which the session is completed.

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Notes to Financial Statements

Noncurrent liabilities – Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

Deferred outflows of resources – Deferred outflows of resources represent the consumption of net assets by the Institute in one period that is applicable to future periods.

Deferred inflows of resources – Deferred inflows of resources represent the acquisition of net assets in one period that is applicable to future periods.

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 Plan (ERP) and additions to/deductions from ERP's fiduciary net position have been determined on the same basis as they are reported by ERP, 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.

Postemployment benefits other than pensions (OPEB) – For purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust and addition to/deduction from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Net position – The Institute's net position is classified as follows:

Net investment in capital assets – Net investment in capital assets represents the Institute's capital assets, less related accumulated depreciation and debt attributable to the acquisition, construction, or improvement of these assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt. The Institute has outstanding bond obligations of \$15,120,818 for purposes of constructing a dormitory, an educational building and energy efficient improvements on the facilities.

Restricted net position-nonexpendable – Nonexpendable restricted net position consists of endowment and similar type funds in 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, which may either be expended or added to principal.

New Mexico Institute of Mining and Technology

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Restricted net position-expendable – Expendable restricted net position includes resources which the Institute is obligated to spend in accordance with restrictions imposed by external parties. Restrictions imposed on asset use can be imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation, which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party to use resources created by enabling legislation only for purposes specified by the legislation.

Unrestricted net position – Unrestricted net position represents resources derived from student tuition and fees, state appropriations, sales and services of educational departments, auxiliary enterprises, other exchange transactions and unrestricted grants. These resources are used for transactions relating to the educational and general operations of the Institute, 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.

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

Deferred outflows of resources consumed and deferred inflows of resources received and available are included in the statement of net position.

There were deferred outflows and inflows of resources to separately report at June 30, 2024.

Revenues and revenue recognition – The Institute has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) most federal, state and local grants and contracts, and federal appropriations; and (3) interest on institutional student loans.

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, state appropriations, investment income, bond proceeds appropriations and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*, and GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Appropriations are recognized in the year they are appropriated, regardless of when actually received. Gifts are recognized when all eligibility requirements have been met. Interest and investment income is recognized in the period when it is earned.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

The Institute engages in federal grant, contract, and cooperative agreement programs commonly referred to as *reimbursement type* programs. These programs require that the recipient (the Institute) must incur allowable costs as defined by the agreement types in order to draw down funds against the particular project. This is the principal eligibility requirement for the recognition of the revenue. Contract and grant revenues are recognized when the underlying exchange transaction has occurred, that is when all eligibility requirements have been met. Upon incurring an allowable cost, the Institute simultaneously recognizes a receivable and revenue in the amount of the expenditures incurred. All other eligibility requirements or grants, as applicable, must also be satisfied.

The Institute received an annual state General Fund appropriation of \$52,352,674 for fiscal year 2024, under the General Appropriation Act of 2016 as amended by subsequent bills. In general, unexpended state appropriations to the Institute do not revert at the end of each fiscal year (NMSA 1978 6-4-2).

The Institute periodically receives severance tax and general obligation bond appropriations for capital asset projects on the campus. Bond revenue from these appropriations is recorded only when eligibility requirements have been met. The eligibility requirements for capital projects financed by bonds are satisfied when all required documentation to support a drawdown of a bond fund is submitted and approved by the Board of Finance. See Supplementary Schedule 8 for details of current year bond activity and amounts remaining.

The Institute is a beneficiary of the Ferguson legislation (1898) whereby lands of the State of New Mexico were allocated to the benefit of state educational institutions including income derived therefrom. NMSA 1978 19-1-17 is the enabling legislation to allocate specific lands to educational institutions including the Institute. Currently oil and gas royalties, coal royalties, and grazing fees produce investment income which is distributed monthly to beneficiaries based on their allocated lands and is shown as State Land Grant Permanent Fund Income in the statement of revenues expenses and changes in net position.

Classification of expenses – The Institute has classified its expenses as either operating or nonoperating expenses according to the following criteria:

Operating expenses – Operating expenses include activities that have the characteristics of exchange transactions, such as (1) employee salaries, benefits, and related expenses; (2) utilities, supplies, and other services; (3) professional fees; (4) depreciation expenses related to Institute property, plant, and equipment; (5) pension and other postemployment benefit costs; and (6) all other cash flows from transactions that do not result from transactions defined as capital and related financing, noncapital financing.

Nonoperating expenses – Nonoperating expenses include activities that have the characteristics of nonexchange transactions that are consistently applied as nonoperating expenses by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Subsequent events – Subsequent events are events or transactions that occur after the statement of net position date but before the financial statements are issued or are available to be issued. The Institute recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net position, including the estimates inherent in the process of preparing the financial statements. The Institute’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net position, but arose after the statement of net position date and before the financial statements are available to be issued.

The Institute has evaluated subsequent events through October 24, 2024, which is the date the financial statements are available to be issued.

Note 3 – Cash and Investments

Cash – A detail of the cash accounts at June 30, 2024, is included below:

| Name of Depository | Account Name | Bank Account Type | Bank Balance | Reconciling Items | Reconciled Balance |
|--------------------|-----------------------------------|------------------------------------|----------------------|-----------------------|----------------------|
| First State Bank | Comptroller Cash on Deposit | Checking (non-interest bearing) | \$ 29,561,299 | \$ (541,533) | \$ 29,019,766 |
| First State Bank | Payroll Cash on Deposit | Checking (non-interest bearing) | 167,542 | (157,542) | 10,000 |
| First State Bank | NMEAF Cash on Deposit | Checking (interest bearing) | 169,523 | - | 169,523 |
| First State Bank | Commercial Savings | Savings (interest bearing) | 45,128 | - | 45,128 |
| Wells Fargo | Vendor Cash on Deposit | Checking (interest bearing) | 2,360,841 | (1,360,841) | 1,000,000 |
| Wells Fargo | Employee Benefits Trust Operating | Checking (non-interest bearing) | 20,241 | (1,813) | 18,428 |
| Wells Fargo | Flexible Spending Account | Checking (non-interest bearing) | 9,616 | (200) | 9,416 |
| First State Bank | Research Park Corp Checking | Checking (non-interest bearing) | 334,944 | - | 334,944 |
| | | | 32,669,134 | (2,061,929) | 30,607,205 |
| | Petty cash | Cash | 23,515 | - | 23,515 |
| | Total cash accounts | | <u>\$ 32,692,649</u> | <u>\$ (2,061,929)</u> | <u>\$ 30,630,720</u> |

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Custodial credit risk – cash – Custodial credit risk is the risk that in the event of a bank failure, the Institution’s deposits may not be returned to it. The Institution does not have a deposit policy for custodial credit risk. As of June 30, 2024, the Institute's custodial credit risk was as follows:

| | |
|--------------------------------------------------------------------|---------------------------------|
| Bank balance uninsured and uncollateralized | \$ 1,665,335 |
| Bank balance insured and collateral held (not in Institute's name) | <u>30,503,799</u> |
| Total custodial credit risk - cash | <u><u>\$ 32,169,134</u></u> |

The Institute is required to comply with Section 6-10-16 and 6-10-17 NMSA 1978, which requires that 50% of the uninsured balance of public deposits be secured by pledges of qualifying securities of the depository. The Institute’s pledged collateral as of June 30, 2024, was as follows:

| | |
|-------------------------------------------------------------------------------|---------------------------------|
| Total deposits all banks | \$ 32,669,134 |
| Less: FDIC coverage | (500,000) |
| Uninsured public funds | <u>32,169,134</u> |
| 50% collateral required | 16,084,567 |
| Pledged collateral held by pledging banks' agent in the name of the Institute | <u>32,747,327</u> |
| Excess of pledge collateral over the required amount | <u><u>\$ 16,662,760</u></u> |

The Institute, under the terms of its automated clearinghouse (ACH) origination agreement with its primary financial institution, has a requirement to maintain a minimum balance in its accounts with that financial institution of \$30 million. The Institute may access all deposits with this institution at any time.

Investments – Investments of the Institute consist of the following at June 30, 2024:

| | Market Value |
|-----------------------|----------------------------------|
| Short-term LGIP | \$ 45,866,764 |
| Endowments | 77,100,576 |
| Other long term | <u>23,693,673</u> |
| Total investments | <u><u>\$ 146,661,013</u></u> |

There are no other restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool’s authority to impose liquidity fees or redemption gates) to disclose in accordance with GASB 79, *Certain External Investment Pools and Pool Participants*.

The Institute’s investment in (Local Government Investment Pool) LGIP is subject to withdrawal restrictions. Withdrawal requests under \$30 million require 24 hours of notice to the New Mexico State Treasurer’s Office (NMSTO). Withdrawal requests over \$30 million require notification of two business days to NMSTO.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

| | <u>Reconciled Balance per Books</u> | <u>Balance per Custodial Statement</u> |
|-----------------------------------------------|-----------------------------------------|--------------------------------------------|
| Investment accounts | | |
| Morgan Stanley | | |
| Langmuir endowment | | |
| Money market funds | \$ 120,144 | \$ 120,144 |
| Mutual funds | 368,051 | 368,051 |
| U.S. government and corporate debt securities | 649,770 | 649,770 |
| Common stocks | 2,399,756 | 2,399,756 |
| Schwab | | |
| Student investment club | | |
| Common stocks | 359,040 | 359,040 |
| State Investment Council Pooled Fund | 96,897,489 | 96,897,489 |
| State Treasurer - LGIP | <u>45,866,763</u> | <u>45,866,763</u> |
| Total investments | <u>\$ 146,661,013</u> | <u>\$ 146,661,013</u> |

External investment pool – The New Mexico LGIP is an investment pool established by the State Treasurer for the purpose of investing funds of municipal, county, tribal, and quasi-governmental bodies. There are no requirements for governments to participate in the LGIP. Participating governments may withdraw up to \$30 million within one business day, and withdrawals in various ranges between \$30 million and over \$100 million require notice from 2-10 business days.

The LGIP is not registered with the Securities and Exchange Commission as an investment company, but maintains a policy to operate in a manner consistent with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. LGIP has met the criteria outlined in GASB Statement No. 79 to permit the election to report its investments at amortized cost which approximates fair value. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested.

Section 6-10-10, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

Custodial credit risk – investments – Custodial credit risk is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, an entity will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Institute does not have custodial credit risk policies for investments and does not have investments subject to custodial credit risk.

An acceptable method of reporting interest rate risk is the weighted average maturity (WAM).

New Mexico Institute of Mining and Technology

Notes to Financial Statements

The Institute has no control over the State Treasurer's Investment pools and provides the following disclosure provided by the State Treasurer's Office concerning the Institute's investment in the New Mexico LGIP:

New Mexico LGIP AAAM Rated \$45,866,764 30 day WAM (R); 39 day WAM (F)

Credit risk – Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The Institute is required to disclose credit ratings of their debt investments in order to assess credit risk. U.S. obligations, investments explicitly guaranteed by the U.S. Government, and nondebt investments are excluded from this requirement. Currently, the Institute does have a policy that restricts investments to specific investment ratings issued by nationally recognized statistical rating organizations. The policy states that cash equivalent reserves shall consist of interest bearing or discount instruments of the U.S. Government or agencies thereof; money market funds, corporate discounted instruments, corporate issued commercial paper rated at least A-1 by Moody's, time deposits in U.S. banks. Exclusive of the U.S. government and agency issues, all other fixed income portfolio will be "A" or better rated as established by a recognized rating service and further reinforced by independent in-house credit analyses.

A summary of the Institute's investments at June 30, 2024, and its exposure to credit risk are as follows:

| Investments | WAM Years | Rating | Fair Value |
|-------------------------------------------|-----------|-----------|------------------------------|
| Items subject to credit risk | | | |
| Money market funds | - | not rated | \$ 120,144 |
| Corporate debt securities | 6.37 | BBB- | 649,697 |
| Government debt securities | 4.39 | not rated | 73 |
| State Treasurer - LGIP | 0.24 | AAAM | 45,866,763 |
| Investments not subject to categorization | | | |
| State Investment Council Pooled Funds | - | not rated | <u>96,897,489</u> |
| Total items subject to credit risk | | | 143,534,166 |
| Items not subject to credit risk | | | |
| Mutual funds | | | 368,051 |
| Common stocks | | | <u>2,758,796</u> |
| Total items not subject to credit risk | | | <u>3,126,847</u> |
| Total investments | | | <u><u>\$ 146,661,013</u></u> |

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Institute does not have a formal policy to limit its exposure to interest rate risk.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

A summary of the investments and their respective maturities at June 30, 2024, and their exposure to interest rate risk are as follows:

| | Investment Maturities | | | | Fair Value |
|-----------------------------------------------|-----------------------|-------------------|-------------------|-----------------------|-----------------------|
| | Less than 1 Year | 1 to 5 Years | 6 to 10 Years | Greater Than 10 Years | |
| Items subject to interest rate risk | | | | | |
| Money market funds | \$ 120,144 | \$ - | \$ - | \$ - | \$ 120,144 |
| U.S. government and corporate debt securities | 57,435 | 219,282 | 284,256 | 88,797 | 649,770 |
| State Treasurer LGIP | 45,866,763 | - | - | - | 45,866,763 |
| | <u>\$ 46,044,342</u> | <u>\$ 219,282</u> | <u>\$ 284,256</u> | <u>\$ 88,797</u> | 46,636,677 |
| Investments not subject to categorization | | | | | |
| State Investment Council | | | | | |
| Pooled fund | | | | | <u>96,897,489</u> |
| Total items subject to interest rate risk | | | | | 143,534,166 |
| Items not subject to interest rate risk | | | | | |
| Common stocks | | | | | 2,758,796 |
| Mutual funds | | | | | <u>368,051</u> |
| Total items not subject to interest rate risk | | | | | <u>3,126,847</u> |
| Total investments | | | | | <u>\$ 146,661,013</u> |

Fair value measurements – GAAP requires certain assets and liabilities to be measured at fair value. Fair value is defined 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.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

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Notes to Financial Statements

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

The investment portfolio is comprised of equity securities (common stock), mutual funds, debt securities, and pooled investments and is recorded in the financial statements at fair value. The corresponding unrealized gain or loss in the fair value in relation to cost is accounted for as investment income in the statement of revenues, expenses, and changes in net position.

During 2024, the Institute used quoted market prices in an active market to determine the fair value of debt and equity securities and mutual funds. These measurements are classified within Level 1 of the fair value hierarchy. The Institute uses the classifications of investment pools provided by the New Mexico State Investment Council (NMSIC). These measurements are classified within levels of the fair value hierarchy as follows:

- Investments in the Large Cap Index Pool – Level 1
- Investments in Small/Mid Cap Active Pool – Level 1
- Investments in Non U.S. Developed Markets Index Pool – Level 1
- Investments in Non U.S. Emerging Markets Index Pool – Level 1
- Investments in Core Plus Bonds Pool – Level 2
- Investments in Credit & Structured Finance Pool – Net Asset Value as a practical expedient (NAV practical expedient)
- Investments in Private Equity Pool – NAV practical expedient
- Investments in Real Estate Pool – NAV practical expedient

The State Treasurer LGIP is excluded from fair value accounting and is recorded in the financial statements at amortized cost.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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Notes to Financial Statements

The following table presents the fair value measurements of assets and liabilities at June 30, 2024.

| | Fair Value Measurements Using | | | Fair Value |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------|-----------------------|
| | Quoted Prices in Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 | |
| | Held at Morgan Stanley and Schwab | | | |
| Common stocks | \$ 2,758,796 | \$ - | \$ - | \$ 2,758,796 |
| Money market funds | 120,144 | - | - | 120,144 |
| U.S. Treasury securities | - | - | - | - |
| Corporate debt securities | 649,697 | - | - | 649,697 |
| Government debt securities | 73 | - | - | 73 |
| Mutual funds | 368,051 | - | - | 368,051 |
| Investments held with the New Mexico | | | | |
| State Investment Council pooled funds | | | | |
| U.S. Large Cap Index Pool | 27,158,130 | - | - | 27,158,130 |
| U.S. Small/Mid Cap Pool | 5,753,686 | - | - | 5,753,686 |
| Non U.S. Developed Markets Pool | 19,353,195 | - | - | 19,353,195 |
| Non U.S. Emerging Markets Pool | 8,739,075 | - | - | 8,739,075 |
| Core Bonds Pool | - | 16,805,994 | - | 16,805,994 |
| State Treasurer Office (STO) LGIP | - | 45,866,763 | - | 45,866,763 |
| Total | \$ 64,900,847 | \$ 62,672,757 | \$ - | 127,573,604 |
| Investments Measured at NAV Practical Expedient | | | | |
| Investments held with the New Mexico State Investment Council pooled funds: | | | | |
| Credit & Structured Finance Pool | | | | 5,130,172 |
| Private Equity Pool | | | | 9,646,042 |
| Real Estate Pool | | | | 4,311,195 |
| Total Investments | | | | \$ 146,661,013 |

GASB 72 requires additional disclosure for certain types of investments that calculate net asset value per share but are not publicly traded to assist in understanding the nature and risk of these investments by major category. The table below summarizes the fair value and other pertinent liquidity information of investments at June 30, 2024:

| Investment | Fair Value | Redemption Frequency | Redemption Notice Period |
|-----------------------------------|---------------|-------------------------|-----------------------------|
| U.S. Large Cap Index Pool | \$ 27,158,130 | Daily | 5 Business Days |
| U.S. Small/Mid Cap Pool | 5,753,686 | Daily | 5 Business Days |
| Non U.S. Developed Markets Pool | 19,353,195 | Daily | 5 Business Days |
| Non U.S. Emerging Markets Pool | 8,739,075 | Daily | 5 Business Days |
| Core Bonds Pool | 16,805,994 | Daily | 5 Business Days |
| State Treasurer Office (STO) LGIP | 45,866,763 | Daily | 1 Business Day |
| Credit & Structured Finance | 5,130,172 | 4 times per year | 3 months |
| Private Equity Pool | 9,646,042 | 2 times per year | 9 months |
| Real Estate Pool | 4,311,195 | 2 times per year | 3 months |

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Notes to Financial Statements

Note 4 – Receivables

Receivables consists of the following at June 30, 2024:

| | |
|-------------------------------------------------------|-----------------------------|
| Grant and contracts billed and unbilled | \$ 27,818,201 |
| Student accounts | 1,676,941 |
| Due from state agencies and other accounts receivable | <u>11,480,841</u> |
| Total receivables | <u>40,975,983</u> |
| | |
| Allowance for doubtful accounts | <u>(1,251,012)</u> |
| | |
| Total receivables billed and unbilled, net | <u><u>\$ 39,724,971</u></u> |

