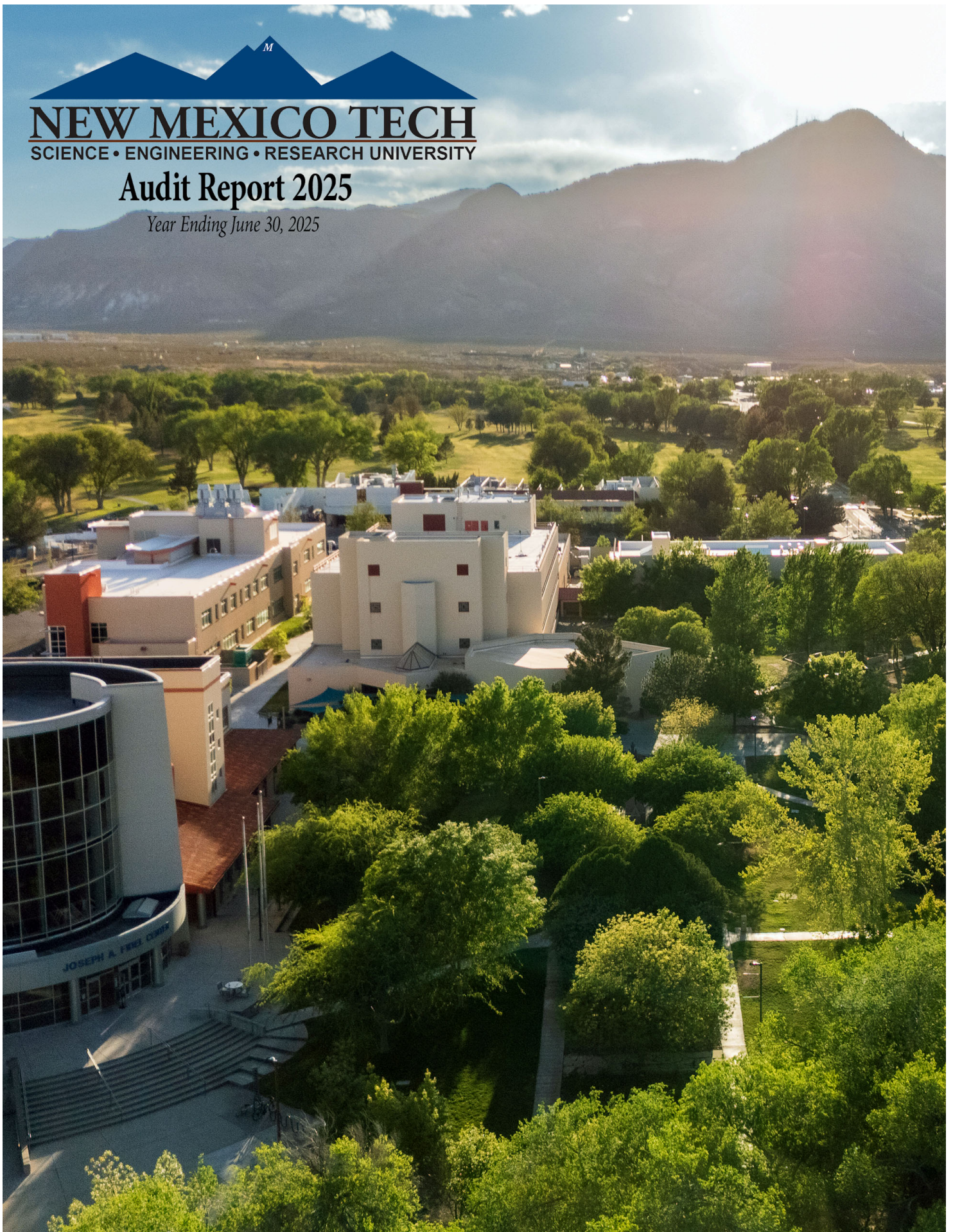


**NEW MEXICO TECH**  
SCIENCE • ENGINEERING • RESEARCH UNIVERSITY

# Audit Report 2025

*Year Ending June 30, 2025*



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**New Mexico Institute of Mining and Technology**  
**Official Roster**  
**June 30, 2025**

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**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**

Dr. David Lepre, Sr.	Chair
Dr. Yolanda Jones King	Secretary-Treasurer
Jerry A. Armijo	Member
Dr. Srinivas Mukkamala	Member
Cody Johnston	Student Member

**Principal Administrative Officials**

Dr. Mahyar Amouzegar	President
Dr. Michael Jackson	Provost/Vice President for Academic Affairs
Delilah Walsh	Vice President for Administration and Finance/ Chief Financial Officer
Dr. David L. Greene	Vice President for Student Affairs/ Chief Diversity Officer
Dr. Lique Coolen	Vice President for Research and Chief Science Officer
Darryl Ackley	Chief Information Officer/ Acting Director, Energetic Materials Research and Testing Center
Shaojie "Jenny" Ma	Associate Vice President for Administration and Finance
Carlos Romero	Associate Vice President for Research
Dr. Peter Phaiah	Associate Vice President for Student Affairs/Title IX Coordinator
Dr. Mike Timmons	Director, New Mexico Bureau of Geology and Mineral Resources
Dr. Robert Balch	Director, New Mexico Petroleum Recovery Research Center
Melissa Tull	Controller
Carrie Marsyla	Director, Cost Accounting and Reporting
Emma Aafloy	Director, Budget and Analysis
JoAnn Salome	Director, Human Resources
Gayle Bailey	Director, Sponsored Projects

## **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, 2025, 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 discretely presented component unit of the New Mexico Institute of Mining and Technology as of June 30, 2025, 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, 2025, 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 New Mexico Institute of Mining and Technology'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, and the schedule of joint powers agreements, 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, and the schedule of joint powers agreements are 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 22, 2025, 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.

*Baker Tilly US, LLP*

Albuquerque, New Mexico

October 22, 2025

## **Management's Discussion and Analysis**

# New Mexico Institute of Mining and Technology

## Management's Discussion and Analysis

### Year Ended June 30, 2025

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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 New Mexico Tech's financial activities for the fiscal year ending June 30, 2025. Included for comparison purposes is the 2025 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, comparison of the current fiscal year with last year's financial summary, enrollment data, research activities and capital projects. The report provides reader with a written assessment of the impact of 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 Statement of Net Position 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, 2025.

The statement format employed by New Mexico Tech is: Assets plus Deferred Outflows, minus Liabilities and Deferred Inflows, equal Net Position. In accordance with GASB Statement No. 68, New Mexico Tech's financial statements are required to disclose its proportionate share of pension liability, despite the fact that the New Mexico Educational Retirement Board oversees the management and administration of the retirement assets and related funds dedicated to New Mexico Tech.

New Mexico Tech adopted Governmental Accounting Standards Board (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.

**New Mexico Institute of Mining and Technology**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2025**

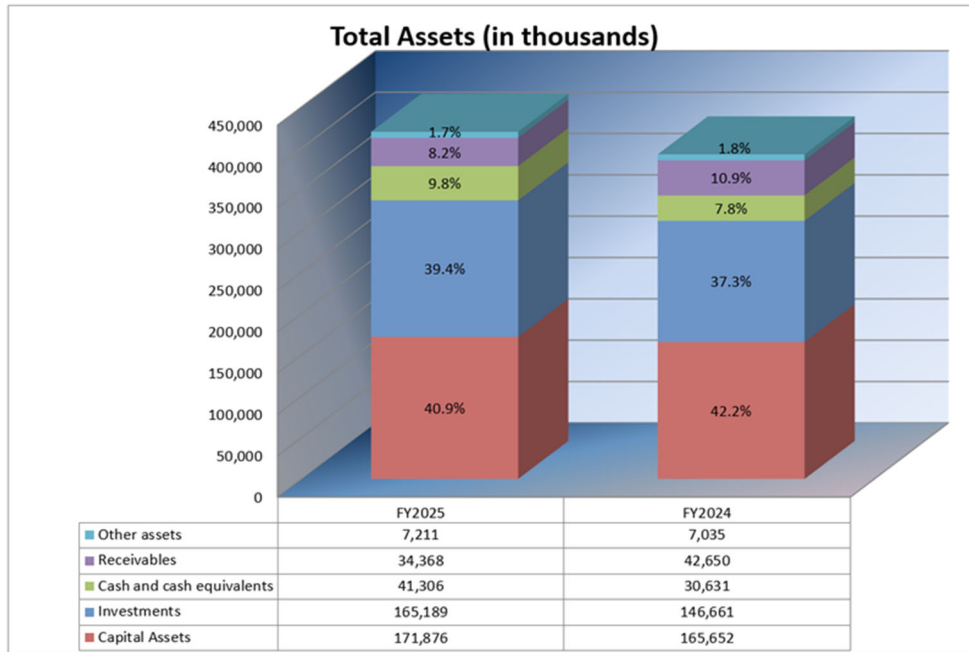
The following table summarizes the Institute's assets, deferred outflows, liabilities, deferred inflows, and net position as of:

	Balance June 30, 2025 (In Thousands)	Balance June 30, 2024 (In Thousands)	Difference	Percentage Change
Current assets	\$ 105,378	\$ 121,675	\$ (16,297)	-13.4%
Capital assets, net	171,876	165,652	6,224	3.8%
Other noncurrent assets	142,696	105,302	37,394	35.5%
Total assets	<u>419,950</u>	<u>392,629</u>	<u>27,321</u>	<u>7.0%</u>
Deferred outflows	<u>34,425</u>	<u>32,113</u>	<u>2,312</u>	<u>7.2%</u>
Total assets and deferred outflows	<u>\$ 454,375</u>	<u>\$ 424,742</u>	<u>\$ 29,633</u>	<u>7.0%</u>
Current liabilities	\$ 25,670	\$ 29,730	\$ (4,060)	-13.7%
Noncurrent liabilities	181,648	183,804	(2,156)	-1.2%
Total liabilities	<u>207,318</u>	<u>213,534</u>	<u>(6,216)</u>	<u>-2.9%</u>
Deferred inflows	31,943	42,725	(10,782)	-25.2%
Net position				
Capital assets, net of related debt	154,907	147,356	7,551	5.1%
Restricted net position	58,300	51,229	7,071	13.8%
Unrestricted net position	1,907	(30,102)	32,009	-106.3%
Total net position	<u>215,114</u>	<u>168,483</u>	<u>46,631</u>	<u>27.7%</u>
Total assets, liabilities, deferred inflows, and net position	<u>\$ 454,375</u>	<u>\$ 424,742</u>	<u>\$ 29,633</u>	<u>7.0%</u>

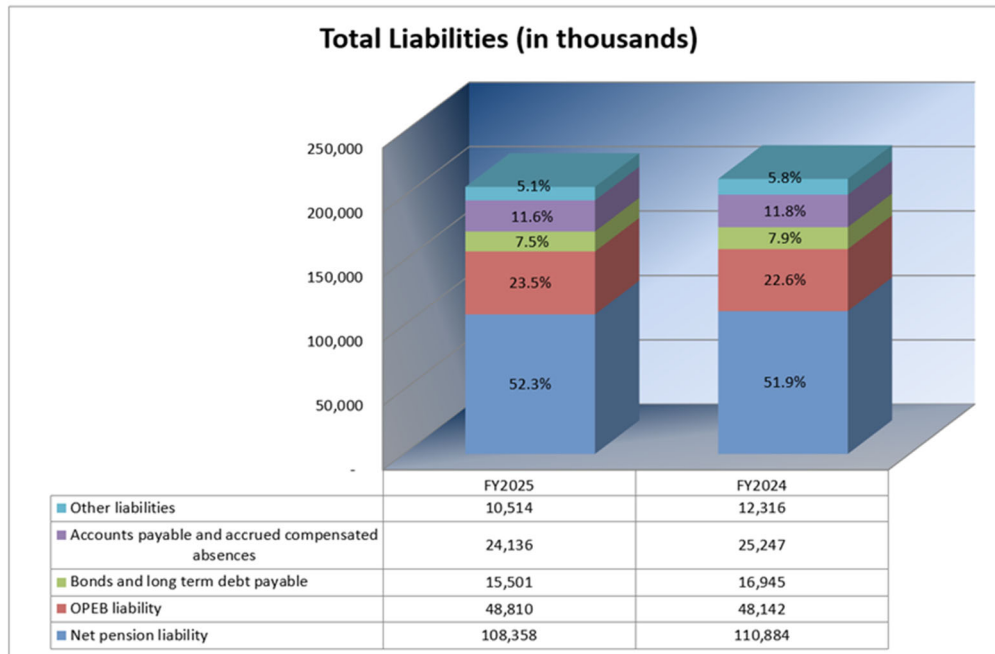
Total assets increased by \$27.3 million, or 7.0 percent. Several categories in the asset classification changed during the fiscal year.

- Current assets decreased by \$16.3 million, or 13.4 percent, primarily as a result of reallocating short-term investments to long-term investments and ongoing operational activities..
- Capital assets increased by \$6.2 million, or 3.8 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 \$37.4 million, representing 35.5 percent growth. This increase primarily reflects gains in investments and favorable market appreciation over the period. The growth was driven by the appreciation of the existing long-term investment portfolio and a strategic decision to reallocate short-term investments into long-term investment instruments during the fiscal year.

**New Mexico Institute of Mining and Technology  
Management's Discussion and Analysis  
Year Ended June 30, 2025**



Total liabilities decreased by \$6.2 million, or 2.9 percent. The net pension liability decreased by \$2.5 million and liabilities due to the changes in actuarial reporting related to GASB statements No. 68 and 75 and New Mexico Educational Retirement Board (NMERB) schedules of employer allocations.



**New Mexico Institute of Mining and Technology**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2025**

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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 \$7.6 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 non-expendable and expendable. Non-expendable 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 increased by \$7.1 million.
- *Unrestricted net position* – This category reports the assets available to New Mexico Tech for any lawful purpose. These funds increased by \$32.0 million.

**Statement of Revenue, Expenses, and Changes in Net Position** – The Statement of Revenues, Expenses, and Changes in Net Position (SRECNP) presents revenues earned and expenses incurred during fiscal years ended June 30, 2025 and June 30, 2024. Revenues and expenses are divided into operating and non-operating. According to GASB guidelines, state appropriations are typically classified as non-operating revenues.

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

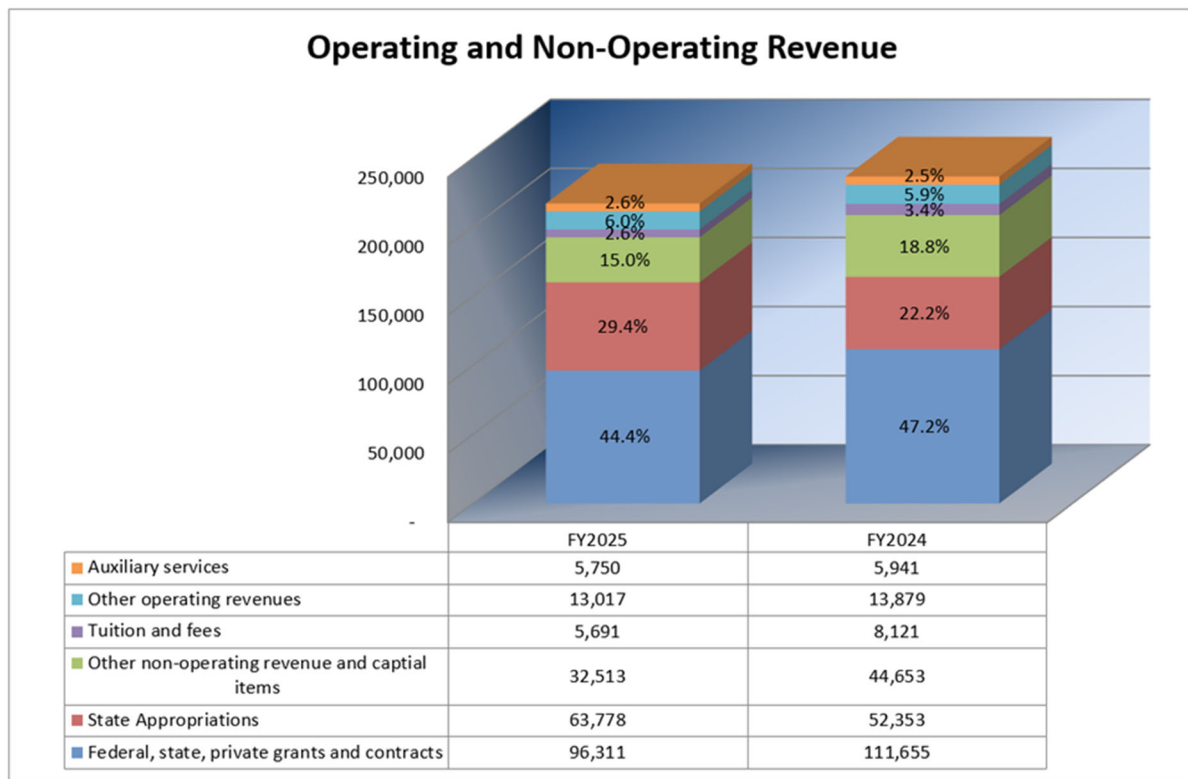
	June 30, 2025 (In Thousands)	June 30, 2024 (In Thousands)	Difference	Percentage
Operating revenue	\$ 120,769	\$ 139,596	\$ (18,827)	-13.5%
Operating expense	170,429	173,995	(3,566)	-2.0%
Operating loss	(49,660)	(34,399)	(15,261)	44.4%
Nonoperating revenue	81,911	66,770	15,141	22.7%
Loss before other revenues and expenses	32,251	32,371	(120)	-0.4%
Other revenues and capital items	14,380	30,236	(15,856)	-52.4%
Increase(decrease) in net position	<u>\$ 46,631</u>	<u>\$ 62,607</u>	<u>\$ (15,976)</u>	<u>-52.8%</u>

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, 2025

Compared to the fiscal year 2024, total operating revenue decreased by \$18.8 million. Year to year changes of the individual components included within the total operating revenue are:

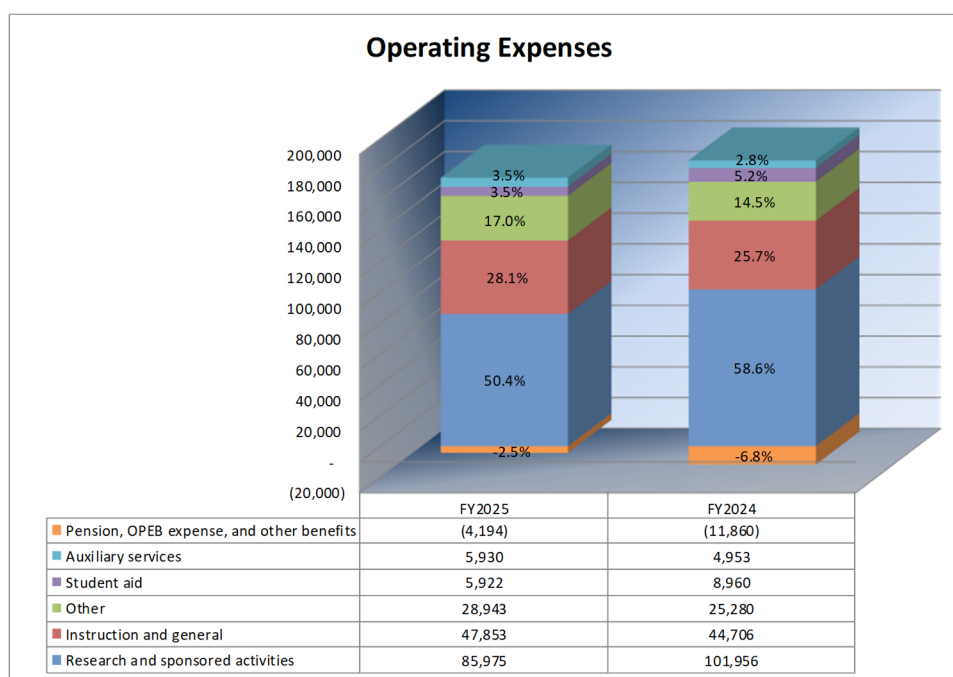
- Net tuition and fee revenue decreased by \$2.4 million due to an increase in discounts and allowances.
- Net sale of auxiliary service decreased by \$192 thousand.
- Grants and contracts revenue decreased by \$15.3 million.
- Other operating income primarily related to service center sales decreased by \$862 thousand.



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

- Total operating expenses decreased by \$3.6 million, including the decrease of \$16.7 million in research and other sponsored project expenses. This decrease in research and sponsored project expenses directly correlates with the overall \$15.3 million decrease in grants and contracts revenue during the fiscal year. As grant and contract expenditures are typically directly reimbursable, a reduction in grant funding activity leads to a proportionate reduction in these operating costs.

## New Mexico Institute of Mining and Technology Management's Discussion and Analysis Year Ended June 30, 2025



One major exception for public colleges and universities is state appropriations. GASB 34 and 35 require state appropriations to be classified and reported as non-operating 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 2025 is \$49.7 million, an increase of \$15.3 million compared to \$34.4 million in fiscal year 2024.

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

Compared to the fiscal year 2024, non-operating revenues decreased by \$578 thousand in fiscal year 2025. This mainly includes:

- State appropriations for Instruction and General (I&G) and Research and Public Service Projects (RPSPs) increased by \$11.4 million, from \$52.4 million in fiscal year 2024 to \$63.8 million in fiscal year 2025;
- Interest and investment income increased by \$3.8 million;
- Capital appropriations decreased by \$12.6 million, from \$17.1 million in fiscal year 2024 to \$4.5 million in fiscal year 2025.

# New Mexico Institute of Mining and Technology

## Management's Discussion and Analysis

### Year Ended June 30, 2025

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**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, while Phase II is another 10,000-square-foot. The current total budget for the Phase I and II is \$28.0 million. It is funded by a combination of General Obligation Bonds, Severance Bonds, and the New Mexico Tech Construction Reserves. Phase II of the project will complete the 26,000 square foot building by building out the remaining 9,766 square feet, as well as 7 labs, 16 offices, restrooms, and graduate student office space. Project completion for both phases is anticipated Early 2026. The overall project is 63% complete.

In fiscal year 2025, several campus-wide projects were completed. These included lab and interior renovations in Mineral Science and Engineering Complex (MSEC), plumbing replacements in Faculty Housing, kitchen and restroom renovations, and HVAC and energy-efficiency upgrades in various campus buildings.

## New Mexico Institute of Mining and Technology Management's Discussion and Analysis Year Ended June 30, 2025

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To enhance campus safety and security, an electronic lock system is currently being implemented. The project will be completed in four phases, with a total projected cost of \$2.1 million, funded through a combination of state general fund appropriations and severance tax bonds proceeds.

The design for the Data Center Infrastructure Expansion project has been completed and is currently under review for approval to proceed. This project will expand the existing Data Center to serve the entire campus by providing additional power, computing capacity, and related functions. Funding will come from a combination of state general fund appropriations and institutional contributions, for a total projected cost of \$1.9 million.

### Currently Known Facts (Unaudited)

**Enrollment** – Compared to fall 2024, total enrollment in fall 2025 has increased by 185.

School Year	Headcount	Credit Hours (CH)	End-of-Course	(EOCCH)
2024-25	1,903	39,751	38,951	98.0%
2023-24	2,088	42,060	41,194	97.9%
2022-23	2,014	42,450	41,569	97.9%
2021-22	2,003	43,348	42,225	97.4%
2020-21	1,882	42,657	41,893	98.2%

As the chart above demonstrates, the total headcount has decreased and credit hours have decreased in the 2024-25 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.

## New Mexico Institute of Mining and Technology Management’s Discussion and Analysis Year Ended June 30, 2025

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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 means 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 2025 undergraduate enrollment of New Mexico students is 80.0 percent.

**Research** – Research projects and programs are supported and funded primarily by state and federal resources through appropriations, grants and contracts.

Research conducted at New Mexico Tech serves as a valuable public resource and significantly enriches the educational experience for our students. By the time of graduation, most students have gained practical hands-on experience in their major field of study through participation in research programs. This practical training distinguishes our students among employers who value demonstrated research capabilities—a benefit offered by only a select number of institutions globally. As a result, our students are well-positioned for success in the workforce. This dedication to research ultimately contributes to a high retention of graduates securing employment in their chosen field.

New Mexico Tech’s Incurred Cost report demonstrates that while externally funded research and other sponsored activities saw a decline from their recent peak, the level of activity remains robust in fiscal year 2025. External funding award amounts are as follows (in thousands):

Fiscal year 2025	\$ 85,975
Fiscal year 2024	101,956
Fiscal year 2023	105,631
Fiscal year 2022	76,486
Fiscal year 2021	52,545

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 currently manages approximately \$12.8 million in active grants, contracts and gift funding. 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 2025. They currently operate 23 seismic monitoring stations to better monitor and understand seismic hazards in New Mexico and have secured FY26 funding to nearly double this capacity with a goal of 40 stations.

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. As of the end of fiscal year 2025, PRRC’s research portfolio totaled \$238 million.

## **New Mexico Institute of Mining and Technology Management's Discussion and Analysis Year Ended June 30, 2025**

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The Energetic Materials Research and Testing Center (EMRTC) continues to work with the Department of Homeland Security (DHS) training program. In fiscal year 25 EMRTC received approximately \$25.0 million in awards, with \$20.8 million coming from the DHS training program and around \$4.2 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. In a major milestone following the close of the fiscal year, MRO successfully obtained its first fringes on a star in July 2025. 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 are 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 2025. Funding for higher education will be offset by continued increased operational costs and by unfunded mandates placed on higher education by the State, such as the requirement to internally fund 25% of mandated cost-of-living adjustments for I&G employees. New Mexico Tech staff have been very collaborative in managing their departmental budgets, and have picked up or distributed 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. To proactively expand the institute's reach and impact, New Mexico Tech is pursuing funding during the 2026 legislative session to advance research and expand related academic programs.

**Requests for Information** – This financial report provides 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**

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**New Mexico Institute of Mining and Technology**  
**Statement of Net Position – Proprietary Funds**  
**June 30, 2025**

<b>ASSETS</b>	<u>Institute</u>	<u>Component Unit Foundation</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 41,007,172	\$ 862,625
Short-term investments	26,952,149	28,352,508
Contract and grant billed and unbilled receivables	24,886,832	
Student accounts receivable, net of allowance for doubtful accounts	657,477	-
Due from state agencies and other accounts receivables, net of allowance	6,140,939	125,081
Due from component unit	59,295	-
Inventories	2,257,567	-
Other assets	<u>3,416,315</u>	<u>3,246</u>
Total current assets	<u>105,377,746</u>	<u>29,343,460</u>
<b>NONCURRENT ASSETS</b>		
Restricted cash and cash equivalents	298,919	-
Endowment investments	84,892,383	15,397,141
Other long-term investments	53,344,618	-
Capital assets, net of accumulated depreciation and amortization	171,876,360	1,167,003
Other noncurrent receivables	2,623,127	254,807
Other noncurrent assets	<u>1,537,340</u>	<u>-</u>
Total noncurrent assets	<u>314,572,747</u>	<u>16,818,951</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 419,950,493</u></u>	<u><u>\$ 46,162,411</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to pensions	\$ 18,682,569	\$ -
Related to other postemployment benefits	<u>15,742,156</u>	<u>-</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 34,424,725</u></u>	<u><u>\$ -</u></u>

See accompanying notes.