Note 5 – Capital Assets

Following are the changes in capital assets for the year ended June 30, 2024:

| | Balance June 30, 2023 | Additions | Transfers | Retirements | Balance June 30, 2024 |
|-------------------------------------------------|--------------------------|------------------------|-----------------------|-----------------------|--------------------------|
| Capital assets not being depreciated | | | | | |
| Land | \$ 4,334,219 | \$ - | \$ - | \$ - | \$ 4,334,219 |
| Construction in progress | <u>5,748,972</u> | <u>16,040,970</u> | <u>(5,662,402)</u> | <u>-</u> | <u>16,127,540</u> |
| Total assets not depreciating | <u>\$ 10,083,191</u> | <u>\$ 16,040,970</u> | <u>\$ (5,662,402)</u> | <u>\$ -</u> | <u>\$ 20,461,759</u> |
| Depreciable capital assets | | | | | |
| Non-major infrastructure networks | \$ 36,462,417 | \$ - | \$ 1,711,813 | \$ - | \$ 38,174,230 |
| Land improvements | 7,128,046 | - | - | - | 7,128,046 |
| Buildings | 238,582,779 | - | 3,950,589 | (1,226,369) | 241,306,999 |
| Furniture, fixtures, and equipment | 55,127,459 | 5,180,350 | - | (3,444,336) | 56,863,473 |
| Software | 1,780,118 | - | - | - | 1,780,118 |
| Library materials | 12,070,824 | 8,003 | - | (108,180) | 11,970,647 |
| Right-to-use lease assets | 5,695,024 | 2,049,555 | - | (3,114,552) | 4,630,027 |
| Subscription-based IT arrangements | <u>2,218,765</u> | <u>796,470</u> | <u>-</u> | <u>(1,009,315)</u> | <u>2,005,920</u> |
| Total depreciating capital assets | <u>\$ 359,065,432</u> | <u>\$ 8,034,378</u> | <u>\$ 5,662,402</u> | <u>\$ (8,902,752)</u> | <u>\$ 363,859,460</u> |
| Accumulated depreciation and amortization | | | | | |
| Non-major infrastructure networks | \$ (20,487,977) | \$ (1,032,530) | \$ - | \$ - | \$ (21,520,507) |
| Land improvements | (4,631,487) | (129,054) | - | - | (4,760,541) |
| Buildings | (125,154,429) | (6,889,220) | - | 1,132,155 | (130,911,494) |
| Furniture, fixtures, and equipment | (47,262,439) | (2,958,206) | - | 3,405,682 | (46,814,963) |
| Software | (1,780,118) | - | - | - | (1,780,118) |
| Library materials | (8,650,184) | (579,354) | - | 108,179 | (9,121,359) |
| Right-to-use lease assets | (3,274,490) | (2,560,619) | - | 3,012,319 | (2,822,790) |
| Subscription-based IT arrangements | <u>(796,785)</u> | <u>(1,001,440)</u> | <u>-</u> | <u>860,657</u> | <u>(937,568)</u> |
| Total accumulated depreciation and amortization | <u>\$ (212,037,909)</u> | <u>\$ (15,150,423)</u> | <u>\$ -</u> | <u>\$ 8,518,992</u> | <u>\$ (218,669,340)</u> |
| Capital assets summary | | | | | |
| Capital assets not depreciating | \$ 10,083,191 | \$ 16,040,970 | \$ (5,662,402) | \$ - | \$ 20,461,759 |
| Depreciating capital assets, at cost | <u>359,065,432</u> | <u>8,034,378</u> | <u>5,662,402</u> | <u>(8,902,752)</u> | <u>363,859,460</u> |
| Total cost capital assets | 369,148,623 | 24,075,348 | - | (8,902,752) | 384,321,219 |
| Accumulated depreciation and amortization | <u>(212,037,909)</u> | <u>(15,150,423)</u> | <u>-</u> | <u>8,518,992</u> | <u>(218,669,340)</u> |
| Capital assets, net | <u>\$ 157,110,714</u> | <u>\$ 8,924,925</u> | <u>\$ -</u> | <u>\$ (383,760)</u> | <u>\$ 165,651,879</u> |

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Note 6 – Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, is as follows:

| Noncurrent Liabilities | Balance June 30, 2023 | Increases | Decreases | Balance June 30, 2024 | Current Portion (Due in 2025) |
|-------------------------------------|--------------------------|---------------------|-----------------------|--------------------------|----------------------------------|
| Accrued compensated absences | \$ 9,268,961 | \$ - | \$ (31,685) | \$ 9,237,276 | \$ 6,400,358 |
| Bonds payable | 16,201,634 | - | (1,080,816) | 15,120,818 | 1,020,000 |
| Notes payable | 1,765,003 | - | (709,748) | 1,055,255 | 738,665 |
| Environmental remediation | 5,434,223 | - | - | 5,434,223 | - |
| Lease and SBITA liability | 3,713,484 | 1,752,444 | (2,257,058) | 3,208,870 | 1,118,816 |
| Net pension liability | 108,351,213 | 2,532,343 | - | 110,883,556 | - |
| Net OPEB obligation | 49,729,125 | - | (1,587,488) | 48,141,637 | - |
| Total noncurrent liabilities | \$ 194,463,643 | \$ 4,284,787 | \$ (5,666,795) | \$ 193,081,635 | \$ 9,277,839 |

Environmental remediation – As part of the Government’s weapons and munitions research and development during the years 1972 to 1992, munitions containing depleted uranium (DU), which is a heavy metal and has very low level radioactivity, were tested at the Energetic Materials Research and Testing Center (EMRTC). The Institute’s Radioactive Material License issued by the State of New Mexico for possession of the DU requires decommissioning of sites and facilities. The Institute had submitted its claim for breach of express contracts, pursuant to the Contract Disputes Act (CDA) breach of implied contracts, and negligence requiring restoration of property, to the contracting officers of various U.S. government and military related organizations in May 2011. The claim under the CDA was denied on April 13, 2012. A claim was also submitted to Government contracting officers for cleanup of DU at the Institute under the Federal Tort Claims Act. The Government’s agency handling the claim did not respond to the claim within the prescribed time which may be deemed by the Institute a final denial of the claim.

NMT/EMRTC elected not to pursue the Tort Claim filed in accordance with the Contract Disputes Act of 1978 for breach of contract, breach of implied contract, negligence, violation of Federal Tort Claims Act (FTCA), equitable claims, and damages. EMRTC determined that costs involved in this activity have little or no probability of being recovered.

The Institute may be liable for all or part of the cleanup cost. The cleanup cost has not been definitely estimated, but preliminary estimates range from approximately \$5,000,000 to \$19,000,000. It is uncertain at the date of these financial statements as to the outcome of the Institute’s recovery actions against the United States or the potential cleanup amount that might be ultimately required. The Institute has accrued \$5,434,223 as a noncurrent liability as of June 30, 2024.

New Mexico Institute of Mining and Technology

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Lease and SBITA liability – Future principal and lease payments required as of June 30, 2024, are as follows:

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Minimum Payments</u> |
|------------------------------|---------------------|------------------|-------------------------|
| 2025 | \$ 1,118,816 | \$ 9,421 | \$ 1,128,237 |
| 2026 | 857,504 | 7,148 | 864,652 |
| 2027 | 433,857 | 1,343 | 435,200 |
| 2028 | 269,210 | 906 | 270,116 |
| 2028 | 216,347 | 361 | 216,708 |
| 2029-2033 | 206,171 | 250 | 206,421 |
| 2034-2037 | 106,965 | 74 | 107,039 |
| | <u>\$ 3,208,870</u> | <u>\$ 19,503</u> | <u>\$ 3,228,373</u> |

Note 7 – Bonds Payable

Long-term debt of the Institute at June 30, 2024, consists of revenue bonds. On December 18, 2019, the Institute issued System Revenue Bonds, Series 2019, in the par amount of \$8,555,000, maturing December 2040, and carrying interest of 4%. These bonds were issued in accordance with the provisions of resolution adopted by the Board of Regents in October 2019, for the purpose of acquiring, installing, constructing and equipping energy efficiency improvements on the facilities of NMIMT.

On December 3, 2021, the Institute issued System Refunding Revenue Bonds, Series 2021, in the par amount of \$8,470,000, maturing June 2031, and carrying interest of 1.0097%. These bonds were issued in accordance with the provisions of resolution adopted by the Board of Regents in September, 2021, for the purpose of refinancing System Revenue Bonds, Series 2011.

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|----------------------|-----------------------|---------------|
| Capital improvements | 1.01%-4.00% | \$ 15,120,818 |

Annual debt service requirements for the institute's revenue bonds to maturity are as follows:

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> |
|------------------------------|----------------------|---------------------|
| 2025 | \$ 1,020,000 | \$ 407,824 |
| 2026 | 1,135,816 | 369,649 |
| 2027 | 1,165,816 | 351,447 |
| 2028 | 1,205,816 | 334,023 |
| 2029-2033 | 4,831,229 | 1,331,509 |
| 2034-2038 | 3,216,945 | 791,400 |
| 2039-2041 | 2,545,196 | 148,800 |
| Total | <u>\$ 15,120,818</u> | <u>\$ 3,734,652</u> |

New Mexico Institute of Mining and Technology

Notes to Financial Statements

The Institute has pledged future net income and net revenues received from Institute-owned Auxiliary Enterprises and from the System; all gross proceeds of student tuition and fees except student social and cultural activities fees; the gross amount received by the Institute from the income from the Permanent fund and Income fund; and all income or revenues received by the Institute as indirect cost recovery and fixed fee revenue from restricted grants and contracts to repay the bond debt. Annual principal and interest payments on the bond are expected to require about 17% of pledged revenues. Interest paid during the current year totaled \$57,682. Pledged revenues received during 2024, were \$2,851,576.

A bond premium of \$1,074,748 remains unamortized as of June 30, 2024, with \$85,816 being amortized during the year. Amortization of the bond premium in future years is approximately \$85,816 per year.

Note 8 – Other Postemployment Benefits Plan

The Institute offers medical, prescription drug, dental, and vision coverage to retirees and their covered dependents. All active employees enrolled in the active plan prior to retirement who subsequently retire from the Institute and meet the eligibility criteria to participate in the program will receive these benefits. Active employees who waived coverage are not eligible to receive subsidized benefits upon retirement.

Net other postemployment benefits liability – The Institute’s net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024.

The components of the Institute’s net OPEB liability at June 30, were as follows:

| <u>Component of the Institute's Net OPEB Liability</u> | |
|-------------------------------------------------------------------------|---------------------------------|
| Total OPEB liability | \$ 52,666,117 |
| Plan fiduciary net position | <u>4,524,480</u> |
| The Institute's net OPEB liability | <u><u>\$ 48,141,637</u></u> |
| Plan fiduciary net position as a percentage of total OPEB liability | <u><u>9%</u></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.

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Notes to Financial Statements

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|-------------------------------------------------------------------------------------------------|
| Salary increases | 3.00% |
| Investment rate of return | 5.25% |
| Healthcare cost trend rates | Medical Pre-Medicare: 7.50% initially, reduced by decrements to a rate of 4.50% after 10 years |
| | Medical Post-Medicare: 6.25% initially, reduced by decrements to a rate of 4.50% after 10 years |
| | Pharmacy: 12.00% initially, reduced by decrement to a rate of 4.50% after 10 years |
| | Dental and Vision: 3.00% |

Mortality rate was based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Discount rate – The discount rate used to measure the total OPEB liability was 3.66%, which is a blended rate of the Institute's long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index. A blended discount rate was calculated based on separating the projected future payments between those paid from the Trust and those paid from general assets. The Trust assets were projected using the expected long-term rate of return. Payments from the Trust were assumed to begin when the projected assets value is fully funded and all future projected benefit payments will be paid from the Trust.

Changes in the net OPEB liability

| | Increase (Decrease) | | |
|-------------------------------------------------------------------|-----------------------------|------------------------------------|---------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balance at June 30, 2023 (based on July 1, 2022 measurement date) | \$ 54,108,559 | \$ 4,379,433 | \$ 49,729,126 |
| Changes for the year | | | |
| Service cost | 3,561,473 | - | 3,561,473 |
| Interest on the total OPEB liability | 2,013,184 | - | 2,013,184 |
| Differences between expected and actual experience | (6,434,469) | - | (6,434,469) |
| Changes of assumptions* | 1,032,242 | - | 1,032,242 |
| Gross benefit payments | (1,614,872) | (1,614,872) | - |
| Contributions from the employer | - | 754,734 | (754,734) |
| Contributions from the employee | - | 813,257 | (813,257) |
| Net investment income | - | 117,037 | (117,037) |
| Administrative expense | - | (149,105) | 149,105 |
| Other changes | - | 223,996 | (223,996) |
| Net changes | (1,442,442) | 145,047 | (1,587,489) |
| Balance at June 30, 2024 (based on July 1, 2023 measurement date) | \$ 52,666,117 | \$ 4,524,480 | \$ 48,141,637 |

* The assumed discount rate increased from 3.54% at June 30, 2023 to 3.66% at June 30, 2024.

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Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the Institute’s net OPEB liability at June 30, 2024, which was measured using the discount rate of 3.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.66%) or 1-percentage-point higher (4.66%) than the current rate:

| Changes in Discount Rate | 1% Decrease (2.66%) | Discount Rate (3.66%) | 1% Increase (4.66%) |
|--------------------------|------------------------|--------------------------|------------------------|
| Net OPEB liability | \$ 58,186,026 | \$ 48,141,637 | \$ 40,216,758 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the Institute’s net OPEB liability at June 30, 2024, which was measured using the current healthcare cost trend rate of (Pre-Medicare: 7.00% decreasing to 4.50%, Post-Medicare: 6.50% decreasing to 4.50%, Pharmacy: 8.50% decreasing to 4.50%, and Dental and Vision: 3%), as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the Institute’s net OPEB liability at June 30, 2024, which was measured using the current healthcare cost trend rate of (Pre-Medicare: 7.50% decreasing to 4.50%, Post-Medicare: 6.25% decreasing to 4.50%, Pharmacy: 12.00% decreasing to 4.50%, and Dental and Vision: 3%), as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

| Changes in the Healthcare Cost Trend Rates | 1% Decrease (Pre-Medicare: 6.50% decreasing to 3.50%, Post-Medicare: 5.25% decreasing to 3.50%, Pharmacy: 11.00% decreasing to 3.50%, Dental & Vision: 2.00%) | Current Discount Rate (Pre-Medicare: 7.50% decreasing to 4.50%, Post-Medicare: 6.25% decreasing to 4.50%, Pharmacy: 12.00% decreasing to 4.50%, Dental & Vision: 3.00%) | 1% Increase (Pre-Medicare: 8.50% decreasing to 5.50%, Post-Medicare: 7.25% decreasing to 5.50%, Pharmacy: 13.00% decreasing to 5.50%, Dental & Vision: 4.00%) |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Net OPEB liability | \$ 39,769,075 | \$ 48,141,637 | \$ 58,989,133 |

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Notes to Financial Statements

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2024, the Institute recognized OPEB expense of \$4,443,304. At June 30, 2024, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Difference between actual and expected experience | \$ 7,964,412 | \$ 8,125,792 |
| Net difference between projected and actual earnings on OPEB plan investments | 289,585 | - |
| Changes in assumptions | 10,356,948 | 12,867,110 |
| Institute contribution subsequent to the measurement date | 818,920 | - |
| Total | \$ 19,429,865 | \$ 20,992,902 |

The \$818,920 reported as deferred outflows of resources related to OPEB resulting from Institute contributions subsequent to the measurement date of July 1, 2022, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,

| | |
|------------|----------------|
| 2025 | \$ (103,196) |
| 2026 | (137,149) |
| 2027 | 269,506 |
| 2028 | 598,949 |
| 2029 | 343,254 |
| Thereafter | (3,353,321) |
| Total | \$ (2,381,957) |

Note 9 – Defined Benefit Retirement Plan

Plan description – The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB’s comprehensive annual financial report. The report can be found on NMERB’s website at https://www.nmerb.org/Annual_reports.html.

The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state’s public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

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The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined in Section 22-11-2, NMSA 1978. Employees of public schools, universities, junior and community colleges, public technical and vocational institutions, state special schools, charter schools, regional education cooperatives, the New Mexico Activities Association, and certain employees at state agencies that provide an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

Pension benefit – A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS); 2) the number of years of service credit; and 3) a multiplier.

For members hired on or before June 30, 2019 (Tiers 1-3 members) the multiplier is 2.35%. For members hired after June 30, 2019 the multiplier accrues as follows:

| <u>Years of Service</u> | <u>Benefit Percentage Earned</u> |
|-------------------------|----------------------------------|
| 1-10 | 1.35% |
| 11-20 | 2.35% |
| 21-30 | 3.35% |
| 31 Plus | 2.40% |

The FAS is the average of the member's fiscal annual earnings for the last 20 calendar service quarters (60 months) prior to retirement or the highest average fiscal annual earnings for any 20 consecutive calendar quarters.

Summary of Plan Provisions for Retirement Eligibility by Tier

Tier 1: Membership prior to July 1, 2020

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least 65 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 25 years or more.

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Tier 2: Membership on or after July 1, 2010, but prior to July 1, 2013

Chapter 288, Laws of 2009 changed the eligibility requirements for new members who were first employed on or after July 1, 2010, but before July 1, 2013 — or before July 1, 2010, terminated employment, subsequently withdrew all contributions, and then becomes re-employed after July 1, 2010. These members must meet one of the following requirements:

- The member's age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits, or,
- The member is at least 67 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

Tier 3: Membership beginning on or after July 1, 2013, but prior to July 1, 2019

Section 22-11-23.2, NMSA 1978, added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements:

- The member's minimum age is 55 and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit, will have a reduction in benefits to the actuarial equivalent of retiring at age 55.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit receive reduced retirement benefits, or
- Or the member's age is 67 and has earned five or more years of service credit.

Tier 4: Membership beginning on or after July 1, 2019

Section 2-11-23.3, NMSA 1978, added eligibility requirements for new members who were first employed on or after July 1, 2019, or who were employed before July 1, 2019 but terminated employment and subsequently withdrew all contributions and returned to work for an ERB employer on or after July 1, 2019. A member in this tier must meet one of the following requirements.

- The member is any age and has 30 or more years of earned service credit, or
- The member is at least 67 years of age and have 5 or more years or earned service credit, or
- The sum of the member's age and years of earned service credit equals at least 80.

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Forms of payments – The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member’s accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member’s surviving beneficiary.

Benefit options – The Plan has three benefit options available.

- **Option A – Straight Life Benefit** – The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member’s death.
- **Option B – Joint 100% Survivor Benefit** – The single life annuity monthly benefit is reduced to provide for a 100% survivor’s benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member’s monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member’s increased monthly benefit commences in the month following the beneficiary’s death.
- **Option C – Joint 50% Survivor Benefit** – The single life annuity monthly benefit is reduced to provide for a 50% survivor’s benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member’s monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member’s increased monthly benefit commences in the month following the beneficiary’s death.

Disability benefit – An NMERB member is eligible for disability benefits if they have acquired at least ten years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member’s Final Average Salary (FAS) multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member’s FAS or (b) 2% of the member’s FAS multiplied by total years of service credit projected to age 60.

Cost of living adjustment (COLA) – All retired members and beneficiaries receiving benefits may receive an adjustment in their benefit on July 1 following the year a member retires or July 1 following the year a member reaches the age below, whichever is later.

| Membership | Age Eligible for COLA |
|------------|-----------------------|
| Tier 1 | 65 |
| Tier 2 | 65 |
| Tier 3 | 67 |
| Tier 4 | 67 |

If a member is eligible for a COLA, the amount depends on the annual change in the Consumer Price Index (CPI) and whether the fund is fully funded (that is, the fund’s funded ratio is 100%). Accordingly, if there is no increase in the CPI, or the CPI is negative, the amount of the COLA will be zero (if the CPI is negative, retirement benefits will not be decreased).

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When CPI has increased and the fund is fully funded, the COLA will be the same amount as the increase in the CPI except as follows: If the increase in the CPI is 2% or greater, the COLA will be one-half of the CPI increase, not to exceed 4% or to be less than 2%.

However, while the fund is not fully funded, the COLA for retirees will be reduced based on the median annual retirement benefit, calculated after the end of each fiscal year:

- When the funded ratio is 90% or less, the COLA for retirees whose annuity is at or below the median and who have 25 or more years of service credit at retirement will be reduced by 10%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 20%.
- When the funded ratio exceeds 90% but is less than 100%, the COLA for retirees whose annuity is at or below the median adjusted annuity and who had 25 or more years of service credit at retirement and will be reduced by 5%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

Refund of contributions – Members may withdraw their contributions only when they terminate covered employment in the State and their former employer(s) certification determination has been received by NMERB. Interest is paid to members when they withdraw their contributions following termination of employment at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or for contributions held for less than one year.

Contributions – For the fiscal year ended June 30, 2024, educational employers contributed to the Plan based on the following rate schedule.

| Fiscal Year | Date Range | Wage Category | Member Rate | Employer Rate | Combined Rate | Increase Over Prior Year |
|-------------|---------------------|---------------|-------------|---------------|---------------|--------------------------|
| 2024 | 7-1-23 to 6-30-2024 | Over \$24K | 10.70% | 18.15% | 28.85% | 1.00% |
| 2024 | 7-1-23 to 6-30-2024 | \$24K or Less | 7.90% | 18.15% | 26.05% | 1.00% |

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For fiscal year ended June 30, 2024, the Institute paid employee and employer contributions of \$9,501,113 which equal the amount of the required contribution for fiscal year. At June 30, 2024, the Institute reported a liability of \$110,883,556 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2023, using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2023.

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The Institute's proportion of the net pension liability was based on a projection of the Institute's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions at June 30, 2023, actuarially determined. At June 30, 2023, the Institute's proportion was 1.277%, which was a decrease of 0.01% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Institute recognized pension expense of \$16,284,695. At June 30, 2024, the Institute reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

| <u>Resources Reported</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual actuarial experience | \$ 3,142,926 | \$ 1,002,590 |
| Changes of assumptions | - | 16,454,846 |
| Net difference between projected and actual earnings on pension plan investments | - | 694,631 |
| Changes in proportion and differences between Institute contributions and proportionate share of contributions | 39,516 | 944,794 |
| Institute contributions subsequent to the measurement date | <u>9,501,113</u> | <u>-</u> |
| Total | <u>\$ 12,683,555</u> | <u>\$ 19,096,861</u> |

The \$9,501,113 reported as deferred outflows of resources related to pensions resulting from Institute contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Years Ended June 30,</u> | <u>Pension Expense</u> |
|-----------------------------|------------------------|
| 2025 | \$ (16,726,442) |
| 2026 | (3,307,930) |
| 2027 | 4,016,788 |
| 2028 | <u>103,165</u> |
| Total | <u>\$ (15,914,419)</u> |

Actuarial assumptions – Actuarial assumptions and methods are set by the Plan's Board, based upon recommendations made by the Plan's actuary. The assumption for year ended June 30, 2023, were based on Board adopted assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ending June 30, 2019.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation | 2.30% |
| Salary increases | Composed of 2.30% inflation, plus a 0.70% productivity increase rate, plus step-rate promotional increase for less than 15 years of service |
| Investment rate of return | 7.00% |
| Mortality | <p><i>Healthy Males:</i> 2020 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 the year 2020.</p> <p><i>Healthy Females:</i> 2020 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.</p> |

The long-term expected rate of return on pension plan investments was determined using a building-block approach that includes the following:

- Rate of return projections that are the sum of current yield plus projected changes in price (valuations, defaults, etc.)
- Application of key economic projections (inflation, real growth, dividends, etc.)
- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Rate of Return</u> |
|--------------------|--------------------------|--------------------------------------------------|
| Equities | 24% | |
| Fixed Income | 23 | |
| Alternatives | 52 | |
| Cash | 1 | |
| Total | <u>100%</u> | <u>7%</u> |

Discount rate – A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2023. This is the same rate used for June 30, 2022. The 7.00% single discount rate was based on a long-term expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan’s fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

The projections of cash flows used to determine the single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Additionally, contributions received through Alternative Retirement Plan (ARP) are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five-year contribution history.

Sensitivity of the Institute's proportionate share of the net pension liability to changes in the discount rate

– The following table presents the Institute's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Institute's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--------------------------------------------------------------|------------------------|----------------------------------|------------------------|
| Institute's proportionate share of the net pension liability | \$ 150,736,767 | \$ 110,883,556 | \$ 77,969,115 |

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in separately issued NMERB'S financial reports. The reports can be found on NMERB's website at https://www.nmerb.org/Annual_reports.html.

At June 30, 2024, the Institute had an outstanding payable to the Plan of \$1,125,639, which consisted of statutory employee and employer contributions for the month of June 2024.

Note 10 – Defined Contribution Retirement Plan

Effective October 1991, the New Mexico legislature established an Alternative Retirement Plan (ARP) through the enactment of ERA Sections 22-11-47 through 52 NMSA 1978 to provide eligible employees an election to establish an alternative retirement investment plan. In contrast to the defined benefit plan administered by NMERB, the ARP is a defined contribution plan. NMERB is the trustee of the ARP which is administered by two third-party contractors for NMERB. The two administrators approved to offer ARP plans to eligible participants are Teachers Insurance and Annuity Association (TIAA) and Fidelity Investments.

These administrators have the authority to perform record keeping, enrollment education services, and other administrative duties for the ARP. The administrators are delegated any and all powers as may be necessary or advisable to discharge their duties under the ARP and have certain discretionary authority to decide matters under the ARP. As the ARP trustee, NMERB is responsible for selecting investment options that provide a prudent rate of return, and to ensure that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan Document.

Eligibility – Certain eligible employees of the Institute are eligible to make an election to participate within ninety days of employment. Those who do not elect to participate in the ARP remain members of the regular defined benefit retirement plan.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Section 22-11-47(D) NMSA 1978 allows an ARP participant a one-time option to make an irrevocable switch to the defined benefit retirement plan after seven years of ARP participation.

Form of payment – Retirement, death, and other benefits are based upon contributions made and earnings accumulated on those contributions, in accordance with the terms of the applicable vendor contracts and Internal Revenue Code. Retirement benefits shall, at the option of the employee, be paid in the form of:

- A lifetime income, if held in an annuity contract,
- Payments for a term of years, or
- A single-sum cash payment

ARP retirement, death, and other benefits, including disability benefits, cannot be paid from the funds administered by NMERB.

ARP contributions – A participating employer must contribute on behalf of each employee participant an amount of the participant's salary equal to the contribution that would be required of the employer if the participant were, instead, a regular member. For the year ended June 30, 2023, colleges and universities contributed 10.90% of participating employees' gross salary to the ARP vendor on behalf of the participant, and 7.25% of the employees' gross salary to NMERB, for a total of 18.15%. Employees participating in the ARP do not accrue rights to benefits in the defined benefit pension plan based on the 7.25% contributions to NMERB.

The colleges and universities are responsible for submitting the balance of the employers' contribution, and the employees' contributions directly to the ARP vendors and NMERB.

Employer contributions reported in the Institute financial statements include amounts remitted on behalf of both the ARP defined contribution plan and the defined benefit plan. The Institute's 7.25% contribution remitted for fiscal year ended June 30, 2024, was \$677,399.

Note 11 – Commitments and Contingencies

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

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

New Mexico Institute of Mining and Technology

Notes to Financial Statements

State risk management pool – The Institute, as a state institute defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the State of New Mexico. Annual premiums are paid to the Office of Risk Management for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the Institute.
- Coverage to protect the Institute's property and assets.

The Institute participates in the State of New Mexico Risk Management Program (Risk Management), which provides liability and physical damage insurance. The Institute pays premiums for its participation. From time-to-time the Institute is subject to lawsuits including personnel and student liability matters in the ordinary course of business. Currently, no lawsuit settlements or outcomes have exceeded insurance coverage for the last three years.

The Institute is a defendant in legal actions arising from normal business activities. Management believes that those actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the Institute's financial position or results of operations.

Other commitments – At June 30, 2024, the Institute had issued purchase orders for materials and services which were not received and thus not reflected as liabilities in the accompanying basic financial statements. The amount of such commitments is \$53,781,328.

Total construction commitments of \$13,463,742 are not presented in the financial statements. These commitments represent unfinished contracts with various entities at June 30, 2024.

Note 12 – Endowments

The Institute has donor-restricted and unrestricted endowments with the authority to use interest, income, dividends, or profits of endowments for specified purposes for the benefit of the Institute and its students. Expendable funds are those funds that may be expended for either a stated purpose or for a general purpose as per the endowment gift terms. Nonexpendable funds are those required to be retained in perpetuity.

Endowment income is reported each year based on investment activity for the year as additions to endowments on the statement of revenues, expenses and changes in net position. Each institution sets the amounts and/or percentage of net appreciation on endowment investments that are authorized for expenditure in its spending plan. Endowment income made available for distribution for the established purpose was \$2,406,356.

Note 13 – State Bond Appropriation Accounting

The Institute has periodically received severance tax and general obligation bond appropriations from the State of New Mexico for capital asset projects on the campus of the Institute. Bond revenue from these appropriations is recorded only when eligibility requirements have been met. The eligibility requirements for capital projects financed by bonds are satisfied when all required documentation to support a drawdown of a bond fund is submitted and approved by the Board of Finance.

New Mexico Institute of Mining and Technology
Notes to Financial Statements

Note 14 – Reconciliation of Budget Basis to GAAP

Total Unrestricted and Restricted Revenues

| | |
|---------------------------------------------------------------------------|----------------|
| Budgetary basis | \$ 253,404,879 |
| Reconciling items | |
| Indirect cost recovery | (14,362,796) |
| Spa Payable | 993,879 |
| Deposits held for others | 45,312 |
| Restricted internal service adjustment | (12,042,267) |
| Internal service cost recovery adjustment | 4,295,550 |
| Unbudgeted exhibits | 14,281,853 |
| Tuition and fee adjustment | (6,331,767) |
| Auxiliaries adjustment | (2,620,517) |
| Restricted funds year end adjustment | 3,428,359 |
| Benefit trust revenue | (4,626,996) |
| Blended component unit | 137,451 |
| | <hr/> |
| Total reconciling items | (16,801,939) |
| | <hr/> |
| Total reconciled unrestricted and restricted revenues per budgetary basis | \$ 236,602,940 |
| | <hr/> <hr/> |
| Basic financial statements | |
| Operating revenue | \$ 139,596,187 |
| Nonoperating revenue | 66,770,346 |
| Capital contributions and other | 30,236,407 |
| | <hr/> |
| Total unrestricted and restricted revenue per financial statements | \$ 236,602,940 |
| | <hr/> <hr/> |

New Mexico Institute of Mining and Technology
Notes to Financial Statements

Total Unrestricted and Restricted Expenditures

| | |
|-------------------------------------------------------------------------------|------------------------|
| Budgetary basis | <u>\$ 227,447,944</u> |
| Reconciling items | |
| Indirect cost recovery | (14,362,796) |
| SPA Payable | 1,077,792 |
| Deposits held for others | 39,071 |
| Capital expenditures | (21,035,034) |
| Unbudgeted exhibits | 2,861,652 |
| Restricted internal service adjustment | (12,042,267) |
| Internal service cost recovery adj | 4,295,550 |
| Depreciation and amortization expense | 15,150,423 |
| OPEB expense | 3,560,197 |
| Pension expense | (25,785,808) |
| Auxiliaries adjustment | (2,620,517) |
| Tuition and fee adjustment | (6,331,767) |
| Restricted funds year end adjustment | 1,538,090 |
| Benefit trust expense | 45,019 |
| Blended component unit (amount not in budgetary basis) | <u>157,509</u> |
| Total reconciling items | <u>\$ (53,452,886)</u> |
| Total reconciled unrestricted and restricted expenditures per budgetary basis | <u>\$ 173,995,058</u> |
| Basic financial statements | |
| Operating expenditures | <u>\$ 173,995,058</u> |
| Total unrestricted and restricted expenditures per financial statements | <u>\$ 173,995,058</u> |

Note 15 – Discretely Presented Component Unit – The New Mexico Tech Foundation

Summary of significant accounting policies

Revenue and cost recognition – The Foundation's financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred.

Operating revenues and contributions are those received by the Foundation for events and activities that relate directly to the Foundation, and operating expenses are those incurred for events and activities that relate to administration, scholarships, and awards for students. Revenues, expenses, gains, and losses from investments are considered nonoperating.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Classification of revenues – The Foundation has classified its revenues as either operating or nonoperating according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions and nonexchange transactions such as gifts and contributions. Revenue on contracts and grants are recognized to the extent that the underlying exchange transaction has occurred. Gifts and contributions are recognized when all applicable eligibility requirements have been met. Contributions of donated noncash assets are recorded at their fair values in the period received.

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, including other revenue sources that are consistently applied as nonoperating revenues, such as lease income, investment, and interest income.

Net position – Unrestricted net position represents resources whose use is not limited or restricted by donors. Unrestricted net position has arisen from exchange transactions, receipt of unrestricted contributions, and expirations of existing restrictions. Restricted expendable contributions are recorded as unrestricted to the extent the restrictions expire in the same reporting period.

Restricted expendable net position represents resources whose use is limited by donors for the support of the academic activities of the Institute faculty and/or students. Such restrictions are legally enforceable or contractually obligated to spend in accordance with imposed restrictions by third parties. Restricted expendable net position is released from restriction as the purpose restrictions are met.

Restricted nonexpendable assets represent those that cannot be expended based on donor restriction. Nonexpendable restricted net position consists of endowment and similar type funds in 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, which may either be expended or added to principal. When both restricted and unrestricted funds are available, restricted funds are expended first.

Net investment in capital assets is intended to reflect the portion of net position, which is associated with nonliquid, capital assets. There is no related debt.

Deferred outflows of resources consumed and deferred inflows of resources received and available are elements of the statement of net position. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. There were deferred inflows of resources of \$165,213 at June 30, 2024. The deferred inflows of resources will be amortized over the life of the lease.

Cash and cash equivalents – For purposes of the statement of cash flows, the Foundation considers cash on hand, cash held in banks, and highly liquid instruments with original maturities of three months or less to be cash and cash equivalents.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Promises to give – Promises to give, which are nonendowed, are recognized as increases in assets and nonoperating revenues upon receipt of a signed commitment, so long as collectability is probable, and when all applicable eligibility requirements are met. An allowance for doubtful promises to give is recorded when the promise is recorded. The allowance is based on loss experience and other factors that management considers necessary in estimating losses on promises to give. Noncurrent promises to give are discounted between 0.87%-2.25% which is the U.S. prime rate in effect coinciding with the date of the promise. All promises to give are for endowed donations. No allowance for doubtful accounts related to such promises was deemed necessary at June 30, 2024.

Investments – The Board has the sole authority and responsibility to make changes to the Foundation's investment policies. There were no significant changes to its investment policy during the year. In conformity with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) (Chapter 46, Article 9A 1-10 NMSA 1978), the Foundation primarily invests through the New Mexico State Investment Council's (NMSIC) investment funds or in various mutual funds held and managed by a national brokerage firm.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of net position in accordance with GASB 72. Mutual funds are based on the Foundation's pro-rata share of unit value of the mutual funds. Investment transactions are recorded on the trade date basis. Dividends are recognized as income when declared. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) are reported as increases or decreases in net position on the statement of revenues, expenses, and changes in net position.

The Foundation has no limitations on the types of investments or deposits it can make within the scope of its investment policy. The following are the target allocations for the investments:

| Asset Class | Long-Term Target | Allowable Range |
|--------------|------------------|-----------------|
| Fixed income | 30% | 25 - 50% |
| Equity | 70% | 50 - 70% |

Due to the nature of the investments, it is reasonable that changes in the value of investments will occur in the near future and could materially affect the amounts reported. The determination of fair values includes, among other things, published market prices, prices obtained from pricing services, and prices quoted by independent brokers at current exchange rates.

The Foundation has an agreement with the Institute for investment of the majority of the Foundation's funds. Income is allocated based on the proportionate market value of the investment of each participating fund.

Information relating to the NMSIC's use of derivatives is not made available to the Foundation. For GASB 40 disclosure information related to the investments held at the NMSIC, the reader should refer to the separate audit report and required supplementary information of the NMSIC for the fiscal year ended June 30, 2024. That report may be obtained by writing to the New Mexico State Investment Council, 41 Plaza la Prensa, Santa Fe, NM 87507. The report is also available on the NMSIC website at www.sic.state.nm.us.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Net appreciation/depreciation on donor-restricted endowments and related investment income are recorded as an increase in restricted, expendable net position until the amount is expended in accordance with donor specifications.

Capital assets – The Foundation records tangible and intangible capital assets purchased at cost, and donations at their estimated fair value on the date of donation. The building, which is the only depreciable asset, is depreciated using a straight-line method over a twenty-seven and a half to thirty year estimated useful life. The Foundation capitalizes real property over \$100,000 and equipment purchases with a cost over \$5,000.

Long-lived assets – The Foundation reviews its long-lived assets (property) for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There was no impairment of such assets as of June 30, 2024.

Leases – The Foundation recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future receipts on the contract exceed \$5,000 that meet the definition of an other than short-term lease. The Foundation uses the same interest rate it charges to lessee as the discount rate or that is implicit in the contract to the lessee. Short-term lease receipts and variable lease receipts not included in the measurement of the lease receivable are recognized as income when earned.

Due to the Institute – This payable is \$49,621 at June 30, 2024, and represents funds that are to be paid to the Institute for operational expenses.

Endowments – The endowment spending policy is in alignment with the long-term endowment management philosophy of the Foundation, which is to preserve the permanent viability of the endowment. The Foundation supports vital scholarship and other programs from the earnings of its endowment. These programs are in concert with provisions established by the donors of the endowment. Net appreciation/depreciation on donor-restricted endowments and related investment income are recorded as an increase in restricted, expendable net position and are available for expenditure in accordance with donor specifications and in accordance with the State of New Mexico Uniform Prudent Management of Institutional Funds Act (46-9A 1-10 NMSA 1978).