**New Mexico Institute of Mining and Technology**  
**Statement of Net Position – Proprietary Funds**  
**June 30, 2025**

	<u>Institute</u>	<u>Component Unit Foundation</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 13,459,597	\$ 35,355
Bonds payable, current portion	1,050,000	-
Accrued compensated absences, current portion	6,379,723	-
Due to primary government	-	59,295
Deposits	275,525	-
Unearned revenue	3,019,945	-
Other liabilities, current portion	1,485,620	-
Total current liabilities	<u>25,670,410</u>	<u>94,650</u>
<b>NONCURRENT LIABILITIES</b>		
Accrued compensated absences, net of current portion	4,295,758	-
Bonds payable, net	12,965,003	-
Net pension liability	108,357,742	-
Net OPEB liability	48,810,425	-
Other noncurrent liabilities	7,219,366	-
Total noncurrent liabilities	<u>181,648,294</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 207,318,704</u>	<u>\$ 94,650</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to pensions	\$ 9,828,234	\$ -
Related to other postemployment benefits	19,562,580	-
Related to leases	2,551,959	69,462
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 31,942,773</u>	<u>\$ 69,462</u>
<b>NET POSITION</b>		
<b>NET INVESTMENT IN CAPITAL ASSETS</b>	\$ 154,907,183	\$ 1,167,003
<b>RESTRICTED FOR</b>		
Nonexpendable		
Endowments and all other nonexpendable	95,363,032	15,688,118
Inventory	2,257,567	-
Expendable		
Scholarships, research, instruction, and other	13,313,523	6,712,110
Other postemployment benefits	(52,630,849)	-
Loans	(3,239)	-
<b>UNRESTRICTED NET POSITION</b>	<u>1,906,524</u>	<u>22,431,068</u>
<b>TOTAL NET POSITION</b>	<u>\$ 215,113,741</u>	<u>\$ 45,998,299</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, 2025**

	Institute	Component Unit Foundation
<b>OPERATING REVENUES</b>		
Tuition and fees, net of discounts and allowances of \$8,882,406	\$ 5,691,014	\$ -
Federal grants and contracts	73,902,955	-
State and local grants and contracts	5,892,114	-
Private grants and contracts	10,989,885	-
Other grants and contracts	5,526,781	-
Sales and services of auxiliary enterprises, net of scholarship allowances of \$2,377,649	5,749,566	-
Other	13,016,782	1,350,661
Total operating revenues	<u>120,769,097</u>	<u>1,350,661</u>
<b>EXPENSES</b>		
Instruction and general		
Instruction	21,377,095	-
Institutional support	11,191,326	-
Operations and maintenance support	8,049,062	-
Student services	3,367,153	-
Academic support	3,869,061	-
Other sponsored activities	46,465,664	-
Research	39,509,081	-
Student aid grants and stipends, net of tuition discounts and allowances of \$8,882,406	5,922,324	1,100,007
Depreciation and amortization	13,399,975	84,213
Auxiliary enterprises, net of discounts and allowances of \$2,377,649	5,930,114	-
Change in value of pension liability	(7,958,968)	-
Other postemployment benefits expense	3,764,999	-
Other operating expenses	15,543,601	2,351,502
Total operating expenses	<u>170,430,487</u>	<u>3,535,722</u>
Operating loss	<u>(49,661,390)</u>	<u>(2,185,061)</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, 2025**

	Institute	Component Unit Foundation
<b>NONOPERATING REVENUES</b>		
State appropriations	\$ 63,778,136	\$ -
Gifts	2,896,783	-
Interest and investment income, net	15,236,031	4,508,872
Net nonoperating revenues	<u>81,910,950</u>	<u>4,508,872</u>
Income before other revenues and expenses	<u>32,249,560</u>	<u>2,323,811</u>
<b>OTHER REVENUES AND EXPENSES</b>		
Other revenues	6,651,983	24,840
Additions to permanent endowments	580,003	-
State land grant permanent fund income	2,457,536	-
Capital gifts and grants	204,665	-
Capital project appropriations from state issued bonds and other	<u>4,486,200</u>	<u>-</u>
Net other revenues	<u>14,380,387</u>	<u>24,840</u>
Change in net position	46,629,947	2,348,651
NET POSITION, beginning of year	<u>168,483,794</u>	<u>43,649,648</u>
NET POSITION, end of year	<u>\$ 215,113,741</u>	<u>\$ 45,998,299</u>

See accompanying notes.

**New Mexico Institute of Mining and Technology**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended June 30, 2025**

	Institute	Component Unit Foundation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 5,497,703	\$ -
Grants and contracts	98,098,670	-
Sales and services of auxiliary enterprises	5,749,566	-
Other receipts	18,227,128	1,340,400
Payments to employees	(74,441,501)	-
Payments to suppliers	(98,456,901)	(291,919)
Other payments	-	(3,303,909)
Net cash used in operating activities	<u>(45,325,335)</u>	<u>(2,255,428)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	63,778,136	-
Gifts for other than capital purposes	2,896,783	-
Other nonoperating receipts	6,651,983	-
Net cash from noncapital financing activities	<u>73,326,902</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(18,636,516)	-
Payments on leases	(1,122,628)	-
Payments of principal on bond obligations	(1,020,000)	-
Payments of principal on note payable	(738,665)	-
Capital project appropriations from state issued bonds and other	4,486,200	-
Capital gifts and grants	204,665	-
Net cash used in capital and relating financing activities	<u>(16,826,944)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from lease payments	12,359	24,840
Proceeds from sales of investments, net	28,539,326	3,370,727
Investment purchases	(31,997,361)	(2,391,236)
Additions to endowments	580,003	-
Distributions received from land grant permanent fund	2,457,536	-
Cash paid for patents and trademark	(91,115)	-
Net cash (used in) from investing activities	<u>(499,252)</u>	<u>1,004,331</u>
NET INCREASE in cash and cash equivalents	10,675,371	(1,251,097)
CASH AND CASH EQUIVALENTS, beginning of year	<u>30,630,720</u>	<u>2,113,722</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 41,306,091</u>	<u>\$ 862,625</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Unrestricted	\$ 41,007,172	\$ 862,625
Restricted	298,919	-
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 41,306,091</u>	<u>\$ 862,625</u>

See accompanying notes.

**New Mexico Institute of Mining and Technology**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended June 30, 2025**

	<u>Institute</u>	<u>Component Unit Foundation</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES		
Operating loss	\$ (49,661,390)	\$ (2,185,061)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation and amortization expense	13,399,975	84,213
Gain on sale of assets and patents	315,006	-
Donated stock	-	(212,109)
Donation of building improvement	-	(121,417)
Amortization of bond premium	(85,815)	-
Changes in assets and liabilities		
Student accounts receivable	(166,536)	-
Contract and grant billed and unbilled receivables	2,939,144	-
Other accounts receivable	5,202,571	144,262
Inventories	(30,100)	-
Other assets	111,407	(3,246)
Deferred outflows of resources	(2,311,305)	-
Accounts payable and accrued expenses	(2,566,168)	44,981
Student and other deposits	(26,775)	-
Unearned revenue	(1,152,209)	-
Compensated absences	1,438,205	-
Deferred inflows of resources	(10,675,677)	(7,051)
Net pension liability	(2,525,814)	-
Net OPEB liability	668,788	-
Other payables	(198,642)	-
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (45,325,335)</u>	<u>\$ (2,255,428)</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Noncash recognition of lease receivable and deferred inflows of resources on new leases	<u>\$ 106,502</u>	<u>\$ -</u>
Noncash recognition of right-of-use lease asset and lease liability for new leases	<u>\$ 80,155</u>	<u>\$ -</u>
Noncash recognition of subscription-based IT arrangement (SBITA) asset and SBITA liability for new IT subscriptions	<u>\$ 1,222,791</u>	<u>\$ -</u>
Receipts of donated stock	<u>\$ -</u>	<u>\$ 212,109</u>
Receipts of building improvement donation	<u>\$ -</u>	<u>\$ 121,417</u>

See accompanying notes.

# New Mexico Institute of Mining and Technology

## Notes to Financial Statements

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### **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

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- 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**

*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 and Corporation 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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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#### **(B) Impact of recently issued accounting standards**

GASB Statement No. 101, *Compensated Absences*, became effective in fiscal year 2025. The statement provides updates for accounting and reporting for compensated absences. GASB Statement No. 101 defines a compensated absence as leave for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payments for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. A liability should be recognized for leave that has not been used if all the following are true: the leave is attributable to services already rendered; the leave accumulates; the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The standard also requires certain salary-related payments that are directly and incrementally associated with payments for leave to be included in the measurement of the liability. The adoption of this standard did not materially affect beginning balances and accordingly, a restatement was not required.

GASB Statement No. 102, *Certain Risk Disclosure*, became effective in 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.

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

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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- d) Depreciation
- e) Tuition discounts and allowances
- f) Environmental cleanup liability reserves
- g) Incurred cost rate audit adjustments
- h) Fair value measurements on investments
- i) Compensated absences

**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.

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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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**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.

**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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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**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.

**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.

## New Mexico Institute of Mining and Technology

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**Compensated absences** – The Institute provides several types of compensated absences to its employees under established policies, including annual leave, sick leave, compensatory time, personal days, and certain other paid leave benefits. In accordance with GASB Statement No. 101, *Compensated Absences*, the Institute recognizes a liability for compensated absences when (1) an employee has earned the rights to the benefits through services already rendered, and (2) it is probable that the employee will be entitled to receive the benefit through either paid time off or cash payment. The liability is measured based on the employees' pay rates in effect at fiscal year-end and represents the expected amount of future cash outflows required to settle the obligation.