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates used in preparing these financial statements include the estimated useful life of capital assets and the valuation of investments.

Income taxes – The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and has been classified by the Internal Revenue Service as a public charity. The Foundation is exempt from income taxation on its normal activities. The Foundation is classified as a supporting organization of the Institute and not a private foundation.

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Notes to Financial Statements

Cash and cash equivalents – Custodial credit risk is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. The Foundation does not have a deposit policy for custodial credit risk. As of June 30, 2024, the Foundation's deposits were exposed to custodial credit risk as follows:

| | First State Bank | Wells Fargo | Total |
|-------------------------------|------------------|-------------|--------------|
| Total of deposits in the bank | \$ 2,045,762 | \$ 68,748 | \$ 2,114,510 |
| FDIC coverage | (250,000) | (68,748) | (318,748) |
| Total uninsured funds | \$ 1,795,762 | \$ - | \$ 1,795,762 |

Deposit classification in the financial statements at June 30, 2024, follows:

| Name of Depository | Account Name | Bank Account Type | Bank Balance | Reconciling Items | Financial Statement Balance |
|---------------------------------|--------------------------------|-------------------|--------------|-------------------|-----------------------------|
| First State Bank | Checking (interest bearing) | Cash | \$ 2,002,561 | \$ (788) | \$ 2,001,773 |
| First State Bank | Savings (non-interest bearing) | Cash | 43,201 | - | 43,201 |
| Wells Fargo | Savings (non-interest bearing) | Cash | 68,748 | - | 68,748 |
| Total cash and cash equivalents | | | \$ 2,114,510 | \$ (788) | \$ 2,113,722 |

Investments – A summary of investments at June 30, 2024, are as follows:

| Investments | Ratings | Fair Value |
|----------------------------------------------------------------------------------|-----------|---------------|
| Investments held with the New Mexico State Investment Council (SIC) pooled funds | | |
| Credit Plus Pool | A1 | \$ 6,876,768 |
| Non-US Emerging Markets Index Pool | Not rated | 3,061,326 |
| Non-US Developed Markets Index Pool | Not rated | 7,504,469 |
| US SMID Cap Alternative Weighted Index Pool | Not rated | 2,145,960 |
| US Large Cap Index Pool | Not rated | 9,739,962 |
| Investments not subject to categorization | | |
| State Investment Council Pooled Funds | | 10,604,518 |
| Total investments | | \$ 39,933,003 |

The NMSIC provides investment services in accordance with its policies and statutory requirements of NMSA 1978 Section 6-8-9.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2024, the Foundation had fixed income and bond type investments subject to interest rate risk.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2024, none of the above investments were subject to credit risk.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Fair value of investments – GAAP establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

The investment portfolio is comprised of pooled investments with the NMSIC and is recorded in the financial statements at fair value. The corresponding unrealized gain or loss in the fair value in relation to cost is accounted for as a separate item in the statement of revenues, expenses, and changes in net position.

During 2024, the Foundation used the net asset value provided by the NMSIC as an approximation of the fair value of NMSIC investments. These investments are classified within Level 2 of the fair value hierarchy. This approach has not changed from previous periods.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

The following table presents the fair value measurements of assets and liabilities at June 30, 2024:

| | Fair Value Measurements Using | | | Fair Value |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|--------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Investments held with the New Mexico State Investment Council (SIC) pooled funds | | | | |
| Non-US Emerging Markets Active Pool | \$ 3,061,326 | \$ - | \$ - | \$ 3,061,326 |
| Non-US Developed Markets Index Pool | 7,504,469 | - | - | 7,504,469 |
| US SMID Cap Alternative Weighted Index Pool | 2,145,960 | - | - | 2,145,960 |
| US Large Cap Index Pool | 9,739,962 | - | - | 9,739,962 |
| Total investments | \$ 22,451,717 | \$ - | \$ - | 22,451,717 |

Investments Measured at NAV Practical Expedient

Investments held with the New Mexico State Investment Council Pooled Funds:

| | |
|-----------------------------|---------------|
| Credit Plus Pool | \$ 6,876,768 |
| Credit & Structured Finance | 2,536,086 |
| Private Equity Pool | 5,639,176 |
| Real Estate Pool | 2,429,256 |
| | \$ 39,933,003 |

GASB 72 requires additional disclosure for certain types of investments that calculate net asset value per share but are not publicly traded to assist in understanding the nature and risk of these investments by major category. The table below summarizes the fair value and other pertinent liquidity information of investments at June 30, 2024:

| Investment | Fair Value | Redemption Frequency | Redemption Notice Period | Outstanding Commitments |
|-------------------------------------|--------------|-------------------------|-----------------------------|----------------------------|
| Non-US Emerging Markets Active Pool | \$ 3,061,326 | Daily | 5 Business Days | NA |
| Non-US Developed Markets Index Pool | 7,504,469 | Daily | 5 Business Days | NA |
| US Small/Mid Cap Pool | 2,145,960 | Daily | 5 Business Days | NA |
| US Large Cap Index Pool | 9,739,962 | Daily | 5 Business Days | NA |
| | | | 5 Days/1 Month | |
| Credit Plus Pool | 6,876,768 | Monthly | over \$5M | NA |
| Credit & Structured Finance | 2,536,086 | 4 times per year | 3 months | NA |
| Private Equity Pool | 5,639,176 | 2 times per year | 9 months | NA |
| Real Estate Pool | 2,429,256 | 2 times per year | 3 months | NA |

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Promises to give – Promises to give consist of the following at June 30, 2024:

| | |
|------------------------------------------|------------|
| Amounts receivable in less than one year | \$ 227,933 |
| Amount receivable in more than one year | 307,800 |
| Total promise to give | 535,733 |
| Discount to net present value | (22,924) |
| Promise to give, net | 512,809 |
| Less current portion | (227,933) |
| Noncurrent portion | \$ 284,876 |

Capital assets – Capital assets consist of the following at June 30, 2024:

| | Beginning Balance | Increases | Decreases | Transfer | Ending Balance |
|------------------------------------------|----------------------|-------------|-----------|----------|-------------------|
| Capital assets not depreciating | | | | | |
| Land and building held for investment | \$ 437,101 | \$ - | \$ - | \$ - | \$ 437,101 |
| Artwork | 130,500 | - | - | - | 130,500 |
| Total assets not depreciating | 567,601 | - | - | - | 567,601 |
| Capital assets depreciating | | | | | |
| Building | 1,856,190 | - | - | - | 1,856,190 |
| Accumulated depreciation | | | | | |
| Building | (1,227,124) | (66,868) | - | - | (1,293,992) |
| Capital assets, net | \$ 1,196,667 | \$ (66,868) | \$ - | \$ - | \$ 1,129,799 |

Related party transactions and donated services – The Institute provides the Foundation's office space in exchange for property management services provided to the Institute by the Foundation. These transactions are not recorded in the Foundation's financial statements, as they are not significant and the value is not subject to reasonable estimation. The Institute did not charge the Foundation for accounting and management services during the year ended June 30, 2024.

The Foundation leases an apartment building to the Institute. The lease is classified as a short-term lease on a month-to-month basis. Additionally, the Foundation leases a residential building to a third party. Lease revenues were \$100,858 for 2024.

The Foundation funded \$1,332,312 in scholarships and awards which were provided through the Institute during the year ended June 30, 2024. The funding for these scholarships comes primarily from assets held by the Foundation from which the Institute is entitled to 4.5% of the income, but has no title to the assets themselves. However, income earned on such assets upon which the Institute has claim is recorded in the accompanying basic financial statements.

The Foundation has a Due to the Institute on the statement of net position of \$49,621 at June 30, 2024.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Risk management – The Foundation is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; and errors and omissions and natural disasters. The Foundation is insured under the Institute's risk management program for liability and casualty insurance, and through a private carrier for director and officer liability insurance. There have been no significant reductions in coverage from prior years.

Donor-restricted endowments – The Foundation solicits contributions to support the activities of the Institute. Contributions received may be unrestricted, restricted for a certain time or for a certain purpose, or restricted in perpetuity. Amounts which are restricted in perpetuity are classified as restricted, nonexpendable on the statement of net position, and were \$14,623,096 at June 30, 2024.

Net appreciation/depreciation on donor-restricted endowments and related investment income are recorded as an increase or decrease in restricted, expendable net position until the amount is expended in accordance with donor specifications. The investment policy is in accordance with the State of New Mexico UPMIFA (Chapter 46, Article 9A 1-10 NMSA 1978). The investment income, including realized gains, from the restricted, nonexpendable net position as well as the balance of the unrestricted net position is generally available for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. During the current year, donor-restricted endowments had investment gains of \$3,681,770.

The Board of Trustees of the Foundation has interpreted the UPMIFA as requiring the preservation of the fair value of the original contribution as of the contribution date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result, the Foundation classifies as restricted, nonexpendable net position (a) the original value of contribution to the endowment, (b) the original value of subsequent contribution to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor agreement at the time the contribution is added to the fund. There were no donor endowments whose fair value was less than the original value (under water) during 2024.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate income from the restricted, nonexpendable endowment funds:

1. The duration and preservation of the various funds,
2. The purpose of the donor-restricted funds,
3. General economic conditions,
4. The possible effect of inflation and deflation,
5. The expected total return from income and the appreciation of investments,
6. Other resources of the Foundation,
7. The Foundation's investment policies.

Spending policy – The Foundation has available for distribution in any given year, all amounts in the unrestricted net position. However, the actual number of scholarships given out may be limited by the number of qualified applicants for the various scholarships. The decisions to award scholarships depends on the scholarship, with some being decided by the Board of Trustees, and others being decided by the Institute. The Foundation also may provide general support to the Institute by way of supporting fundraising and promotional activities.

New Mexico Institute of Mining and Technology

Notes to Financial Statements

Return objectives and risk parameters – The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a consistent stream of funding for scholarships and related activities, while seeking to maintain the purchasing power of the endowment assets and minimizing their exposure to significant market fluctuations. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period.

Endowment composition by type of fund – All funds in the endowment are donor restricted for the use of providing scholarships and support activities for the Institute.

Strategies employed for achieving objectives – To satisfy its long-term objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation investments are either held by the NMSIC, or in a variety of mutual funds to achieve its long-term return objectives within prudent risk constraints.

The following is a summary of endowments at June 30, 2024:

| <u>Restricted Endowments</u> | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|------------------------------|------------------------------|---------------------|-----------------------|---------------------------|
| Restricted, non-expendable | \$ 14,317,985 | \$ 305,111 | \$ - | \$ 14,623,096 |
| Restricted, expendable | <u>3,623,834</u> | <u>2,507,821</u> | <u>(1,191,788)</u> | <u>4,939,867</u> |
| Total restricted endowments | <u>\$ 17,941,819</u> | <u>\$ 2,812,932</u> | <u>\$ (1,191,788)</u> | <u>\$ 19,562,963</u> |

Leases – The Foundation is a lessor for noncancelable leases of an apartment complex with lease terms through June 30, 2026. For the year ended June 30, 2024, the Foundation recognized \$100,585 in lease revenue released from the deferred inflows of resources related to the leases. The Foundation recognized interest revenue of \$6,900 for the year ended June 30, 2024. No inflows of resources were recognized in the year related to termination penalties or residual value guarantees during the fiscal year.

The future principal and interest lease receipts as of June 30, 2024, were as follows:

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------|-------------------|------------------|-------------------|
| 2025 | \$ 86,081 | \$ 3,863 | \$ 89,944 |
| 2026 | <u>88,700</u> | <u>12,393</u> | <u>101,093</u> |
| | <u>\$ 174,781</u> | <u>\$ 16,256</u> | <u>\$ 191,037</u> |

Required Supplementary Information

New Mexico Institute of Mining and Technology
Schedule of Proportionate Share of the Net Pension Liability Educational Retirement Board (ERB) Pension Plan
June 30, 2024

| Fiscal Year-June 30, Measurement Date-June 30, | 2024 2023 | 2023 2022 | 2022 2021 | 2021 2020 | 2020 2019 | 2019 2018 | 2018 2017 | 2017 2016 | 2016 2015 | 2015 2014 |
|--------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|
| Institute's proportion of the net pension liability (asset) | 1.27683% | 1.28657% | 1.28582% | 1.29758% | 1.34392% | 1.34475% | 1.28524% | 1.30892% | 1.30317% | 1.30317% |
| Institute's proportionate share of the net pension liability | \$ 110,883,556 | \$ 108,351,213 | \$ 91,132,064 | \$ 262,966,133 | \$ 101,832,884 | \$ 159,908,673 | \$ 142,834,689 | \$ 94,195,558 | \$ 84,363,804 | \$ 74,355,364 |
| Institute's covered payroll | \$ 46,062,319 | \$ 38,390,757 | \$ 39,241,686 | \$ 39,489,483 | \$ 35,849,654 | \$ 34,954,101 | \$ 35,751,781 | \$ 35,561,330 | \$ 41,456,404 | \$ 35,272,861 |
| Institute's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 240.73% | 282.23% | 232.23% | 665.91% | 284.06% | 457.48% | 399.52% | 264.88% | 203.50% | 210.80% |
| Plan fiduciary net position as a percentage of the total pension liability | 65.19% | 64.87% | 69.77% | 39.11% | 64.13% | 52.17% | 52.95% | 61.58% | 63.97% | 66.54% |

New Mexico Institute of Mining and Technology
Schedule of Contributions Educational Retirement Board (ERB) Pension Plan
June 30, 2024

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Statutorily required contributions | \$ 8,972,409 | \$ 8,463,389 | \$ 6,603,452 | \$ 5,832,682 | \$ 5,864,890 | \$ 5,461,995 | \$ 5,230,496 | \$ 5,010,002 | \$ 5,146,388 | \$ 5,135,439 |
| Contribution in relation to the statutorily required contributions | \$ 8,972,409 | \$ 8,463,389 | \$ 6,603,452 | \$ 5,832,682 | \$ 5,864,890 | \$ 5,461,995 | \$ 5,230,496 | \$ 5,010,002 | \$ 5,146,388 | \$ 5,135,439 |
| Annual contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Institute covered payroll | \$ 46,062,319 | \$ 38,390,757 | \$ 39,241,686 | \$ 39,489,483 | \$ 37,509,750 | \$ 35,849,654 | \$ 34,954,101 | \$ 35,751,781 | \$ 35,561,330 | \$ 41,456,404 |
| Contributions as a percentage of covered payroll | 19.48% | 22.05% | 16.83% | 14.77% | 15.64% | 15.24% | 14.96% | 14.01% | 14.47% | 12.39% |

New Mexico Institute of Mining and Technology
Notes to Defined Benefit Retirement Plan RSI
Year Ended June 30, 2024

Changes in benefit provisions – There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2023.

Changes in assumptions and methods – Actuarial assumptions and methods are set by the Board, based upon recommendations made by the plan's actuary. The Board adopted new assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ending June 30, 2019. No changes have been made to the assumptions since the prior valuation.

New Mexico Institute of Mining and Technology
Schedule of Employer Contributions – Other Postemployment Benefits (OPEB)
Year Ended June 30, 2024

The schedule of the Institute's contributions presents multiyear trend information for the last 10 fiscal years. Fiscal year 2017 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 present.

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|----------------------------------------------------------------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 818,920 | \$ 754,734 | \$ 803,278 | \$ 689,092 | \$ 3,952,245 | \$ 2,239,377 | \$ 3,997,035 | \$ 4,998,780 |
| Contributions in relation to the actuarially determined contribution | <u>818,920</u> | <u>754,734</u> | <u>803,278</u> | <u>689,092</u> | <u>3,952,245</u> | <u>2,239,377</u> | <u>3,997,035</u> | <u>4,998,780</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll | \$ 56,944,216 | \$ 50,300,933 | \$ 48,652,784 | \$ 31,792,971 | \$ 30,618,535 | \$ 29,915,918 | \$ 28,337,003 | \$ 28,142,927 |
| Contributions as a percentage of payroll | 1.4% | 1.5% | 1.7% | 2.2% | 12.9% | 7.5% | 14.1% | 17.8% |

Notes to schedule

Valuation date July 1, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal – level % of salary

Asset valuation method Market value of assets

Healthcare cost trend rates Medical Pre-Medicare: 7.50% initially, reduced by decrements to a rate of 4.50% after nine years
 Medical Post-Medicare: 6.255% initially, reduced by decrements to a rate of 4.50% after nine years
 Pharmacy: 12.00% initially, reduced by decrement to a rate of 4.50% after nine years
 Dental and Vision: 3.00%

Salary increases 3.0%

Investment rate of return 5.25%

Retirement age 64

Mortality PUB-2010 "General" classification headcount-weighted mortality table with fully generation mortality improvement projections from the central year using Scale MP-2021

New Mexico Institute of Mining and Technology
Schedule of Changes in Net OPEB Liability and Related Ratios
Last 10 Fiscal Years*

The schedule of changes in the Institute's net OPEB liability and related ratios presents multiyear trend information for the last 10 fiscal years. Fiscal year 2017 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.