Annual leave is earned bi-weekly and accumulates up to 240 hours for support staff with fewer than 10 years of service and up to 336 hours for support staff with 10 or more years of service. Professional staff may accumulate up to 336 hours. Unused annual leave is paid in full upon termination; therefore, these benefits are vesting and are fully recognized as a compensated absences liability.

Sick leave accumulates up to 800 or 1,040 hours. Employees with at least one year of service are paid 50% of unused sick leave up to 800 hours upon termination, provided the separation is for reasons other than discipline. Because payment occurs only when certain conditions are met, these benefits are considered vesting only to the extent the required conditions are satisfied, and the Institute recognizes a liability for the amount expected to be paid at the payout rate of 50% and for the amount expected to be used as paid leave at 100%.

Support staff earn compensatory time under the Fair Labor Standards Act (FLSA) at 1.5 hours for each overtime hour worked. All compensatory time is paid upon separation from employment, and therefore is vesting and fully recognized as a liability.

Employees receive one paid personal day each calendar year. Because the calendar year does not coincide with the Institute's fiscal year any unused personal day at fiscal year-end will be carried over into the subsequent fiscal year but must be used by the end of the same payroll calendar year. The unused personal day is recognized as a current liability as it is expected to be paid.

Holiday leave, institutional leave, bereavement leave, emergency leave, voting leave, military leave, witness leave, and jury duty leave do not accumulate and are not paid out upon separation from employment; therefore, they are non-vesting and no liability is recognized for these benefits.

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

**Noncurrent liabilities** – Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and 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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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**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 \$14,015,003 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.

*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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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*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, 2025.

**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.

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 \$63,778,136 for fiscal year 2025, 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).

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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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*.

**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 22, 2025, which is the date the financial statements are available to be issued.

**New Mexico Institute of Mining and Technology**  
**Notes to Financial Statements**

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**Note 3 – Cash and Investments**

**Cash** – A detail of the cash accounts at June 30, 2025, 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 (noninterest-bearing)	\$ 39,112,743	\$ 178,016	\$ 39,290,759
First State Bank	Payroll Cash on Deposit	Checking (noninterest-bearing)	142,268	(132,268)	10,000
First State Bank	NMEAF Cash on Deposit	Checking (interest-bearing)	253,673	-	253,673
First State Bank	Commercial Savings	Savings (interest-bearing)	45,246	-	45,246
Wells Fargo	Vendor Cash on Deposit	Checking (interest-bearing)	2,931,239	(1,506,714)	1,424,525
Wells Fargo	Flexible Spending Account	Checking (noninterest-bearing)	17,310	(200)	17,110
First State Bank	Research Park Corp Checking	Checking (noninterest-bearing)	<u>240,989</u>	-	<u>240,989</u>
			42,743,468	(1,461,166)	41,282,302
	Petty cash	Cash	<u>23,789</u>	-	<u>23,789</u>
	Total cash accounts		<u>\$ 42,767,257</u>	<u>\$ (1,461,166)</u>	<u>\$ 41,306,091</u>

**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, 2025, the Institute's custodial credit risk was as follows:

Bank balance uninsured and uncollateralized	\$ -
Bank balance insured and collateral held (not in Institute's name)	<u>42,243,468</u>
Total custodial credit risk - cash	<u>\$ 42,243,468</u>

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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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, 2025, was as follows:

Total deposits all banks	\$ 42,743,468
Less FDIC coverage	<u>(500,000)</u>
Uninsured public funds	42,243,468
50% collateral required	21,121,734
Pledged collateral held by pledging banks' agent in the name of the Institute	<u>46,813,728</u>
Excess of pledge collateral over the required amount	<u><u>\$ 25,691,994</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, 2025:

	Market Value
Short-term LGIP	\$ 26,952,149
Endowments	84,892,383
Other long term	<u>53,344,618</u>
Total investments	<u><u>\$ 165,189,150</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

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	<u>Reconciled Balance per Books</u>	<u>Balance per Custodial Statement</u>
Investment accounts		
Morgan Stanley		
Langmuir endowment		
Money market funds	\$ 4,690	\$ 4,690
Mutual funds	529,763	529,763
U.S. government and corporate debt securities	673,143	673,143
Common stocks	2,653,438	2,653,438
Schwab		
Student investment club		
Common stocks	370,296	370,296
State Investment Council Pooled Fund	134,005,672	134,005,672
State Treasurer - LGIP	<u>26,952,148</u>	<u>26,952,148</u>
 Total investments	 <u>\$ 165,189,150</u>	 <u>\$ 165,189,150</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

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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      \$26,952,149      18 day WAM (R); 75 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, 2025, 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	\$ 4,690
Corporate debt securities	5.58	BBB-	673,093
Government debt securities	3.39	not rated	50
State Treasurer - LGIP	0.24	AAAM	26,952,148
Investments not subject to categorization			
State Investment Council Pooled Funds	-	not rated	<u>134,005,672</u>
Total items subject to credit risk			161,635,653
Items not subject to credit risk			
Mutual funds			529,763
Common stocks			<u>3,023,734</u>
Total items not subject to credit risk			<u>3,553,497</u>
Total investments			<u><u>\$ 165,189,150</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, 2025, 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	\$ 4,690	\$ -	\$ -	\$ -	\$ 4,690
U.S. government and corporate debt securities	57,920	225,884	344,198	45,141	673,143
State Treasurer LGIP	26,952,148	-	-	-	26,952,148
	<u>\$ 27,014,758</u>	<u>\$ 225,884</u>	<u>\$ 344,198</u>	<u>\$ 45,141</u>	27,629,981
Investments not subject to categorization					
State Investment Council Pooled fund					134,005,672
Total items subject to interest rate risk					161,635,653
Items not subject to interest rate risk					
Common stocks					3,023,734
Mutual funds					529,763
Total items not subject to interest rate risk					3,553,497
Total investments					<u>\$ 165,189,150</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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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**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, 2025.

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 2025, 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.

## 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, 2025.

	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	\$ 3,023,734	\$ -	\$ -	\$ 3,023,734
Money market funds	4,690	-	-	4,690
Corporate debt securities	673,093	-	-	673,093
Government debt securities	50	-	-	50
Mutual funds	529,763	-	-	529,763
Investments held with the New Mexico State Investment Council pooled funds				
U.S. Large Cap Index Pool	23,960,567	-	-	23,960,567
U.S. Small/Mid Cap Pool	7,176,105	-	-	7,176,105
Non-U.S. Developed Markets Pool	20,473,504	-	-	20,473,504
Non-U.S. Emerging Markets Pool	11,074,372	-	-	11,074,372
State Treasurer Office (STO) LGIP	-	26,952,148	-	26,952,148
<b>Total</b>	<b>\$ 66,915,878</b>	<b>\$ 26,952,148</b>	<b>\$ -</b>	<b>93,868,026</b>
Investments measured at NAV Practical Expedient				
Investments held with the New Mexico State Investment Council pooled funds				
Credit & Structured Finance Pool				31,381,997
Private Equity Pool				13,149,186
Private Debt Market Pool				13,612,438
Real Estate Pool				6,305,065
Real Return Pool				6,872,438
<b>Total Investments</b>				<b>\$ 165,189,150</b>

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, 2025:

Investment	Fair Value	Redemption Frequency	Redemption Notice Period
U.S. Large Cap Index Pool	\$ 23,960,567	Daily	5 Business Days
U.S. Small/Mid Cap Pool	7,176,105	Daily	5 Business Days
Non-U.S. Developed Markets Pool	20,473,504	Daily	5 Business Days
Non-U.S. Emerging Markets Pool	11,074,372	Daily	5 Business Days
State Treasurer Office (STO) LGIP	26,952,148	Daily	1 Business Day
Credit & Structured Finance	31,381,997	4 times per year	3 months
Private Equity Pool	13,149,186	2 times per year	9 months
Private Debt Market Pool	13,612,438	2 times per year	9 months
Real Estate Pool	6,305,065	2 times per year	3 months
Real Return Pool	6,872,438	2 times per year	3 months

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

#### Note 4 – Receivables

Receivables consists of the following at June 30, 2025:

	Receivable	Allowance for Doubtful Accounts	Receivable, net
Grant and contracts billed and unbilled	\$ 24,886,832	\$ -	\$ 24,886,832
Student accounts	1,843,477	(1,186,000)	657,477
Due from state agencies and other accounts receivable	6,205,951	(65,012)	6,140,939
Due from component unit	59,295	-	59,295
Other noncurrent receivables	2,623,127	-	2,623,127
	<u>\$ 35,618,682</u>	<u>\$ (1,251,012)</u>	<u>\$ 34,367,670</u>

#### Note 5 – Capital Assets

Following are the changes in capital assets for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
<b>Capital assets not being depreciated</b>					
Land	\$ 4,334,219	\$ 280,000	\$ (63,900)	\$ -	\$ 4,550,319
Construction in progress	16,127,540	10,281,070	-	(6,580,252)	19,828,358
Total assets not depreciating	<u>\$ 20,461,759</u>	<u>\$ 10,561,070</u>	<u>\$ (63,900)</u>	<u>\$ (6,580,252)</u>	<u>\$ 24,378,677</u>
<b>Depreciable capital assets</b>					
Nonmajor infrastructure networks	\$ 38,174,230	\$ -	\$ -	\$ 3,769,165	\$ 41,943,395
Land improvements	7,128,046	-	-	272,737	7,400,783
Buildings	241,306,999	-	(227,236)	2,538,350	243,618,113
Furniture, fixtures, and equipment	56,863,473	8,061,433	(1,488,643)	-	63,436,263
Software	1,780,118	-	(10,000)	-	1,770,118
Library materials	11,970,647	14,013	(131,175)	-	11,853,485
Right-to-use lease assets	4,630,027	80,155	(381,213)	-	4,328,969
Subscription-based IT arrangements	2,005,920	1,222,791	(382,798)	-	2,845,913
Total depreciating capital assets	<u>\$ 363,859,460</u>	<u>\$ 9,378,392</u>	<u>\$ (2,621,065)</u>	<u>\$ 6,580,252</u>	<u>\$ 377,197,039</u>
<b>Accumulated depreciation and amortization</b>					
Nonmajor infrastructure networks	\$ (21,520,507)	\$ (1,106,206)	\$ -	\$ -	\$ (22,626,713)
Land improvements	(4,760,541)	(133,189)	-	-	(4,893,730)
Buildings	(130,911,494)	(6,975,219)	64,301	-	(137,822,412)
Furniture, fixtures, and equipment	(46,814,963)	(3,282,263)	1,413,893	-	(48,683,333)
Software	(1,780,118)	-	10,000	-	(1,770,118)
Library materials	(9,121,359)	(469,695)	131,175	-	(9,459,879)
Right-to-use lease assets	(2,822,790)	(456,831)	381,212	-	(2,898,409)
Subscription-based IT arrangements	(937,568)	(976,572)	369,378	-	(1,544,762)
Total accumulated depreciation and amortization	<u>\$ (218,669,340)</u>	<u>\$ (13,399,975)</u>	<u>\$ 2,369,959</u>	<u>\$ -</u>	<u>\$ (229,699,356)</u>
<b>Capital assets summary</b>					
Capital assets not depreciating	\$ 20,461,759	\$ 10,561,070	\$ (63,900)	\$ (6,580,252)	\$ 24,378,677
Depreciating capital assets, at cost	363,859,460	9,378,392	(2,621,065)	6,580,252	377,197,039
Total cost capital assets	384,321,219	19,939,462	(2,684,965)	-	401,575,716
Accumulated depreciation and amortization	(218,669,340)	(13,399,975)	2,369,959	-	(229,699,356)
Capital assets, net	<u>\$ 165,651,879</u>	<u>\$ 6,539,487</u>	<u>\$ (315,006)</u>	<u>\$ -</u>	<u>\$ 171,876,360</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, 2025, is as follows:

Noncurrent Liabilities	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025	Current Portion (Due in 2026)
Accrued compensated absences	\$ 9,237,276	\$ 1,438,205	\$ -	\$ 10,675,481	\$ 6,379,723
Bonds payable	15,120,818	-	(1,105,815)	14,015,003	1,050,000
Notes payable	1,055,255	-	(738,665)	316,590	316,590
Environmental remediation	5,434,223	-	-	5,434,223	-
Lease obligations	2,321,598	130,125	(677,895)	1,773,828	565,858
SBITA obligations	887,272	737,806	(444,732)	1,180,346	603,173
Net pension liability	110,883,556	-	(2,525,814)	108,357,742	-
Net OPEB obligation	48,141,637	668,788	-	48,810,425	-
<b>Total noncurrent liabilities</b>	<b>\$ 193,081,635</b>	<b>\$ 2,974,924</b>	<b>\$ (5,492,921)</b>	<b>\$ 190,563,638</b>	<b>\$ 8,915,344</b>

**Compensated absences** – The change in accrued compensated absences is presented as a net amount.

**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, 2025.

**New Mexico Institute of Mining and Technology**  
**Notes to Financial Statements**

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**Lease obligations** – Future principal and interest payments required as of June 30, 2025, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Minimum Payments</u>
2026	\$ 565,858	\$ 3,862	\$ 569,720
2027	402,971	683	403,654
2028	254,795	426	255,221
2029	232,965	389	233,354
2030	82,782	124	82,906
2031-2035	163,572	171	163,743
2036-2037	70,885	38	70,923
	<u>\$ 1,773,828</u>	<u>\$ 5,693</u>	<u>\$ 1,779,521</u>

**SBITA obligations** – Future principal and interest payments required as of June 30, 2025, are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Minimum Payments</u>
2026	\$ 603,173	\$ 11,631	\$ 614,804
2027	343,842	5,800	349,642
2028	233,331	3,586	236,917
	<u>\$ 1,180,346</u>	<u>\$ 21,017</u>	<u>\$ 1,201,363</u>

**Note 7 – Bonds Payable**

Long-term debt of the Institute at June 30, 2025, 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%	\$ 14,015,003

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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

Years Ending June 30,	Principal	Interest
2026	\$ 1,135,816	\$ 369,649
2027	1,165,816	351,447
2028	1,205,816	334,023
2029	1,240,816	313,953
2030-2034	4,139,802	1,220,556
2035-2039	3,466,937	669,600
2040-2041	1,660,000	67,600
Total	\$ 14,015,003	\$ 3,326,828

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 1.0097% of pledged revenues. Interest paid during the current year totaled \$293,242. Pledged revenues received during 2025, were \$5,705,917.

A bond premium of \$990,003 remains unamortized as of June 30, 2025, with \$85,815 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, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2025.

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	\$ 53,711,573
Plan fiduciary net position	4,901,148
The Institute's net OPEB liability	\$ 48,810,425
Plan fiduciary net position as a percentage of total OPEB liability	9%

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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**Actuarial methods and assumptions** – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2025, 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 3.94%, 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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

#### 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, 2024 (based on July 1, 2023 measurement date)	\$ 52,666,116	\$ 4,524,480	\$ 48,141,636
Changes for the year			
Service cost	3,272,248	-	3,272,248
Interest on the total OPEB liability	2,017,432	-	2,017,432
Differences between expected and actual experience	-	-	-
Changes of assumptions*	(2,594,832)	-	(2,594,832)
Gross benefit payments	(1,649,391)	(1,649,391)	-
Contributions from the employer	-	818,921	(818,921)
Contributions from the employee	-	828,806	(828,806)
Net investment income	-	344,039	(344,039)
Administrative expense	-	(160,905)	160,905
Other changes	-	195,198	(195,198)
Net changes	1,045,457	376,668	668,789
Balance at June 30, 2025 (based on July 1, 2024 measurement date)	\$ 53,711,573	\$ 4,901,148	\$ 48,810,425

\* The assumed discount rate increased from 3.66% at June 30, 2024 to 3.94% at June 30, 2025.

**Sensitivity of the net OPEB liability to changes in the discount rate** – The following presents the Institute's net OPEB liability at June 30, 2025, which was measured using the discount rate of 3.94%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.94%) or 1-percentage-point higher (4.94%) than the current rate:

Changes in Discount Rate	1% Decrease (2.94%)	Discount Rate (3.94%)	1% Increase (4.94%)
Net OPEB liability	\$ 56,833,380	\$ 48,810,425	\$ 39,336,014

**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, 2025, 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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

**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, 2025, 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:

<u>Changes in the Healthcare Cost Trend Rates</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 38,701,710	\$ 48,810,425	\$ 57,897,830

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB** – For the year ended June 30, 2025, the Institute recognized OPEB expense of \$3,764,999. At June 30, 2025, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between actual and expected experience	\$ 6,500,366	\$ 6,714,424
Net difference between projected and actual earnings on OPEB plan investments	119,371	-
Changes in assumptions	8,268,033	12,848,156
Institute contribution subsequent to the measurement date	<u>854,386</u>	<u>-</u>
Total	<u>\$ 15,742,156</u>	<u>\$ 19,562,580</u>

The \$854,386 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, 2025. 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,

2026	\$ (446,650)
2027	(39,995)
2028	289,448
2029	33,755
2030	(1,635,671)
Thereafter	<u>(2,875,697)</u>
Total	<u>\$ (4,674,810)</u>

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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#### 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 annual comprehensive financial report. The report can be found on NMERB’s website at [https://www.nmerb.org/Annual\\_reports.html](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.

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.

# New Mexico Institute of Mining and Technology

## Notes to Financial Statements

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### 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.

#### **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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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#### **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 five 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.

**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** – A 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 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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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**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).

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.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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**Contributions** – For the fiscal year ended June 30, 2025, 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
2025	7-1-24 to 6-30-2025	Over \$24K	10.70%	18.15%	28.85%	1.00%
2025	7-1-24 to 6-30-2025	\$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, 2025, the Institute paid employee and employer contributions of \$15,118,448 which equal the amount of the required contribution for fiscal year. At June 30, 2025, the Institute reported a liability of \$108,357,742 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2024, 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, 2024.

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, 2024, actuarially determined. At June 30, 2024, the Institute's proportion was 1.23%, which was a decrease of 0.04% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Institute recognized pension expense of \$7,958,968. At June 30, 2025, the Institute reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

Resources Reported	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 8,835,969	\$ 240,227
Changes of assumptions	-	2,839,772
Net difference between projected and actual earnings on pension plan investments	-	3,282,359
Changes in proportion and differences between Institute contributions and proportionate share of contributions	9,804	3,465,876
Institute contributions subsequent to the measurement date	9,836,796	-
Total	<u>\$ 18,682,569</u>	<u>\$ 9,828,234</u>

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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The \$9,836,796 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, 2025. 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>
2026	\$ (3,317,427)
2027	3,764,077
2028	(540,374)
2029	<u>(888,737)</u>
Total	<u>\$ (982,461)</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, 2024, were based on Board-adopted assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ending June 30, 2019.