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|----------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total OPEB Liability | | | | | | | | |
| Service cost | \$ 3,561,473 | \$ 5,035,805 | \$ 2,993,435 | \$ 2,182,385 | \$ 1,999,196 | \$ 2,317,188 | \$ 2,697,731 | \$ 2,149,935 |
| Interest cost | 2,013,184 | 1,487,784 | 1,377,260 | 1,387,770 | 1,517,674 | 1,377,760 | 1,225,228 | 1,194,327 |
| Changes of benefit terms | - | - | - | - | - | - | - | - |
| Differences between expected and actual experience | (6,434,469) | - | 12,356,550 | - | (5,897,910) | - | - | - |
| Changes of assumptions | 1,032,242 | (15,164,279) | 7,720,129 | 6,895,230 | 2,050,286 | (1,486,903) | (3,354,656) | 3,706,743 |
| Benefit payments | (1,614,872) | (1,544,536) | (1,477,174) | (1,273,462) | (61,287) | (649,187) | (1,490,341) | (930,054) |
| Net change in total OPEB liability | (1,442,442) | (10,185,226) | 22,970,200 | 9,191,923 | (392,041) | 1,558,858 | (922,038) | 6,120,951 |
| Total OPEB liability, beginning | 54,108,558 | 64,293,784 | 41,323,584 | 32,131,661 | 32,523,702 | 30,964,844 | 31,886,882 | 25,765,931 |
| Total OPEB liability, ending ^(a) | 52,666,116 | 54,108,558 | 64,293,784 | 41,323,584 | 32,131,661 | 32,523,702 | 30,964,844 | 31,886,882 |
| Plan fiduciary net position | | | | | | | | |
| Contributions: employer | 754,734 | 803,278 | 689,092 | 705,438 | 2,239,377 | 3,997,035 | 4,998,780 | 4,936,193 |
| Contributions: member | 813,257 | 780,204 | 735,022 | 650,373 | 1,631,735 | 3,386,902 | 3,706,201 | 3,628,635 |
| Net investment income | 117,037 | (294,108) | 714,655 | 84,850 | 148,836 | 173,859 | 208,410 | 29,580 |
| Benefit payments | (1,614,872) | (1,544,536) | (1,477,174) | (1,273,462) | (61,287) | (649,187) | (1,490,341) | (930,054) |
| Administrative expenses | (149,105) | (125,740) | (97,012) | (88,179) | (306,363) | (359,518) | (378,843) | (388,416) |
| Other | 223,995 | (279,747) | 147,159 | 5,952 | (3,713,586) | (5,899,903) | (6,132,822) | (5,963,176) |
| Net change in plan fiduciary position | 145,046 | (660,649) | 711,742 | 84,972 | (61,288) | 649,188 | 911,385 | 1,312,762 |
| Plan fiduciary net position, beginning | 4,379,433 | 5,040,082 | 4,328,340 | 4,243,368 | 4,304,656 | 3,655,468 | 2,744,083 | 1,431,321 |
| Plan fiduciary net position, ending ^(b) | 4,524,479 | 4,379,433 | 5,040,082 | 4,328,340 | 4,243,368 | 4,304,656 | 3,655,468 | 2,744,083 |
| Net OPEB liability, ending ^{(a) - (b)} | \$ 48,141,637 | \$ 49,729,125 | \$ 59,253,702 | \$ 36,995,244 | \$ 27,888,293 | \$ 28,219,046 | \$ 27,309,376 | \$ 29,142,799 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 8.6% | 8.1% | 7.8% | 10.5% | 13.2% | 13.2% | 11.8% | 8.6% |
| Covered-employee payroll | \$ 56,944,216 | \$ 50,300,933 | \$ 48,652,784 | \$ 30,618,535 | \$ 29,915,918 | \$ 28,337,003 | \$ 28,142,927 | \$ 27,958,526 |
| Institute's net OPEB liability as a percentage of covered-employee payroll | 85% | 99% | 122% | 121% | 93% | 100% | 97% | 104% |

New Mexico Institute of Mining and Technology Schedule of OPEB Investment Returns Last 10 Fiscal Years*

Notes to schedule

Benefit changes – None

Changes in assumptions – The \$1,587,488 decrease in the liability from June 30, 2023 to June 30, 2024, is due mainly to the increase in the assumed discount rate, changes to the mortality table and trend rates.

The schedule of the Institute's OPEB investment returns present multiyear trend information for the last 10 fiscal years. Fiscal year 2017 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.

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------------------------------------------------------|--------|-------|---------|--------|-------|-------|-------|--------|
| Annual money-weighted rate of return, net of investment expense | 10.89% | 8.05% | -11.83% | 36.75% | 3.70% | 7.10% | 9.40% | 11.30% |

Supplementary Information

New Mexico Institute of Mining and Technology
Budget Comparison – Unrestricted and Restricted – All Operations (Schedule 1)
Year Ended June 30, 2024

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actuals</u> | <u>Final Budget vs Actuals Over (Under) Budget</u> |
|-------------------------------------------------------------------------|------------------------|----------------------|----------------------|----------------------------------------------------------------|
| Unrestricted and restricted beginning net position | \$ 43,309,968 | \$ 61,354,388 | \$ 61,354,388 | \$ - |
| Unrestricted and restricted revenues | | | | |
| State general fund appropriations | 64,824,754 | 64,824,754 | 69,402,539 | 4,577,785 |
| Restricted revenue sources | 105,778,612 | 145,778,612 | 123,537,941 | (22,240,671) |
| Tuition and fees | 13,282,451 | 13,936,435 | 14,452,699 | 516,264 |
| Land and permanent fund | 1,550,000 | 7,800,000 | 2,565,318 | (5,234,682) |
| Endowment earnings/private gifts | - | - | 8,378,389 | 8,378,389 |
| Other | 25,321,057 | 39,348,111 | 35,067,993 | (4,280,118) |
| Total unrestricted and restricted revenues | <u>210,756,874</u> | <u>271,687,912</u> | <u>253,404,879</u> | <u>(18,283,033)</u> |
| Total unrestricted and restricted revenues and net position budgeted | <u>254,066,842</u> | <u>333,042,300</u> | <u>314,759,267</u> | <u>(18,283,033)</u> |
| Unrestricted and restricted expenditures | | | | |
| Instruction and general | 54,113,472 | 59,409,324 | 48,781,411 | (10,627,913) |
| Student social and cultural | 995,075 | 1,730,545 | 1,337,196 | (393,349) |
| Research | 98,336,427 | 141,748,624 | 116,019,612 | (25,729,012) |
| Public service | 1,643,728 | 1,941,837 | 1,748,478 | (193,359) |
| Internal service departments | 9,852,050 | 12,533,521 | 9,429,066 | (3,104,455) |
| Student aid | 16,333,845 | 16,631,088 | 12,986,472 | (3,644,616) |
| Auxiliary enterprises | 7,191,556 | 8,221,590 | 7,836,995 | (384,595) |
| Independent operations | 10,321,674 | 11,563,294 | 10,888,248 | (675,046) |
| Capital outlay | 12,717,670 | 25,346,401 | 16,913,714 | (8,432,687) |
| Renewal and replacements | 1,449,000 | 7,949,000 | 1,184,388 | (6,764,612) |
| Retirement of indebtedness | 890,000 | 890,000 | 322,364 | (567,636) |
| Total unrestricted and restricted expenditures | <u>213,844,497</u> | <u>287,965,224</u> | <u>227,447,944</u> | <u>(60,517,280)</u> |
| Net transfers | <u>(179,980)</u> | <u>(179,980)</u> | <u>(448,289)</u> | <u>(268,309)</u> |
| Change in net (deficit) position (budgetary basis) | <u>(3,267,603)</u> | <u>(16,457,292)</u> | <u>25,508,646</u> | <u>41,965,938</u> |
| Ending net position | <u>\$ 40,042,365</u> | <u>\$ 44,897,096</u> | <u>\$ 86,863,034</u> | <u>\$ 41,965,938</u> |

Under Title 5 of the New Mexico Administrative Code, Chapter 3, Part 4, Paragraph 10 - Items of Budgetary Control: The total expenditures in each of the following budgetary functions will be used as the items of budgetary control. Total expenditures or transfers in each of these items of budgetary control may not exceed the amounts shown in the approved budget: A. Unrestricted expenditures and restricted expenditures, B. Instruction and general, C. Each budget function in current funds other than instruction and general, D. Within the plant funds budget: major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements and dent service, and E. Each individual items of transfer between funds and/or functions.

See accompanying notes.

New Mexico Institute of Mining and Technology
Unrestricted Revenues and Expenditures – Budget Comparisons (Schedule 2)
Year Ended June 30, 2024

| | Original Budget | Final Budget | Actuals | Final Budget vs Actuals Over (Under) Budget |
|----------------------------------------------------------|----------------------|----------------------|----------------------|------------------------------------------------------|
| Unrestricted beginning net position | \$ 43,309,968 | \$ 63,054,657 | \$ 63,054,657 | \$ - |
| Unrestricted revenues | | | | |
| Tuition | 11,086,114 | 11,633,972 | 11,628,960 | (5,012) |
| Miscellaneous fees | 2,196,337 | 2,302,463 | 2,823,739 | 521,276 |
| Government appropriation, federal | - | - | - | - |
| Government appropriation, state | 64,571,773 | 64,571,773 | 69,402,539 | 4,830,766 |
| Government appropriation, local | - | - | - | - |
| Government grants, federal | - | - | - | - |
| Government grants, state | 252,981 | 252,981 | 2,145,550 | 1,892,569 |
| Contracts, local | - | - | - | - |
| Private contracts | - | - | - | - |
| Endowments | - | - | 8,378,389 | 8,378,389 |
| Land and permanent fund | 1,550,000 | 1,900,000 | 2,565,318 | 665,318 |
| Private gifts | 128,000 | 128,000 | - | (128,000) |
| Sales and service | 9,152,661 | 10,352,661 | 9,613,085 | (739,576) |
| Other sources | 16,040,396 | 28,867,450 | 23,309,358 | (5,558,092) |
| Total unrestricted revenues | <u>104,978,262</u> | <u>120,009,300</u> | <u>129,866,938</u> | <u>9,857,638</u> |
| Total unrestricted revenues and net position budgeted | <u>148,288,230</u> | <u>183,063,957</u> | <u>192,921,595</u> | <u>9,857,638</u> |
| Unrestricted expenditures | | | | |
| Instruction and general | 54,113,472 | 59,409,324 | 48,781,411 | (10,627,913) |
| Student social and cultural | 995,075 | 1,730,545 | 1,337,196 | (393,349) |
| Research | 11,161,427 | 18,123,871 | 10,857,323 | (7,266,548) |
| Public service | 1,643,728 | 1,941,837 | 1,748,478 | (193,359) |
| Internal service departments | 1,550,736 | 2,404,909 | 1,428,440 | (976,469) |
| Student aid | 9,781,547 | 10,056,110 | 8,773,207 | (1,282,903) |
| Auxiliary enterprises | 7,191,556 | 8,221,590 | 7,836,995 | (384,595) |
| Independent operations | 6,571,674 | 7,813,294 | 7,094,287 | (719,007) |
| Capital outlay | 12,717,670 | 25,346,401 | 16,913,714 | (8,432,687) |
| Renewal and replacements | 1,449,000 | 7,949,000 | 1,184,388 | (6,764,612) |
| Retirement of indebtedness | 890,000 | 890,000 | 322,364 | (567,636) |
| Total unrestricted expenditures | <u>108,065,885</u> | <u>143,886,881</u> | <u>106,277,803</u> | <u>(37,609,078)</u> |
| Net transfers | <u>(179,980)</u> | <u>(179,980)</u> | <u>5,625,787</u> | <u>5,805,767</u> |
| Change in net (deficit) position (budgetary basis) | <u>(3,267,603)</u> | <u>(24,057,561)</u> | <u>29,214,922</u> | <u>53,272,483</u> |
| Ending net position | <u>\$ 40,042,365</u> | <u>\$ 38,997,096</u> | <u>\$ 92,269,579</u> | <u>\$ 53,272,483</u> |

See accompanying notes.

New Mexico Institute of Mining and Technology
Restricted Current Funds – Revenues and Expenditures
Budget Comparisons (Schedule 3)
Year Ended June 30, 2024

| | Original Budget | Final Budget | Actuals | Final Budget vs Actuals Over (Under) Budget |
|--------------------------------------------------------|--------------------|--------------------|--------------------|------------------------------------------------------|
| Restricted beginning net position | \$ - | \$ (1,700,269) | \$ (1,700,269) | \$ - |
| Restricted revenues | | | | |
| Tuition | - | - | - | - |
| Miscellaneous fees | - | - | - | - |
| Government appropriation, federal | 202,298 | 250,000 | 262,022 | 12,022 |
| Government appropriation, state | - | - | - | - |
| Government appropriation, local | - | - | - | - |
| Government grants, federal | 71,700,000 | 107,000,000 | 92,798,867 | (14,201,133) |
| Government grants, state | 4,500,000 | 6,800,000 | 5,968,512 | (831,488) |
| Contracts, other | 5,400,000 | 5,900,000 | 5,633,930 | (266,070) |
| Private contracts | 15,075,000 | 15,075,000 | 6,832,344 | (8,242,656) |
| Endowments | - | - | - | - |
| Land and permanent fund | - | - | - | - |
| Private gifts | - | - | - | - |
| Sales and service | 8,301,314 | 10,153,612 | 12,042,267 | 1,888,655 |
| Other sources | 600,000 | 600,000 | - | (600,000) |
| Total restricted revenues | <u>105,778,612</u> | <u>145,778,612</u> | <u>123,537,942</u> | <u>(22,240,670)</u> |
| Cash balance, budgeted | - | (1,700,269) | (1,700,269) | - |
| Total restricted revenues and net position budgeted | <u>105,778,612</u> | <u>144,078,343</u> | <u>121,837,673</u> | <u>(22,240,670)</u> |
| Restricted expenditures | | | | |
| Instruction and general | - | - | - | - |
| Student social and cultural | - | - | - | - |
| Research | 87,175,000 | 123,624,753 | 105,162,289 | (18,462,464) |
| Public service | - | - | - | - |
| Internal service departments | 8,301,314 | 10,128,612 | 8,000,625 | (2,127,987) |
| Student aid | 6,552,298 | 6,574,978 | 4,213,266 | (2,361,712) |
| Auxiliary enterprises | - | - | - | - |
| Intercollegiate athletics | - | - | - | - |
| Independent operations | 3,750,000 | 3,750,000 | 3,793,960 | 43,960 |
| Capital outlay | - | - | - | - |
| Renewal and replacements | - | - | - | - |
| Retirement of indebtedness | - | - | - | - |
| Total restricted expenditures | <u>105,778,612</u> | <u>144,078,343</u> | <u>121,170,140</u> | <u>(22,908,203)</u> |
| Net transfers | - | - | (6,074,075) | (6,074,075) |

See accompanying notes.

New Mexico Institute of Mining and Technology
Unrestricted Current Funds – Summary of Instruction and General
Budget Comparisons (Schedule 4)
Year Ended June 30, 2024

| | Original Budget | Final Budget | Actuals | Final Budget vs Actuals Over (Under) Budget |
|----------------------------------------------------|-----------------|---------------|---------------|------------------------------------------------------|
| Unrestricted beginning net position | \$ 3,225,487 | \$ 14,089,970 | \$ 14,089,970 | \$ - |
| Unrestricted revenues | | | | |
| Tuition | 11,086,114 | 11,633,972 | 11,628,960 | (5,012) |
| Miscellaneous fees | 1,752,837 | 1,858,963 | 1,951,561 | 92,598 |
| Government appropriation, federal | - | - | - | - |
| Government appropriation, state | 36,704,402 | 36,704,402 | 36,561,328 | (143,074) |
| Government appropriation, local | - | - | - | - |
| Government grants, federal | - | - | - | - |
| Government grants, state | - | - | - | - |
| Contracts, local | - | - | - | - |
| Private gift/contracts | - | - | - | - |
| Endowment earnings | - | - | 2,580 | 2,580 |
| Land and permanent fund | 1,550,000 | 1,900,000 | 2,565,318 | 665,318 |
| Private gifts | - | - | - | - |
| Sales and service | - | - | - | - |
| Other sources | 6,971,546 | 12,598,600 | 13,924,091 | 1,325,491 |
| Total unrestricted revenues | 58,064,899 | 64,695,937 | 66,633,838 | 1,937,901 |
| Unrestricted expenditures | | | | |
| Instruction | 23,573,018 | 26,543,767 | 21,096,516 | (5,447,251) |
| Academic support | 4,999,336 | 4,469,107 | 4,182,073 | (287,034) |
| Student services | 2,531,227 | 3,551,457 | 3,053,700 | (497,757) |
| Institutional support | 13,035,067 | 14,870,169 | 12,236,938 | (2,633,231) |
| Operation and maintenance of plant | 9,974,824 | 9,974,824 | 8,212,184 | (1,762,640) |
| Total unrestricted expenditures | 54,113,472 | 59,409,324 | 48,781,411 | (10,627,913) |
| Net transfers | (5,520,303) | (14,864,397) | (18,450,481) | (3,586,084) |
| Change in net (deficit) position (budgetary basis) | (1,568,876) | (9,577,784) | (598,054) | 8,979,730 |
| Ending net position | \$ 1,656,611 | \$ 4,512,186 | \$ 13,491,916 | \$ 8,979,730 |

See accompanying notes.

New Mexico Institute of Mining and Technology
Schedule of Pledged Collateral (Schedule 5)
June 30, 2024

| | Pledged Collateral | | | First State Bank Socorro, NM | Wells Fargo Socorro, NM | Total |
|--------------------------------------------------------------------|----------------------|---------------------------------|---------------|---------------------------------|----------------------------|----------------------|
| | Safekeeping Location | Type of Security | Maturity Date | | | |
| Funds on deposit | | | | | | |
| Deposits | | | | \$ 30,278,436 | \$ 2,390,698 | \$ 32,669,134 |
| FDIC insurance | | | | | | |
| Demand deposits | | | | (250,000) | (250,000) | (500,000) |
| Total uninsured public funds | | | | <u>\$ 30,028,436</u> | <u>\$ 2,140,698</u> | <u>\$ 32,169,134</u> |
| Fifty percent collateral requirement per Section 6-10-17 NMSA 1978 | | | | \$ 15,014,218 | \$ 1,070,349 | \$ 16,084,567 |
| Pledged collateral | Federal Reserve Bank | FHLB 3.250% CUSIP #3130AE3Z1 | 3/8/2030 | 3,830,495 | - | 3,830,495 |
| | | FFCB 4.375% CUSIP #3133EPDK8 | 3/15/3030 | 2,993,508 | - | 2,993,508 |
| | | FHLB 3.375% CUSIP #3130AEMB3 | 6/14/3030 | 3,235,410 | - | 3,235,410 |
| | | FFCB 3.150% CUSIP #3133ENXY1 | 6/2/3031 | 2,968,732 | - | 2,968,732 |
| | | FFCB 2.960% CUSIP #3133EHQV8 | 7/7/2031 | 4,208,292 | - | 4,208,292 |
| | | FHLB 3.500% CUSIP #3130AS2U2 | 6/11/3032 | 2,019,823 | - | 2,019,823 |
| | | FHLB 4.375% CUSIP #3130AV4X7 | 3/11/3033 | 3,079,272 | - | 3,079,272 |
| | | FFCB 4.500% CUSIP 3133EPSE6 | 8/8/3033 | 2,984,884 | - | 2,984,884 |
| | | FFCB 4.375% CUSIP #3133EN5Z9 | 1/13/2038 | 3,042,685 | - | 3,042,685 |
| | BNY Mellon | GNMA 5.00% CUSIP #36179YDJ0 | 7/20/2053 | - | 238,201 | 238,201 |
| | | GNMA 2.50% CUSIP #36179WNE4 | 9/20/2051 | - | 277,652 | 277,652 |
| | | FMAC 1.500% CUSIP #3132DWAV5 | 1/1/2051 | - | 3,868,373 | 3,868,373 |
| Total collateral | | | | <u>28,363,101</u> | <u>4,384,226</u> | <u>32,747,327</u> |
| Excess of pledged collateral over the required amount | | | | <u>\$ 13,348,883</u> | <u>\$ 3,313,877</u> | <u>\$ 16,662,760</u> |

See accompanying notes.