The total pension liability in the June 30, 2024, 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.)

## New Mexico Institute of Mining and Technology

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- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	28%	
Fixed Income	24	
Alternatives	47	
Cash	1	
Total	100%	7%

**Discount rate** – A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2024. This is the same rate used for June 30, 2023. 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.

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	\$ 148,997,978	\$ 108,357,742	\$ 74,723,035

**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](https://www.nmerb.org/Annual_reports.html).

At June 30, 2025, the Institute had an outstanding payable to the Plan of \$1,164,436, which consisted of statutory employee and employer contributions for the month of June 2025.

## New Mexico Institute of Mining and Technology

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#### **Note 10 – Defined Contribution Retirement Plan**

Effective October 1991, the New Mexico legislature established an 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.

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, 2025, 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.

## New Mexico Institute of Mining and Technology

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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, 2025, was \$721,166.

#### **Note 11 – Certain Risk Disclosures**

**Concentrations** – The Institute has a concentration of revenues from federal grants and contracts, representing approximately 61% of operating revenues for the year ended June 30, 2025. The Institute has received stop work orders on multiple federal awards due to the suspension of Diversity, Equity, and Inclusion (DEI), Community Benefits Plans, or Justice40 Initiatives. The Institute has not yet received guidance from the funding agencies regarding whether the DEI-related scope of work will be de-obligated, reduced, or revised. This could result in a decline in operating revenue by approximately \$20.7 million for fiscal year 2026. The Institute expects a reduction in operating expenses of the same amount. As of the issuance date of the financial statements, management is in the process of evaluating necessary mitigating actions to take.

**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.

**Other commitments** – At June 30, 2025, 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 \$64,127,043.

Total construction commitments of \$16,947,717 are not presented in the financial statements. These commitments represent unfinished contracts with various entities at June 30, 2025.

## **New Mexico Institute of Mining and Technology**

### **Notes to Financial Statements**

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#### **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 \$2,176,353.

#### **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**

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**Note 14 – Reconciliation of Budget Basis to GAAP**

**Total Unrestricted and Restricted Revenues**

Budgetary basis	<u>\$ 233,638,116</u>
Reconciling items	
Indirect cost recovery	(12,326,501)
SPA payable	324,006
Deposits held for others	37,336
Restricted internal service adjustment	(9,907,171)
Internal service cost recovery adjustment	4,330,944
Unbudgeted exhibits	14,359,912
Tuition and fee adjustment	(8,882,406)
Auxiliaries adjustment	(2,377,649)
Restricted funds year end adjustment	(2,341,880)
Blended component unit	<u>205,727</u>
Total reconciling items	<u>(16,577,682)</u>
Total reconciled unrestricted and restricted revenues per budgetary basis	<u><u>\$ 217,060,434</u></u>
Basic financial statements	
Operating revenue	\$ 120,769,097
Nonoperating revenue	81,910,950
Capital contributions and other	<u>14,380,387</u>
Total unrestricted and restricted revenue per financial statements	<u><u>\$ 217,060,434</u></u>
Difference	<u><u>\$ -</u></u>

**New Mexico Institute of Mining and Technology**  
**Notes to Financial Statements**

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**Total Unrestricted and Restricted Expenditures**

Budgetary basis	<u>\$ 216,394,633</u>
Reconciling items	
Indirect cost recovery	(12,326,501)
SPA payable	324,006
Deposits held for others	(86,353)
Capital expenditures	(18,415,458)
Unbudgeted exhibits	5,018,317
Restricted internal service adjustment	(9,907,171)
Internal service cost recovery adjustment	4,330,944
Depreciation and amortization expense	13,399,975
OPEB expense	2,926,176
Pension expense	(17,793,455)
Auxiliaries adjustment	(2,377,649)
Tuition and fee adjustment	(8,882,406)
Restricted funds year end adjustment	(2,420,918)
Blended component unit (amount not in budgetary basis)	<u>246,347</u>
 Total reconciling items	 <u>\$ (45,964,146)</u>
Total reconciled unrestricted and restricted expenditures per budgetary basis	<u>\$ 170,430,487</u>
 Basic financial statements	
Operating expenditures	<u>\$ 170,430,487</u>
 Total unrestricted and restricted expenditures per financial statements	 <u>\$ 170,430,487</u>
 Difference	 <u>\$ -</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.

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

## New Mexico Institute of Mining and Technology

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*Operating revenues* – Operating revenues include activities that have the characteristics of exchange transactions such as 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 inflows and outflows* – 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 \$69,462 at June 30, 2025. 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

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*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 0.84%-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, 2025.

*Investments* – The Board of Trustees 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 Government Accounting Standards Board (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, 2025. That report may be obtained by writing to the New Mexico State Investment Council, 41 Plaza la Prensa, Santa Fe, New Mexico 87507. The report is also available on the NMSIC website at [www.sic.state.nm.us](http://www.sic.state.nm.us).

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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, 2025.

*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 \$59,295 at June 30, 2025, 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.

## New Mexico Institute of Mining and Technology

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**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, 2025, the Foundation's deposits were exposed to custodial credit risk as follows:

	First State Bank	Wells Fargo	Total
Total of deposits in the bank	\$ 802,839	\$ 69,776	\$ 872,615
FDIC coverage	(250,000)	(69,776)	(319,776)
Total uninsured funds	\$ 552,839	\$ -	\$ 552,839

Deposit classification in the financial statements at June 30, 2025, follows:

Name of Depository	Account Name	Bank Account Type	Bank Balance	Reconciling Items	Financial Statement Balance
First State Bank	Checking (interest bearing)	Cash	\$ 759,525	\$ (9,990)	\$ 749,535
First State Bank	Savings (noninterest-bearing)	Cash	43,314	-	43,314
Wells Fargo	Savings (noninterest-bearing)	Cash	69,776	-	69,776
Total cash and cash equivalents			\$ 872,615	\$ (9,990)	\$ 862,625

The Foundation does not receive public funds and pledged collateral is not required.

**Investments** – A summary of investments at June 30, 2025, are as follows:

Investments	Ratings	Fair Value
Investments held with the New Mexico State Investment Council (NMSIC) pooled funds		
Credit Plus Pool	A1	\$ 10,114,283
Non-U.S. Emerging Markets Index Pool	Not rated	3,491,412
Non-U.S. Developed Markets Index Pool	Not rated	6,664,708
U.S. Large Cap Index Pool	Not rated	7,709,771
U.S. Small/Mid Cap Pool	Not rated	2,330,960
Real Return Pool	Not rated	2,311,728
Investments not subject to categorization		
State Investment Council Pooled Funds		11,126,787
Total investments		\$ 43,749,649

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, 2025, the Foundation had fixed income and bond type investments subject to interest rate risk.

## New Mexico Institute of Mining and Technology

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*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, 2025, none of the above investments were subject to credit risk.

**Fair value of investments** – 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, 2025.

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 2025, 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 1 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.

The following table presents the fair value measurements of assets and liabilities at June 30, 2025:

	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 (NMSIC) pooled funds				
Non-U.S. Emerging Markets Active Pool	\$ 3,491,412	\$ -	\$ -	\$ 3,491,412
Non-U.S. Developed Markets Index Pool	6,664,708	-	-	6,664,708
U.S. Small/Mid Cap Pool	7,709,771	-	-	7,709,771
Real Return Pool	2,330,960	-	-	2,330,960
Total investments	<u>\$ 20,196,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,196,851</u>
Investments Measured at NAV Practical Expedient				
Investments held with the New Mexico State Investment Council (NMSIC):				
Credit Plus Pool				\$ 10,114,283
Credit & Structured Finance				4,579,069
Private Equity Pool				4,424,644
Real Estate Pool				2,123,074
Real Return Pool				2,311,728
				<u>\$ 43,749,649</u>

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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, 2025:

Investment	Fair Value	Redemption Frequency	Redemption Notice Period	Outstanding Commitments
Non-U.S. Emerging Markets Active Pool	\$ 3,491,412	Daily	5 Business Days	NA
Non-U.S. Developed Markets Index Pool	6,664,708	Daily	5 Business Days	NA
U.S. Large Cap Index Pool	7,709,771	Daily	5 Business Days	NA
U.S. Small/Mid Cap Pool	2,330,960	Daily	5 Business Days	NA
			5 Days/1 Month	
Credit Plus Pool	10,114,283	Monthly	over \$5M	NA
Credit & Structured Finance	4,579,069	4 times per year	3 months	NA
Private Equity Pool	4,424,644	2 times per year	9 months	NA
Real Estate Pool	2,123,074	2 times per year	3 months	NA
Real Return Pool	2,311,728	2 times per year	3 months	NA

**Promises to give** – Promises to give are included in due from state agencies and other accounts receivable and other noncurrent receivables on the statement of net position. Promises to give consist of the following at June 30, 2025:

Amounts receivable in less than one year	\$ 39,000
Amount receivable in more than one year	271,000
Total promise to give	310,000
Discount to net present value	(19,023)
Promise to give, net	290,977
Less current portion	(39,000)
Noncurrent portion	\$ 251,977

**Capital assets** – Capital assets consist of the following at June 30, 2025:

	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
Building improvements	-	121,417	-	-	121,417
Total assets depreciating	1,856,190	121,417	-	-	1,977,607
Accumulated depreciation					
Building	(1,293,992)	(84,213)	-	-	(1,378,205)
Capital assets, net	\$ 1,129,799	\$ 37,204	\$ -	\$ -	\$ 1,167,003

## New Mexico Institute of Mining and Technology

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**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, 2025. The Foundation provided the Institute \$2,203,902 in support for the year ended June 30, 2025.