New Mexico Institute of Mining and Technology
Schedule of Individual Deposit and Investment Accounts – Institute (Schedule 6)
June 30, 2024

| Financial Institution: Account name | Account Type | Bank Balance | Outstanding (Checks) Deposits | Book Balance |
|-----------------------------------------------|------------------------------------|---------------|----------------------------------|---------------|
| Deposits | | | | |
| First State Bank | | | | |
| Comptroller cash on deposit | Checking (non-interest bearing) | \$ 29,561,299 | \$ (541,533) | \$ 29,019,766 |
| Payroll cash on deposit | Checking (non-interest bearing) | 167,542 | (157,542) | 10,000 |
| NMEAF cash on deposit | Checking (interest bearing) | 169,523 | - | 169,523 |
| Commercial savings | Savings (interest bearing) | 45,128 | - | 45,128 |
| Research park corporation | Checking (non-interest bearing) | 334,944 | - | 334,944 |
| | | 30,278,436 | (699,075) | 29,579,361 |
| Wells Fargo | | | | |
| Vendor cash on deposit | Checking (non-interest bearing) | 2,360,841 | (1,360,841) | 1,000,000 |
| Benefit trust operating | Checking (non-interest bearing) | 20,241 | (1,813) | 18,428 |
| Flexible spending account | Checking (non-interest bearing) | 9,616 | (200) | 9,416 |
| | | 2,390,698 | (1,362,854) | 1,027,844 |
| Total deposit accounts | | 32,669,134 | (2,061,929) | 30,607,205 |
| Other | | | | |
| Petty cash | | 23,515 | - | 23,515 |
| Total cash | | 32,692,649 | (2,061,929) | 30,630,720 |
| Investments | | | | |
| Morgan Stanley | | | | |
| Langmuir endowment | Investment | 3,537,721 | - | 3,537,721 |
| TD Ameritrade | | | | |
| New Mexico Institute of Mining and Technology | Investment | 359,040 | - | 359,040 |
| New Mexico State Investment Council | | | | |
| New Mexico Institute of Mining and Technology | Investment | 96,897,488 | - | 96,897,488 |

See accompanying notes.

New Mexico Institute of Mining and Technology
Schedule of Individual Deposit and Investment Accounts –
Discretely Presented Component Unit (Schedule 7)
June 30, 2024

| Financial Institution: Account name | Account Type | Bank Balance | Outstanding (Checks) Deposits | Book Balance |
|---------------------------------------------------|------------------------------------|---------------|-------------------------------------|---------------|
| Deposits | | | | |
| First State Bank | | | | |
| Checking | Checking (non-interest bearing) | \$ 2,002,561 | \$ (788) | \$ 2,001,773 |
| Saving | Saving (interest bearing) | 43,201 | - | 43,201 |
| | | 2,045,762 | (788) | 2,044,974 |
| Wells Fargo | | | | |
| Checking | Checking (interest bearing) | 68,748 | - | 68,748 |
| Total deposit accounts | | 2,114,510 | (788) | 2,113,722 |
| Total cash | | 2,114,510 | (788) | 2,113,722 |
| Investments | | | | |
| New Mexico State Investment Council | | | | |
| New Mexico Tech Research Foundation | Investment | 39,933,003 | - | 39,933,003 |
| Total investments | | 39,933,003 | - | 39,933,003 |
| Total cash and investments | | \$ 42,047,513 | \$ (788) | \$ 42,046,725 |
| Cash and investments on statement of net position | | | | \$ 42,046,725 |

See accompanying notes.

New Mexico Institute of Mining and Technology
Schedule of Multiple-Year Capital Projects Funded by General Obligation Revenue Bond and Severance Tax Bond
Capital Outlay Appropriations from the State (Schedule 8)
Year Ended June 30, 2024

| Project Description | Authority/ Chapter | Laws | Appropriation Period | Expiration | Total Appropriation | Bonds Sold to Date | Bonds Unsold | Amount Available | Prior Year Expenditures | Current Year Expenditures | Art in Public Places | Current Year Reversion Amount | Unencumbered Balance |
|--------------------------------------------------------|-----------------------|------|-------------------------|------------|------------------------|-----------------------|--------------|----------------------|----------------------------|------------------------------|-------------------------|-------------------------------------|-------------------------|
| General Obligation Revenue Bond | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | |
| Academic Library Resource Acquisitions | Ch 84, Sect 10 | 2020 | 2021 | 6/30/2024 | \$ 49,505 | \$ 49,505 | \$ - | \$ 49,505 | \$ - | \$ 49,505 | \$ - | \$ - | \$ - |
| Academic Library Resource Acquisitions | Ch 55, Sect 10B | 2022 | 2023 | 6/30/2026 | 111,584 | 111,584 | - | 111,584 | - | 20,048 | - | - | 91,536 |
| NMIMT Kelly Hall Construction | Ch 84, Sect 10 | 2020 | 2021 | 6/30/2024 | 10,000,000 | 10,000,000 | - | 10,000,000 | - | 9,900,000 | 100,000 | - | - |
| NMIMT Kelly Hall Construction | Ch 55, Sect 10C | 2022 | 2023 | 6/30/2026 | 3,300,000 | 3,300,000 | - | 3,300,000 | - | - | 33,000 | - | 3,267,000 |
| NMIMT Playas Research Center Infrastructure Upgrade | Ch 55, Sect 10C | 2022 | 2023 | 6/30/2026 | 5,000,000 | 5,000,000 | - | 5,000,000 | - | - | - | - | 5,000,000 |
| Total General Obligation Revenue Bonds | | | | | <u>\$ 18,461,089</u> | <u>\$ 18,461,089</u> | <u>\$ -</u> | <u>\$ 18,461,089</u> | <u>\$ -</u> | <u>\$ 9,969,553</u> | <u>\$ 133,000</u> | <u>\$ -</u> | <u>\$ 8,358,536</u> |
| Severance Tax Bond | | | | | | | | | | | | | |
| NMIMT Electronic Door Lock | | | | | | | | | | | | | |
| System Upgrade Campuswide | Ch 81, Sect 42 | 2020 | 2021 | 6/30/2024 | \$ 300,000 | \$ 300,000 | \$ - | \$ 300,000 | \$ - | \$ - | \$ - | \$ - | \$ 300,000 |
| NMIMT Electronic Door Lock | | | | | | | | | | | | | |
| System Upgrade Campuswide REAUTH | Ch 65, Sect 229 | 2024 | 2025 | 6/30/2026 | \$ 300,000 | \$ 300,000 | \$ - | \$ 300,000 | \$ - | \$ - | \$ - | \$ - | \$ 300,000 |
| NMIMT Infrastructure Upgrades | Ch 138, Sect 38 | 2021 | 2022 | 6/30/2025 | 2,520,000 | 2,520,000 | - | 2,520,000 | 327,424 | 1,625,006 | - | - | 567,570 |
| NMIMT Kelly Hall Construction | Ch 138, Sect 38 | 2021 | 2022 | 6/30/2025 | 351,000 | 351,000 | - | 351,000 | - | 347,490 | 3,510 | - | - |
| NMIMT Vehicles & Equipment Purchases | Ch 53, Sect 53 | 2022 | 2023 | 6/30/2024 | 300,000 | 300,000 | - | 300,000 | 130,285 | 169,247 | - | - | 468 |
| Total Severance Tax Bonds | | | | | <u>\$ 3,771,000</u> | <u>\$ 3,771,000</u> | <u>\$ -</u> | <u>\$ 3,771,000</u> | <u>\$ 457,709</u> | <u>\$ 2,141,743</u> | <u>\$ 3,510</u> | <u>\$ -</u> | <u>\$ 1,168,038</u> |
| Total Capital Appropriation | | | | | <u>\$ 22,232,089</u> | <u>\$ 22,232,089</u> | <u>\$ -</u> | <u>\$ 22,232,089</u> | <u>\$ 457,709</u> | <u>\$ 12,111,296</u> | <u>\$ 136,510</u> | <u>\$ -</u> | <u>\$ 9,526,574</u> |

See accompanying notes.

New Mexico Institute of Mining and Technology
Schedule of Joint Powers Agreements (Schedule 9)
Year Ended June 30, 2024

| Other Participant(s) | Party Responsible for Operations | Description | Beginning Date | Ending Date | Total Estimated Cost | FY 2024 Contributions | Audit Responsibility | Fiscal Responsibility | Equity Reporting Cost |
|------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| Socorro County | Socorro County | County to use equipment owned by NMIMT for the construction and maintenance of the landfill | 4/12/1994 | Ongoing | None | None | Both | Both | Both |
| City of Socorro | City of Socorro | County to use equipment owned by NMIMT for the construction and maintenance of the landfill | 7/18/1994 | Ongoing | None | None | Both | Both | Both |
| City of Socorro | Both | City to maintain the road from the ramp on Interstate 25 (Escondida Exit) to NMIMT property line approximately 3400 feet to the north of the current EMRTC parking lot. NMIMT will provide an ingress and egress easement to the City and maintain the portion of EMRTC roadway that lies on NMIMT property | 2/7/1996 | Ongoing | None | None | Both | Both | Both |
| Public educational institutions within State of New Mexico | Department of Finance and Administration | The participating members may cooperate on an equitable cost basis in securing services | 12/18/1984 | Ongoing | None | None | Both | Both | Both |
| New Mexico State Investment Council | Both | SIC appointed as the fiduciary authorized to invest the long-term reserves of the Institute through SIC Long-term Pooled Investment Funds. | 10/21/2021 | 10/20/2025 (Plus optional 4-year renewal period) | None | None | SIC | Both | Both |

See accompanying notes.

New Mexico Institute of Mining and Technology

Schedule of Expenditures of Federal Awards (Schedule 10)

Year Ended June 30, 2024

| Federal Grantor/Program Title | Award Number | Pass-Through Entity | Funding Agency Identification Number/Contract ID | Assistance Listing Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|----------------------------------------------------------------------------------|--------------|--------------------------------------------|--------------------------------------------------|---------------------------|----------------------------------------|----------------------------|
| RESEARCH AND DEVELOPMENT CLUSTER | | | | | | |
| U.S. Department of Defense | | | | | | |
| Direct Awards | | | | | | |
| Basic Scientific Research | AFAM | | W911NF2020190 | 12.431 | \$ - | \$ 710,744 |
| Basic, Applied, and Advanced Research in Science and Engineering | FDEM | | FA8651-23-1-0011 | 12.630 | - | 90,230 |
| Air Force Defense Research Sciences Program | FSDP | | FA9550-19-10379 | 12.800 | - | 40,975 |
| Air Force Defense Research Sciences Program | FSWI | | FA9453-22-3-0002 | 12.800 | 824,059 | 10,404,977 |
| <i>Subtotal Air Force Defense Research Sciences Program</i> | | | | | <u>824,059</u> | <u>10,445,952</u> |
| Research and Technology Development | FITP | | FA9453-22-2-0040 | 12.910 | 455,074 | 4,364,277 |
| Total Direct U.S. Department of Defense | | | | | <u>1,279,133</u> | <u>15,611,203</u> |
| Pass-through | | | | | | |
| Military Medical Research and Development | PLBD | The Geneva Foundation | S-1174-02 | 12.420 | - | 59,454 |
| Basic, Applied, and Advanced Research in Science and Engineering | TDJM | MSI STEM Research & Development Consortium | W911SR19F0050 (#0054) | 12.630 | - | 30,430 |
| Basic, Applied, and Advanced Research in Science and Engineering | TWBB2 | MSI STEM Research & Development Consortium | W911SR21F0008 (#0049) | 12.630 | - | 491,797 |
| Basic, Applied, and Advanced Research in Science and Engineering | TMRA | MSI STEM Research & Development Consortium | W911SR21F0011 (0050) | 12.630 | - | 318,231 |
| Basic, Applied, and Advanced Research in Science and Engineering | TDPD | MSI STEM Research & Development Consortium | W911SR19F0055 (#0034) | 12.630 | 41,146 | 45,512 |
| <i>Subtotal Basic, Applied, and Advanced Research in Science and Engineering</i> | | | | | <u>41,146</u> | <u>885,970</u> |
| Total Pass-through U.S. Department of Defense | | | | | <u>41,146</u> | <u>945,424</u> |
| Total U.S. Department of Defense | | | | | <u>1,320,279</u> | <u>16,556,627</u> |
| U.S Department of Energy | | | | | | |
| Direct Awards | | | | | | |
| Office of Science Financial Assistance Program | DISO | | DE-SC0023665 | 81.049 | 63,321 | 418,885 |
| Office of Science Financial Assistance Program | DDRT | | DE-SC0022261 | 81.049 | - | 185,264 |
| Office of Science Financial Assistance Program | DREE | | DE-SC0022269 | 81.049 | 160,984 | 555,762 |
| Office of Science Financial Assistance Program | DTDB | | DE-SC0021106 | 81.049 | - | 156,182 |
| Office of Science Financial Assistance Program | DLMS | | DE-SC0024595 | 81.049 | - | 103,163 |
| <i>Subtotal Office of Science Financial Assistance Program</i> | | | | | <u>224,305</u> | <u>1,419,256</u> |
| Conservation Research and Development | DDLE | | DE-EE0010879 | 81.086 | - | 7,973 |
| Fossil Energy Research and Development | DACF | | DE-FE0032064 | 81.089 | 102,557 | 314,962 |
| Fossil Energy Research and Development | DHBM | | DE-FE0032369 | 81.089 | - | 368,506 |
| Fossil Energy Research and Development | DCAR | | DE-FE0031890 | 81.089 | 27,092 | 236,212 |
| Fossil Energy Research and Development | DCOR | | DE-FE0032051 | 81.089 | 96,533 | 670,939 |
| Fossil Energy Research and Development | DCUS | | DE-FE0031837 | 81.089 | 2,132,263 | 2,858,942 |
| Fossil Energy Research and Development | DSWT | | DE-FC26-05NT42591 | 81.089 | 1,019,177 | 2,271,251 |
| Fossil Energy Research and Development | DICE | | DE-FE0032257 | 81.089 | - | 193,212 |
| Advanced Research Projects Agency - Energy | DESH | | DE-AR0001863 | 81.135 | - | 8,308 |
| Advanced Research Projects Agency - Energy | DHYD | | DE-AR0001869 | 81.135 | - | 14,934 |
| <i>Subtotal Advanced Research Projects Agency - Energy</i> | | | | | <u>3,377,622</u> | <u>6,937,266</u> |
| Total Direct U.S. Department of Energy | | | | | <u>3,601,927</u> | <u>8,364,495</u> |

See accompanying notes to schedule of expenditures of federal awards.

New Mexico Institute of Mining and Technology
Schedule of Expenditures of Federal Awards (Schedule 10)
Year Ended June 30, 2024

| Federal Grantor/Program Title | Award Number | Pass-Through Entity | Funding Agency Identification Number/Contract ID | Assistance Listing Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|-------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------|--------------------------------------------------|---------------------------|----------------------------------------|----------------------------|
| Pass-through | | | | | | |
| Fossil Energy Research and Development | MUIN | University of Utah | 10066278-NMT-23 | 81.089 | - | 8,526 |
| Fossil Energy Research and Development | PSCS | GTI Energy | SR122-234488 | 81.089 | - | 2,771 |
| Subtotal Fossil Energy Research and Development | | | | | - | 11,297 |
| National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program | MIPF | University of New Mexico | 023405-8746 | 81.123 | - | 177,701 |
| National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program | MTED | Texas Tech University | 21E002-02 | 81.123 | - | 205,073 |
| Subtotal National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program | | | | | - | 382,774 |
| Academic Programs | PPWD | NMC Inc | 893-003 | 81.252 | - | 373,032 |
| Unknown | PLDF | NMC Inc | 37193 | 81.RD | - | 38,110 |
| Unknown | PMSC | NMC Inc | 41779 | 81.RD | - | 40,664 |
| Unknown | PNMR | NMC Inc | 811-012 | 81.RD | - | 133,015 |
| Unknown | PSAE | NMC Inc | 37194 | 81.RD | - | 12,468 |
| Total Pass-through U.S. Department of Energy | | | | | - | 991,360 |
| Total U.S. Department of Energy | | | | | 3,601,927 | 9,355,855 |
| National Aeronautics & Space Administration | | | | | | |
| Direct Awards | | | | | | |
| Science | YAGD | | 80NSSC21K1547 | 43.001 | - | 48,153 |
| Science | YGHB | | 80NSSC20K0619 | 43.001 | 17,654 | 98,489 |
| Science | YNEO2 | | 80NSSC19K0425 | 43.001 | - | 51,109 |
| Science | YNEO3 | | 80NSSC24K0324 | 43.001 | - | 475,165 |
| Science | YORG | | 80NSSC21M0214 | 43.001 | - | 11,032 |
| Science | YHTO | | 80NSSC24K0111 | 43.001 | - | 8,300 |
| Science | YPAE | | 80NSSC23K0641 | 43.001 | - | 148,851 |
| Subtotal Science | | | | | 17,654 | 841,099 |
| Office of Stem Engagement (OSTEM) | YPSP | | 80NSSC24K0591 | 43.008 | - | 765 |
| Total Direct National Aeronautics & Space Administration | | | | | 17,654 | 841,864 |
| Pass-through | | | | | | |
| Science | MDVO | Regents of New Mexico State University | Q02148 | 43.001 | - | 7,576 |
| Science | MDOD | Assoc of Universities for Research in Astronomy Inc | HST-GO-16880.008-A | 43.001 | - | 5,208 |
| Subtotal Science | | | | | - | 12,784 |
| Office of Stem Engagement (OSTEM) | MNGA | Regents of New Mexico State University | Q02210 | 43.008 | - | 40,302 |
| Office of Stem Engagement (OSTEM) | MDAD | Regents of New Mexico State University | Q02560 | 43.008 | - | 2,692 |
| Office of Stem Engagement (OSTEM) | MSFR | Regents of New Mexico State University | Q02362 | 43.008 | - | 16,800 |
| Office of Stem Engagement (OSTEM) | MSPW | Regents of New Mexico State University | Q02520 | 43.008 | - | 95,811 |
| Office of Stem Engagement (OSTEM) | MOVE | Regents of New Mexico State University | Q02377 | 43.008 | - | 24,909 |

See accompanying notes to schedule of expenditures of federal awards.

New Mexico Institute of Mining and Technology
Schedule of Expenditures of Federal Awards (Schedule 10)
Year Ended June 30, 2024

| Federal Grantor/Program Title | Award Number | Pass-Through Entity | Funding Agency Identification Number/Contract ID | Assistance Listing Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|---------------------------------------------------------------------------|--------------|----------------------------------------|--------------------------------------------------|---------------------------|----------------------------------------|----------------------------|
| Office of Stem Engagement (OSTEM) | MBHP | Regents of New Mexico State University | Q02564 | 43.008 | - | 18,545 |
| Office of Stem Engagement (OSTEM) | MSPC | Regents of New Mexico State University | Q02453 | 43.008 | - | 3,700 |
| Office of Stem Engagement (OSTEM) | MSPC2 | Regents of New Mexico State University | Q02559 | 43.008 | - | 10,462 |
| Office of Stem Engagement (OSTEM) | MDWP | Regents of New Mexico State University | Q02548 | 43.008 | - | 13,825 |
| <i>Subtotal Office of Stem Engagement (OSTEM)</i> | | | | | - | <u>227,046</u> |
| Total Pass-through National Aeronautics & Space Administration | | | | | - | <u>239,830</u> |
| Total National Aeronautics & Space Administration | | | | | 17,654 | 1,081,694 |
| National Science Foundation | | | | | | |
| Direct Awards | | | | | | |
| Engineering | | | | | | |
| | SMET | | 2301545 | 47.041 | - | 44,437 |
| Mathematical and Physical Sciences | SDBA | | 2046670 | 47.049 | - | 55,610 |
| Mathematical and Physical Sciences | SEST | | 2316559 | 47.049 | - | 92,498 |
| Mathematical and Physical Sciences | SFBT | | 2104755 | 47.049 | - | 89,964 |
| Mathematical and Physical Sciences | SHRS | | 2213518 | 47.049 | - | 72,515 |
| Mathematical and Physical Sciences | SLCM | | 2329006 | 47.049 | - | 96,798 |
| Mathematical and Physical Sciences | SPMR | | 2206803 | 47.049 | 21,241 | 137,358 |
| <i>Subtotal Mathematical and Physical Sciences</i> | | | | | <u>21,241</u> | <u>544,743</u> |
| Geosciences | SAFZ | | 2026858 | 47.050 | - | 41,426 |
| Geosciences | SCAR | | 2046043 | 47.050 | - | 149,560 |
| Geosciences | SCAS | | 2034896 | 47.050 | - | 96,875 |
| Geosciences | SEFO | | 1949185 | 47.050 | - | 94,343 |
| Geosciences | SGAD | | 2422236 | 47.050 | - | 4,594 |
| Geosciences | SGMW | | 1745015 | 47.050 | - | 46,274 |
| Geosciences | SHSO | | 2239710 | 47.050 | - | 71,460 |
| Geosciences | SMAD | | 2111939 | 47.050 | - | 96,195 |
| Geosciences | SMAT | | AST-1814011 | 47.050 | - | 3,445 |
| Geosciences | SMBT | | 1852794 | 47.050 | - | 28,649 |
| Geosciences | SMEX | | 2234705 | 47.050 | - | 57,219 |
| Geosciences | SOTP | | 2034817 | 47.050 | - | 277,108 |
| Geosciences | SRED | | 1917069 | 47.050 | - | 13,189 |
| Geosciences | SREE2 | | 2039674 | 47.050 | - | 51,472 |
| Geosciences | SRES | | 1925974 | 47.050 | - | 105,601 |
| Geosciences | SSEA | | EAR 2054299 | 47.050 | - | 12,701 |
| Geosciences | SSLH | | 2022465 | 47.050 | - | 59,530 |
| Geosciences | SSTS2 | | 2214044 | 47.050 | - | 450,694 |
| <i>Subtotal Geosciences</i> | | | | | - | <u>1,660,335</u> |
| Computer and Information Science and Engineering | SADS | | 2323050 | 47.070 | 22,747 | 86,097 |
| Computer and Information Science and Engineering | SCYS | | 2150145 | 47.070 | - | 152,732 |
| Computer and Information Science and Engineering | SISC | | 2245747 | 47.070 | - | 2,378 |
| Computer and Information Science and Engineering | SIPS | | 2219616 | 47.070 | - | 98,658 |
| <i>Subtotal Computer and Information Science and Engineering</i> | | | | | <u>22,747</u> | <u>339,865</u> |

See accompanying notes to schedule of expenditures of federal awards.

New Mexico Institute of Mining and Technology
Schedule of Expenditures of Federal Awards (Schedule 10)
Year Ended June 30, 2024

| Federal Grantor/Program Title | Award Number | Pass-Through Entity | Funding Agency Identification Number/Contract ID | Assistance Listing Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|----------------------------------------------------|--------------|---------------------------------------------------|--------------------------------------------------|---------------------------|----------------------------------------|----------------------------|
| Biological Sciences | SGCP | | 2145811 | 47.074 | - | 208,488 |
| Education and Human Resources | SCCE | | 1946650 | 47.076 | - | 37,272 |
| Education and Human Resources | SCYC | | DGE-1303051 | 47.076 | - | 1,318 |
| Education and Human Resources | SIES2 | | 2244129 | 47.076 | - | 37,914 |
| Education and Human Resources | SSCH | | 2030677 | 47.076 | - | 197,254 |
| Education and Human Resources | SSFS | | 1946650 | 47.076 | - | 379,964 |
| Subtotal Education and Human Resources | | | | | <u>-</u> | <u>653,722</u> |
| Polar Programs | SWAE | | 2122248 | 47.078 | - | 87,119 |
| Integrative Activities | SCOT | | 2145810 | 47.083 | - | 142,840 |
| Integrative Activities | SPSP | | 2327493 | 47.083 | - | 61,316 |
| Subtotal Integrative Activities | | | | | <u>-</u> | <u>204,156</u> |
| Total Direct National Science Foundation | | | | | <u>43,988</u> | <u>3,742,865</u> |
| Pass-through | | | | | | |
| Engineering | MRUS | University of New Mexico | 286085-8746 | 47.041 | - | 93,548 |
| Mathematical and Physical Sciences | MTCR | National Radio Astronomy Observatory | 377393 | 47.049 | - | 1,687 |
| Mathematical and Physical Sciences | MNRW | National Radio Astronomy Observatory | 378885 | 47.049 | - | 38,123 |
| Mathematical and Physical Sciences | MKRK | National Radio Astronomy Observatory | 381297 | 47.049 | - | 31,071 |
| Mathematical and Physical Sciences | MDTC | National Radio Astronomy Observatory | PO 374753 | 47.049 | - | 35,933 |
| Mathematical and Physical Sciences | MNRT | National Radio Astronomy Observatory | 381378 | 47.049 | - | 27,178 |
| Subtotal Mathematical and Physical Sciences | | | | | <u>-</u> | <u>133,992</u> |
| Geosciences | MCIG | Regents of the University of California | A23-0097-S001 | 47.050 | - | 20,176 |
| Geosciences | MVAN | Vanderbilt University | 60300/P19014830 | 47.050 | - | 2,223 |
| Geosciences | MGEM | University of Florida | SUB00002033 | 47.050 | - | 56,647 |
| Geosciences | MMEN | University of Southern California | SCON-00006512 | 47.050 | - | 15,708 |
| Geosciences | MGEM2 | University of Florida | SUB00003832 | 47.050 | - | 35,239 |
| Geosciences | PNGE5 | Incorporated Research Institutions for Seismology | SU-19-1001-04-NMT-5 | 47.050 | - | 1,199,328 |
| Geosciences | PNGE6 | Earth Scope Consortium Inc. | SU-19-1001-04-NMT | 47.050 | - | 243,982 |
| Geosciences | PAGE | Earth Scope Consortium Inc. | NMT-SU24-EAR231479-S1001 | 47.050 | - | 19,354 |
| Geosciences | PVRU | University Corporation for Atmospheric Research | P2023523 | 47.050 | - | 933 |
| Subtotal Geosciences | | | | | <u>-</u> | <u>1,593,590</u> |

See accompanying notes to schedule of expenditures of federal awards.

New Mexico Institute of Mining and Technology

Schedule of Expenditures of Federal Awards (Schedule 10)

Year Ended June 30, 2024

| Federal Grantor/Program Title | Award Number | Pass-Through Entity | Funding Agency Identification Number/Contract ID | Assistance Listing Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|-----------------------------------------------------------------------|--------------|----------------------------------------|--------------------------------------------------|---------------------------|----------------------------------------|----------------------------|
| Education and Human Resources | MAMT6 | Regents of New Mexico State University | Q02003 | 47.076 | - | 47,279 |
| Education and Human Resources | MDEP | American Physical Society | EP3-006-2021 | 47.076 | - | 17,806 |
| Education and Human Resources | MHQS | Regents of New Mexico State University | Q02015 | 47.076 | - | 109,346 |
| Subtotal Education and Human Resources | | | | | - | 174,431 |
| Integrative Activities | MGRD | University of New Mexico | 063049-8746 | 47.083 | - | 107,189 |
| NSF Technology, Innovation, and Partnerships | MAER | University of Texas at Austin | UTAUS-SUB00001068 | 47.084 | - | 15,150 |
| Total Pass-through National Science Foundation | | | | | - | 2,117,900 |
| Total National Science Foundation | | | | | 43,988 | 5,860,765 |
| U.S. Department of the Interior | | | | | | |
| Direct Awards | | | | | | |
| Earth Mapping Resources Initiative | UCMW | | G22AC00510 | 15.073 | - | 135,854 |
| Earth Mapping Resources Initiative | UGBH | | G23AC00373 | 15.073 | - | 43,794 |
| Earth Mapping Resources Initiative | UIMW | | G23AC00497 | 15.073 | - | 51,282 |
| Earth Mapping Resources Initiative | UNUR | | G23AC00561 | 15.073 | 18,345 | 46,933 |
| Subtotal Earth Mapping Resources Initiative | | | | | 18,345 | 277,863 |
| Environmental Quality and Protection | RRFD | | L22AC00376 | 15.236 | - | 10,523 |
| Rangeland Resource Management | RVEG | | L20AC00237 | 15.237 | - | 2,434 |
| Water Desalination Research and Development | RCWR | | R23AC00431 | 15.506 | - | 28,910 |
| Water Desalination Research and Development | RDWP | | R21AC10268 | 15.506 | - | 73,718 |
| Water Desalination Research and Development | RHOH | | R21AC10154 | 15.506 | 7,071 | 7,070 |
| Subtotal Water Desalination Research and Development | | | | | 7,071 | 109,698 |
| Applied Science Grants | RWDA | | R22AP00290 | 15.557 | - | 78,367 |
| SECURE Water Act - Research Agreements | RP2P | | R21AC10212 | 15.560 | - | 48,078 |
| SECURE Water Act - Research Agreements | RWDI | | R19AP00290 | 15.560 | - | 72,881 |
| Subtotal SECURE Water Act - Research Agreements | | | | | - | 120,959 |
| Earthquake Hazards Program Assistance | UMLC | | G22AP00249 | 15.807 | - | 3,370 |
| National Cooperative Geologic Mapping | UATB | | G23AC00190 | 15.810 | - | 22,255 |
| National Cooperative Geologic Mapping | UNMS | | G22AC00601 | 15.810 | - | 270,002 |
| National Cooperative Geologic Mapping | UNST | | G23AC00578 | 15.810 | - | 400,127 |
| National Cooperative Geologic Mapping | UUCM | | G23AC00182 | 15.810 | - | 29,617 |
| Subtotal National Cooperative Geologic Mapping | | | | | - | 722,001 |
| National Geological and Geophysical Data Preservation | UCPM | | G23AP00332 | 15.814 | - | 40,110 |
| National Geological and Geophysical Data Preservation | UDPR | | G24AP00166 | 15.814 | - | 2,284 |
| Subtotal National Geological and Geophysical Data Preservation | | | | | - | 42,394 |
| National Ground-Water Monitoring Network | UNGW5 | | G22AC00116 | 15.980 | - | 11,024 |
| National Ground-Water Monitoring Network | UNGW6 | | G23AC00310 | 15.980 | - | 5,202 |
| Subtotal National Ground-Water Monitoring Network | | | | | - | 16,226 |
| Total Direct U.S. Department of the Interior | | | | | 25,416 | 1,383,835 |

See accompanying notes to schedule of expenditures of federal awards.

New Mexico Institute of Mining and Technology
Schedule of Expenditures of Federal Awards (Schedule 10)
Year Ended June 30, 2024

| Federal Grantor/Program Title | Award Number | Pass-Through Entity | Funding Agency Identification Number/Contract ID | Assistance Listing Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|------------------------------------------------------------------------|--------------|----------------------------------------|--------------------------------------------------|---------------------------|----------------------------------------|----------------------------|
| Pass-through Earth Mapping Resources Initiative | MLPB | Department of the Interior | 689204 | 15.073 | - | 61,258 |
| U.S. Geological Survey Research and Data Collection | MC3D | University of Southern California | SCON-00004768 | 15.808 | - | 13,070 |
| Total Pass-through U.S. Department of the Interior | | | | | <u>-</u> | <u>74,328</u> |
| Total U.S. Department of the Interior | | | | | 25,416 | 1,458,163 |
| U.S. Department of Transportation | | | | | | |
| Pass-through | | | | | | |
| Highway Planning and Construction | MCAM | US Department of Transportation | C06333 / P921060 | 20.205 | 21,670 | 284,402 |
| Total Pass-through U.S. Department of Transportation | | | | | <u>21,670</u> | <u>284,402</u> |
| Total U.S. Department of Transportation | | | | | 21,670 | 284,402 |
| U.S. Department of Health and Human Services | | | | | | |
| Direct Awards | | | | | | |
| Occupational Safety and Health Program | RMER | | 1 U60OH012351-01-00 | 93.262 | 229,527 | 1,266,713 |
| Biomedical Research and Research Training | RPRL | | 1R15GM150071-01 | 93.859 | - | 109,710 |
| Total Direct U.S. Department of Health and Human Services | | | | | <u>229,527</u> | <u>1,376,423</u> |
| Pass-through | | | | | | |
| Cancer Detection and Diagnosis Research | MUTD | University of Texas at Dallas | 22010825/POS353546 | 93.394 | - | 51,752 |
| Biomedical Research and Research Training | M59B | Regents of New Mexico State University | Q02590B | 93.859 | - | 9,392 |
| Biomedical Research and Research Training | M590 | Regents of New Mexico State University | Q02590 | 93.859 | - | 74,936 |
| Biomedical Research and Research Training | M59A | Regents of New Mexico State University | Q02590A | 93.859 | - | 810 |
| Biomedical Research and Research Training | M68L | University | Q02068L | 93.859 | - | 187,124 |
| Biomedical Research and Research Training | M68M | University | Q02068M | 93.859 | - | 8,227 |
| Biomedical Research and Research Training | M68N | University | Q02068N | 93.859 | - | 10,999 |
| Biomedical Research and Research Training | M68O | University | Q02068O | 93.859 | - | 23,245 |
| Biomedical Research and Research Training | M68P | University | Q02068P | 93.859 | - | 17,223 |
| Biomedical Research and Research Training | MER29 | University | Q01679 | 93.859 | - | 2,784 |
| <i>Subtotal Biomedical Research and Research Training</i> | | | | | <u>-</u> | <u>386,492</u> |
| Total Pass-through U.S. Department of Health and Human Services | | | | | <u>229,527</u> | <u>1,762,915</u> |
| Total U.S. Department of Health and Human Services | | | | | 229,527 | 1,762,915 |
| U.S. Department of Agriculture | | | | | | |
| Direct Awards | | | | | | |
| Agriculture and Food Research Initiative (AFRI) | RAAD | | 2022-67020-36265 | 10.310 | 69,567 | 126,135 |
| Total Direct U.S. Department of Agriculture | | | | | <u>69,567</u> | <u>126,135</u> |
| Total U.S. Department of Agriculture | | | | | 69,567 | 126,135 |
| TOTAL RESEARCH AND DEVELOPMENT CLUSTER | | | | | 5,330,028 | 36,486,556 |

See accompanying notes to schedule of expenditures of federal awards.

New Mexico Institute of Mining and Technology
Schedule of Expenditures of Federal Awards (Schedule 10)
Year Ended June 30, 2024

| Federal Grantor/Program Title | Award Number | Pass-Through Entity | Funding Agency Identification Number/Contract ID | Assistance Listing Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|---------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------|--------------------------------------------------|---------------------------|----------------------------------------|----------------------------|
| National Aeronautics & Space Administration | | | | | | |
| Pass-through | | | | | | |
| Office of Stem Engagement (OSTEM) | MOWA | Regents of New Mexico State University | Q02311 | 43.008 | - | 10,218 |
| Office of Stem Engagement (OSTEM) | MDMD | Regents of New Mexico State University | Q02398 | 43.008 | - | 7,792 |
| Office of Stem Engagement (OSTEM) | MLRM | Regents of New Mexico State University | Q02437 | 43.008 | - | 4,547 |
| Office of Stem Engagement (OSTEM) | MLRM2 | Regents of New Mexico State University | Q02574 | 43.008 | - | 8,920 |
| Office of Stem Engagement (OSTEM) | MMMN | Regents of New Mexico State University | Q02451 | 43.008 | - | 5,000 |
| Office of Stem Engagement (OSTEM) | MMMN2 | Regents of New Mexico State University | Q02575 | 43.008 | - | 11,214 |
| Office of Stem Engagement (OSTEM) | MROB | Regents of New Mexico State University | Q02535 | 43.008 | - | 20,000 |
| Office of Stem Engagement (OSTEM) | MSOD | Regents of New Mexico State University | Q02584 | 43.008 | - | 8,098 |
| Office of Stem Engagement (OSTEM) | MSSK | Regents of New Mexico State University | Q02486 | 43.008 | - | 120,000 |
| <i>Subtotal Office of Stem Engagement (OSTEM)</i> | | | | | - | <u>195,789</u> |
| Total Pass-through National Aeronautics & Space Administration | | | | | - | <u>195,789</u> |
| Total National Aeronautics & Space Administration | | | | | - | <u>195,789</u> |
| U.S Economic Development Administration | | | | | | |
| Pass-through | | | | | | |
| US Department of Commerce | MEDA | Regents of New Mexico State University | Q02543 | 11.U01 | - | 6,028 |
| Total Pass-through U.S. Economic Development Administration | | | | | - | <u>6,028</u> |
| Total Economic Development Administration | | | | | - | <u>6,028</u> |
| U.S Department of Energy | | | | | | |
| Pass-through | | | | | | |
| Academic Programs | MWEW | Navajo Technical University | NTU-30811-01/PO 2446691 | 81.252 | - | 56,695 |
| Office of Science Financial Assistance Program | MGTT | Pacific Northwest National Laboratory | 739951 | 81.049 | - | 604 |
| National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program | MIPF | University of New Mexico | Q23405-8746 | 81.123 | - | 7,402 |
| Total Pass-through U.S. Department of Energy | | | | | - | <u>64,701</u> |
| Total U.S Department of Energy | | | | | - | <u>64,701</u> |
| U.S Department of Health & Human Services | | | | | | |
| Pass-through | | | | | | |
| Child Care and Development Block Grant | MCPD | New Mexico Early Childhood Education & Care Department | CPP Agreement | 93.575 | - | 8,125 |
| Child Care and Development Block Grant | MECD | New Mexico Early Childhood Education & Care Department | Child Care Grant A-924 | 93.575 | - | 27,944 |
| Child Care and Development Block Grant | MSBG | New Mexico Early Childhood Education & Care Department | CCG-6160 | 93.575 | - | 246,065 |
| <i>Subtotal Child Care and Development Block Grant</i> | | | | | - | <u>282,134</u> |

See accompanying notes to schedule of expenditures of federal awards.

New Mexico Institute of Mining and Technology
Schedule of Expenditures of Federal Awards (Schedule 10)
Year Ended June 30, 2024

| Federal Grantor/Program Title | Award Number | Pass-Through Entity | Funding Agency Identification Number/Contract ID | Assistance Listing Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|--------------------------------------------------------------------------|--------------|----------------------------------------|--------------------------------------------------|---------------------------|----------------------------------------|----------------------------|
| Biomedical Research and Research Training | M59C | Regents of New Mexico State University | Q02590C | 93.859 | - | 8,425 |
| Biomedical Research and Research Training | M59D | Regents of New Mexico State University | Q02590D | 93.859 | - | 1,640 |
| <i>Subtotal Biomedical Research and Research Training</i> | | | | | - | <u>10,065</u> |
| Total Pass-through U.S. Department of Health & Human Services | | | | | - | <u>292,199</u> |
| Total Department of Health & Human Services | | | | | - | <u>292,199</u> |
| U.S. Department of the Interior | | | | | | |
| Direct Awards | | | | | | |
| Natural Resource Stewardship | RPCP | | P22AC01732 | 15.944 | 22,410 | 189,500 |
| Natural Resource Stewardship | RPCQ | | P23AC00318-00 | 15.944 | 14,877 | 555,886 |
| <i>Subtotal Natural Resource Stewardship</i> | | | | | - | <u>745,386</u> |
| Total Direct U.S. Department of the Interior | | | | | - | <u>745,386</u> |
| Total U.S. Department of the Interior | | | | | 37,287 | <u>745,386</u> |
| U.S. Department of Labor | | | | | | |
| Direct Awards | | | | | | |
| Occupational Safety and Health Susan Harwood Training Grants | RHWF | | SH-39174-SH2 | 17.502 | - | 14,051 |
| Mine Health and Safety Grants | RFMP | | 23R22MS000022-01-00 | 17.600 | - | 124,527 |
| Mine Health and Safety Grants | RFMO | | MS-38790-22-55-R-35 | 17.600 | - | 47,429 |
| <i>Subtotal Mine Health and Safety Grants</i> | | | | | - | <u>171,956</u> |
| Total Direct U.S. Department of Labor | | | | | - | <u>186,007</u> |
| Total U.S. Department of Labor | | | | | - | <u>186,007</u> |
| U.S. Department of Treasury | | | | | | |
| Pass-through | | | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | MGSF | NM Higher Education Department | 2023-Graduatestem-13900 | 21.027 | - | 197,760 |
| Coronavirus State and Local Fiscal Recovery Funds | | NM Higher Education Department | 2024-NMLOTTERY-10 | 21.027 | - | 3,910,712 |
| Coronavirus State and Local Fiscal Recovery Funds | | NM Higher Education Department | | 21.027 | - | 2,840,803 |
| Coronavirus State and Local Fiscal Recovery Funds | | NM Higher Education Department | | 21.027 | - | 473,327 |
| <i>Subtotal Coronavirus State and Local Fiscal Recovery Funds</i> | | | | | - | <u>7,422,602</u> |
| Total Pass-through U.S. Department of Treasury | | | | | - | <u>7,422,602</u> |
| Total U.S. Department of Treasury | | | | | - | <u>7,422,602</u> |
| STUDENT FINANCIAL ASSISTANCE CLUSTER | | | | | | |
| U.S. Department of Education | | | | | | |
| Direct Awards | | | | | | |
| Supplemental Educational Opportunity Grant (SEOG) | | | | 84.007 | - | 201,213 |
| College Work Study | | | | 84.033 | - | 137,303 |
| Perkins Loan | | | | 84.038 | - | 436,740 |
| Pell Grant | | | | 84.063 | - | 2,054,388 |
| Federal Direct Student Loans | | | | 84.268 | - | 1,568,886 |
| TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER | | | | | - | <u>4,398,530</u> |

See accompanying notes to schedule of expenditures of federal awards.

New Mexico Institute of Mining and Technology
Schedule of Expenditures of Federal Awards (Schedule 10)
Year Ended June 30, 2024

| Federal Grantor/Program Title | Award Number | Pass-Through Entity | Funding Agency Identification Number/Contract ID | Assistance Listing Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|-----------------------------------------------------------------------------|--------------|--------------------------------|--------------------------------------------------|---------------------------|----------------------------------------|----------------------------|
| TRIO CLUSTER | | | | | | |
| U.S. Department of Education | | | | | | |
| Direct Awards | | | | | | |
| TRIO Upward Bound | RMSA | | P047M180465 | 84.047 | - | 195,192 |
| TRIO Upward Bound | RUMA | | P047M230235 | 84.047 | - | 167,299 |
| TRIO Upward Bound | RUMS | | P047M220350 | 84.047 | - | 324,119 |
| TOTAL TRIO CLUSTER | | | | | - | 686,610 |
| U.S. Department of Education | | | | | | |
| Direct Awards | | | | | | |
| Higher Education Institutional Aid | RTHE | | P031S180079 | 84.031 | - | 375,629 |
| Total Direct U.S. Department of Education | | | | | - | 375,629 |
| Total U.S. Department of Education | | | | | - | 375,629 |
| U.S. Small Business Administration | | | | | | |
| COVID 19 - Shuttered Venue Operators Grant Program | | | | | | |
| Total Direct U.S. Small Business Administration | RMAC | | SBAHQ21SV012702 | 59.075 | - | 57,772 |
| Total U.S. Small Business Administration | | | | | - | 57,772 |
| National Endowment for the Arts & Humanities | | | | | | |
| Pass-through | | | | | | |
| Promotion of the Arts Partnership Agreements | MTWG | Western States Arts Federation | TW20230054 | 45.025 | - | 4,500 |
| Total Pass-through National Endowment for the Arts & Humanities | | | | | - | 4,500 |
| Total National Endowment for the Arts & Humanities | | | | | - | 4,500 |
| U.S. Department of Homeland Security | | | | | | |
| Direct Awards | | | | | | |
| State and Local Homeland Security National Training Program | RF10 | | EMW-2018-CA-APP-00048-S01 | 97.005 | - | 20,260 |
| State and Local Homeland Security National Training Program | RF30 | | EMW-2020-CA-00044 | 97.005 | - | 307,138 |
| State and Local Homeland Security National Training Program | RF40 | | EMW-2021-CA-00081 | 97.005 | - | 17,884,117 |
| State and Local Homeland Security National Training Program | RF50 | | EMW-2022-CA-00020 | 97.005 | - | 19,055,682 |
| State and Local Homeland Security National Training Program | RF60 | | EMW-2023-CA-05074 | 97.005 | - | 2,496,574 |
| State and Local Homeland Security National Training Program | RT70 | | EMW-2015-CA-00060 | 97.005 | - | 12,056 |
| State and Local Homeland Security National Training Program | RT80 | | EMW-2016-CA-00058 | 97.005 | - | 14,615 |
| State and Local Homeland Security National Training Program | RT90 | | EMW-2017-CA-00036 | 97.005 | - | 10,459 |
| Subtotal State and Local Homeland Security National Training Program | | | | | - | 39,800,901 |
| Total Direct U.S. Department of Homeland Security | | | | | - | 39,800,901 |
| Pass-through | | | | | | |
| Emergency Management Performance Grants | MEMT7 | New Mexico DHSEM | 22-795-004 | 97.042 | - | 513 |
| US Department of Homeland Security | MEMT8 | New Mexico DHSEM | 24-795-0001 | 97.U01 | - | 6,284 |
| Total Pass-through U.S. Department of Homeland Security | | | | | - | 6,797 |
| Total U.S. Department of Homeland Security | | | | | - | 39,807,698 |
| Total Expenditures of Federal Awards | | | | | \$ 5,367,315 | \$ 90,730,007 |

See accompanying notes to schedule of expenditures of federal awards.

New Mexico Institute of Mining and Technology
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Note 1 – General

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Institute under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Institute. The Institute receives annual Facilities and Administrative Forward Indirect Cost Rates approved by the Office of Naval Research before the beginning of each year.

Note 2 – Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles in Title 2 U.S. *CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Amounts related to pass-through grants are classified as private grants and contracts in the accompanying statement of revenues, expenses, and changes in net position.

Note 3 – Indirect Cost Rate

The Institute uses a facilities and administrative (indirect) rate that is negotiated with their cognizant agency, The Office of Naval Research and as such, the Institute has not elected to use the 10% *de minimis* cost rate as provided by the Uniform Guidance.

Note 4 – Federal Loan Program

The Perkins Loan Program (Assistance Listing #84.038) is administered directly by the Institute and balances and transactions relating to this program are included in the Institute's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. Total outstanding loans under this U.S. Department of Education program at June 30, 2024, were \$384,334.

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 Institute of Mining and Technology
and
Mr. Joseph M. Maestas, P.E., C.F.E.
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of New Mexico Institute of Mining and Technology as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise New Mexico Institute of Mining and Technology's basic financial statements, and have issued our report thereon dated October 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology's internal control. Accordingly, we do not express an opinion on the effectiveness of New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology'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*.

We noted certain matters that are required to be reported per Section 12-6-5 NMSA 1978, that we have described in the accompanying schedule of findings and questioned costs under other matters as required by section 12-6-5 NMSA 1978 as items 2024-001, 2024-002, and 2024-003.

New Mexico Institute of Mining and Technology's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the New Mexico Institute of Mining and Technology's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. New Mexico Institute of Mining and Technology's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 cursive script that reads "Moss Adams LLP".

Albuquerque, New Mexico
October 24, 2024



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 Institute of Mining and Technology
and
Mr. Joseph M. Maestas, P.E., C.F.E.
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Mexico Institute of Mining and Technology's 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 New Mexico Institute of Mining and Technology's major federal programs for the year ended June 30, 2024. New Mexico Institute of Mining and Technology'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, New Mexico Institute of Mining and Technology complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2024.

Basis for Opinion on the 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 New Mexico Institute of Mining and Technology 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 New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology'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 New Mexico Institute of Mining and Technology'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.

The image shows a handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Albuquerque, New Mexico
October 24, 2024

New Mexico Institute of Mining and Technology
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported
 Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported
 Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

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

| <i>Assistance Listing Number(s)</i> | <i>Name of Federal Program or Cluster</i> | <i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i> |
|-------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------|
| Multiple | Research and Development Cluster | Unmodified |
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds | Unmodified |

Dollar threshold used to distinguish between type A and type B programs: \$ 2,730,007

Auditee qualified as low-risk auditee? Yes No

New Mexico Institute of Mining and Technology
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

New Mexico Institute of Mining and Technology
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section IV – Other Matter Findings as Required by Section 12-6-5 NMSA 1978

**2024-001 (2023-001) – Homeland Security National Training Program Reporting (Other Matter)
(Repeated)**

Condition: In our follow up testing of prior year finding 2023-001, we noted one out of three of the selected Performance Progress Reports (PPRs) was submitted after the due date.

Management’s Progress: Management has implemented a recurring scheduling/calendar system to track reporting due dates. The routing for internal NMT signatures has been scheduled for the week prior to submission due date.

Criteria: The FEMA Preparedness Grants Manual requires recipients to submit semi-annual PPRs within 30 days after the end of each reporting period.

Effect: Noncompliance with grant provisions.

Cause: The responsible party did not prepare and submit report prior to the deadline.

Repeat Finding: Previously reported as finding 2023-001

Recommendation: The institute should establish controls to ensure all reports are prepared and submitted in accordance with grant requirements.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the audit finding regarding the late submission of our report. The delay was primarily due to a substantial volume of First Responder training provided during this period and not having access to the reporting tools. These factors necessitated additional time to thoroughly verify detailed information, resulting in the report being submitted one day after the deadline.

To prevent future delays, the Program Manager and Principal Investigator (PI) will take proactive steps to ensure all reports are prepared and submitted to Sponsored Projects Administration (SPA) well in advance of the due date. This process will include allocating sufficient time for internal routing and obtaining the necessary signatures to meet submission deadlines. SPA Administrator will contact the PI if not received timely.

Responsible Person: Project Manager and Principal Investigator

New Mexico Institute of Mining and Technology
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section IV – Other Matter Findings as Required by Section 12-6-5 NMSA 1978

2024-002 – Coronavirus State and Local Fiscal Recovery Funds Reporting (Other Matter)

Condition: The Institute has not filed the required Coronavirus State and Local Fiscal Recovery Fund (SLFRF) annual report for calendar year 2023.

Criteria: 31 CFR § 35.4(c) requires SLFRF recipients to provide to the Secretary periodic reports providing detailed accounting of the uses of funds, modifications to a State or Territory's tax revenue sources, and such other information as the Secretary may require during the period of performance. The *Project and Expenditure Report User Guide* published by the Department of the Treasury clarifies that Tier 5 recipients are required to file an annual report covering a calendar year. The annual reports must be submitted to Treasury by April 30 each year.

Effect: Noncompliance with federal regulations.

Cause: The Institute has not filed the annual report as required.

Repeat Finding: This is not a repeat finding.

Recommendation: The institute should establish controls to ensure all reports are prepared and submitted in accordance with grant requirements.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the audit finding and will work with the various departments to ensure all reports are submitted and made current by December 31, 2024 as indicated in the 31 CFR § 35.4(c). Procedures will be implemented to determine the appropriate tracking of any future funding that falls under the Coronavirus State and Local Fiscal Recovery Funds Reporting with the assistance of Sponsored Projects Administration (SPA).

Responsible Person: Financial Aid Director, Dean of Graduate Studies, and Director of Budget & Analysis

New Mexico Institute of Mining and Technology
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section IV – Other Matter Findings as Required by Section 12-6-5 NMSA 1978

2024-003 – Capital Asset Disposals (Other Matter)

Condition: In our testing of capital asset disposals, we noted one out of one disposal tested was for real property that was sold and disposed of in fiscal year 2017, but the disposal was recorded in the capital asset ledger in fiscal year 2024.

Criteria: Generally accepted accounting principles require capital assets be written off at the time of disposal.

Effect: Gain/Loss on sale of capital assets, included in the other revenues line on the statement of revenues, expenses, and changes in net position, is overstated by \$94,213.

Cause: Management oversight.

Repeat Finding: This is not a repeat finding.

Recommendation: The Institute should establish controls to notify the accounting department of all capital asset disposals to ensure accurate records and financial reporting.

Views of Responsible Officials and Planned Corrective Actions: Management is reviewing the capital asset disposal process and the process will be updated to ensure these assets are accounted for properly. The process review and update will be completed by June 30, 2025.

Responsible Person: Controller

New Mexico Institute of Mining and Technology
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV – Other Matter Findings as Required by 12-6-5 NMSA 1978

2023-001 – Reporting (Other Matter) – Repeated

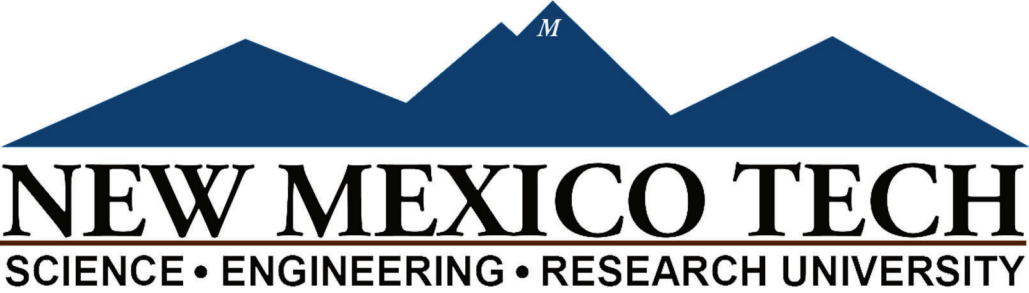
2023-002 – Public Works Minimum Wage Act Violations (Other Matter) – Resolved

2023-003 – Public Works Apprentice & Training Act Violations (Other Matter) – Resolved

2023-004 – Internal Control Over Accounting for Leases and Subscription-Based Information Technology Arrangements (Other Matter) – Resolved

2023-005 – Budgetary Conditions (Other Matter) – Resolved

2023-006 – Legal Fees – Significant Deficiency (At the Individual Component Unit Level – University Research Park Corporation) – Resolved



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Corrective Action Plan
Year Ended June 30, 2024

| Finding | Planned Corrective Action | Anticipated Completion Date | Responsible Department |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------|
| 2024-001 (2023-001)– Reporting (Other Matter) (Repeated) | <p>Management agrees with the audit finding regarding the late submission of our report. The delay was primarily due to a substantial volume of First Responder training provided during this period and not having access to the reporting tools. These factors necessitated additional time to thoroughly verify detailed information, resulting in the report being submitted one day after the deadline.</p> <p>To prevent future delays, the Program Manager and Principal Investigator (PI) will take proactive steps to ensure all reports are prepared and submitted to Sponsored Projects Administration (SPA) well in advance of the due date. This process will include allocating sufficient time for internal routing and obtaining the necessary signatures to meet submission deadlines. SPA Administrator will contact the PI if not received timely.</p> | October 23, 2024 | EMRTC - Project Manager and Principal Investigator |
| 2024-002 – Coronavirus State & Local Fiscal Recovery Funds Reporting (Other Matter) | Management concurs with the audit finding and will work with the various departments to ensure all reports are submitted and made current by December 31, 2024 as indicated in the 31 CFR § 35.4(c). Procedures will be implemented to determine the appropriate tracking of any future funding that falls under the Coronavirus State and Local Fiscal Recovery Funds Reporting with the assistance of Sponsored Projects Administration (SPA). | December 31, 2024 | Financial Aid Director, Dean of Graduate Studies, and Director of Budget & Analysis |
| 2024-003 – Capital Asset Disposals (Other Matter) | Management is reviewing the capital asset disposal process and the process will be updated to ensure these assets are accounted for properly. The process review and update will be completed by June 30, 2025. | June 30, 2025 | Controller |

Document prepared by:

Melissa Tull

Date 10/24/2024

Melissa Tull

Controller

New Mexico Institute of Mining and Technology

New Mexico Institute of Mining and Technology
Exit Conference
Year Ended June 30, 2024

An exit conference was held on October 23, 2024, for the New Mexico Institute of Mining and Technology and all component units with the following in attendance:

New Mexico Institute of Mining and Technology

Jerry A. Armijo, Regent President
Dr. David Lepre, Sr., Regent Secretary-Treasurer
Dr. Mahyar Amouzegar, President
Richard Cervantes, CPA, Vice President for Administration and Finance
Dr. Van Romero, Vice President for Research of Special Projects
Shaojie (Jenny) Ma, CPA, Associate Vice President for Administration and Finance
Melissa Tull, Controller
Carrie Marsyla, Director, Cost Accounting and Reporting
Kimberly Armijo, Assistant Controller
Mindi Orum, Cost Accounting Manager
Darryl Ackley, EMRTC Director
Gladys Chairez, Director of Financial Aid
Vanessa Grain, Chief Executive Assistant

Moss Adams LLP

Lisa Todd, CPA, Partner
Kevin Jankowski, CPA, Senior Manager
Janna Skinner, CPA, Senior Manager
Monica Ramos, Senior

The financial statements were prepared by Moss Adams LLP, with the assistance of the Institute. The Institute is responsible for the contents of these financial statements.