The Foundation leases an apartment building to the Institute which expires June 30, 2026. Additionally, the Foundation leases a residential building to a third party. Lease revenues were \$114,990 for the year ended June 30, 2025. The lease is classified as a short-term lease on a month-to-month basis.

The Foundation funded \$1,100,007 in scholarships and awards which were provided through the Institute during the year ended June 30, 2025. 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 \$59,295 at June 30, 2025.

**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 \$15,688,118 at June 30, 2025.

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 \$4,504,617.

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 2025.

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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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.

*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, 2025:

<u>Restricted Endowments</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Restricted, nonexpendable	\$ 14,623,096	\$ 1,065,022	\$ -	\$ 15,688,118
Restricted, expendable	<u>4,939,867</u>	<u>3,535,836</u>	<u>(1,763,593)</u>	<u>6,712,110</u>
Total restricted endowments	<u>\$ 19,562,963</u>	<u>\$ 4,600,858</u>	<u>\$ (1,763,593)</u>	<u>\$ 22,400,228</u>

## New Mexico Institute of Mining and Technology

### Notes to Financial Statements

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**Leases** – The Foundation is a lessor for noncancellable leases of an apartment complex with lease terms through June 30, 2026. For the year ending June 30, 2025, the Foundation recognized \$114,990 in lease revenue released from the deferred inflows of resources related to the leases. The Foundation recognized interest revenue of \$4,255 for the year ending June 30, 2025. 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, 2025, were as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	<u>\$ 86,081</u>	<u>\$ 2,830</u>	<u>\$ 88,911</u>

## **Required Supplementary Information**

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**New Mexico Institute of Mining and Technology**  
**Schedule of Proportionate Share of the Net Pension Liability Educational Retirement Board (ERB) Pension Plan**  
**June 30, 2025**

Fiscal Year-June 30, Measurement Date-June 30,	2025 2024	2024 2023	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015
Institute's proportion of the net pension liability (asset)	1.23302%	1.27683%	1.28657%	1.28582%	1.29758%	1.34392%	1.34475%	1.28524%	1.30892%	1.30317%
Institute's proportionate share of the net pension liability	\$ 108,357,742	\$ 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
Institute's covered payroll	\$ 48,578,135	\$ 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
Institute's proportionate share of the net pension liability as a percentage of its covered-employee payroll	223.06%	240.73%	282.23%	232.23%	665.91%	284.06%	457.48%	399.52%	264.88%	203.50%
Plan fiduciary net position as a percentage of the total pension liability	66.57%	65.19%	64.87%	69.77%	39.11%	64.13%	52.17%	52.95%	61.58%	63.97%

**New Mexico Institute of Mining and Technology**  
**Schedule of Contributions Educational Retirement Board (ERB) Pension Plan**  
**June 30, 2025**

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	<u>2025</u>	<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>
Statutorily required contributions	\$ 9,836,796	\$ 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
Contribution in relation to the statutorily required contributions	\$ 9,836,796	\$ 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
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Institute covered payroll	\$ 48,578,135	\$ 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
Contributions as a percentage of covered payroll	20.25%	19.48%	22.05%	16.83%	14.77%	15.64%	15.24%	14.96%	14.01%	14.47%

**New Mexico Institute of Mining and Technology**  
**Notes to Defined Benefit Retirement Plan RSI**  
**Year Ended June 30, 2025**

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**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, 2024.

**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, 2025**

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 854,386	\$ 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	854,386	818,920	754,734	803,278	689,092	3,952,245	2,239,377	3,997,035	4,998,780
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 57,586,830	\$ 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	1.5%	1.4%	1.5%	1.7%	2.2%	12.9%	7.5%	14.1%	17.8%

**Notes to schedule**

Valuation date July 1, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>									
Service cost	\$ 3,272,248	\$ 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	2,017,432	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	(2,594,832)	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	(1,649,391)	(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	1,045,457	(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	52,666,116	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 <sup>(a)</sup>	53,711,573	52,666,116	54,108,558	64,293,784	41,323,584	32,131,661	32,523,702	30,964,844	31,886,882
<b>Plan fiduciary net position</b>									
Contributions: employer	818,920	754,734	803,278	689,092	705,438	2,239,377	3,997,035	4,998,780	4,936,193
Contributions: member	828,806	813,257	780,204	735,022	650,373	1,631,735	3,386,902	3,706,201	3,628,635
Net investment income	344,039	117,037	(294,108)	714,655	84,850	148,836	173,859	208,410	29,580
Benefit payments	(1,649,391)	(1,614,872)	(1,544,536)	(1,477,174)	(1,273,462)	(61,287)	(649,187)	(1,490,341)	(930,054)
Administrative expenses	(160,905)	(149,105)	(125,740)	(97,012)	(88,179)	(306,363)	(359,518)	(378,843)	(388,416)
Other	195,200	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	376,669	145,046	(660,649)	711,742	84,972	(61,288)	649,188	911,385	1,312,762
Plan fiduciary net position, beginning	4,524,479	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 <sup>(b)</sup>	4,901,148	4,524,479	4,379,433	5,040,082	4,328,340	4,243,368	4,304,656	3,655,468	2,744,083
<b>Net OPEB liability, ending <sup>(a) - (b)</sup></b>	<b>\$ 48,810,425</b>	<b>\$ 48,141,637</b>	<b>\$ 49,729,125</b>	<b>\$ 59,253,702</b>	<b>\$ 36,995,244</b>	<b>\$ 27,888,293</b>	<b>\$ 28,219,046</b>	<b>\$ 27,309,376</b>	<b>\$ 29,142,799</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>9.1%</b>	<b>8.6%</b>	<b>8.1%</b>	<b>7.8%</b>	<b>10.5%</b>	<b>13.2%</b>	<b>13.2%</b>	<b>11.8%</b>	<b>8.6%</b>
<b>Covered-employee payroll</b>	<b>\$ 57,586,830</b>	<b>\$ 56,944,216</b>	<b>\$ 50,300,933</b>	<b>\$ 48,652,784</b>	<b>\$ 30,618,535</b>	<b>\$ 29,915,918</b>	<b>\$ 28,337,003</b>	<b>\$ 28,142,927</b>	<b>\$ 27,958,526</b>
<b>Institute's net OPEB liability as a percentage of covered-employee payroll</b>	<b>85%</b>	<b>85%</b>	<b>99%</b>	<b>122%</b>	<b>121%</b>	<b>93%</b>	<b>100%</b>	<b>97%</b>	<b>104%</b>

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

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### Notes to schedule

**Benefit changes** – None

**Changes in assumptions** – The \$668,788 increase in the liability from June 30, 2024 to June 30, 2025, 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 nine years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	16.13%	10.89%	8.05%	-11.83%	36.75%	3.70%	7.10%	9.40%	11.30%

## **Supplementary Information**

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**New Mexico Institute of Mining and Technology**  
**Budget Comparison – Unrestricted and Restricted – All Operations (Schedule 1)**  
**Year Ended June 30, 2025**

	<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	\$ 38,997,096	\$ 89,626,317	\$ 89,605,809	\$ (20,508)
Unrestricted and restricted revenues				
State general fund appropriations	64,563,693	64,563,693	68,264,336	3,700,643
Restricted revenue sources	138,728,612	138,728,612	112,457,248	(26,271,364)
Tuition and fees	14,883,533	14,537,687	14,573,415	35,728
Land and permanent fund	1,550,000	7,900,000	2,457,535	(5,442,465)
Endowment earnings/private gifts	-	-	6,170,101	6,170,101
Other	29,332,334	34,832,334	29,715,481	(5,116,853)
Total unrestricted and restricted revenues	<u>249,058,172</u>	<u>260,562,326</u>	<u>233,638,116</u>	<u>(26,924,210)</u>
Total unrestricted and restricted revenues and net position budgeted	<u>288,055,268</u>	<u>350,188,643</u>	<u>323,243,925</u>	<u>(26,944,718)</u>
Unrestricted and restricted expenditures				
Instruction and general	56,484,976	64,119,736	51,816,724	(12,303,012)
Student social and cultural	993,366	1,611,252	1,193,542	(417,710)
Research	132,263,275	138,990,012	104,248,425	(34,741,587)
Public service	1,866,966	2,194,588	1,882,494	(312,094)
Internal service departments	10,906,011	11,960,396	9,046,569	(2,913,827)
Student aid	16,333,845	16,954,365	12,347,904	(4,606,461)
Auxiliary enterprises	8,531,117	8,777,993	8,628,781	(149,212)
Independent operations	11,276,416	12,803,358	11,041,787	(1,761,571)
Capital outlay	9,010,000	15,010,000	13,643,552	(1,366,448)
Renewal and replacements	2,052,000	3,802,000	2,231,745	(1,570,255)
Retirement of indebtedness	890,000	890,000	313,110	(576,890)
Total unrestricted and restricted expenditures	<u>250,607,972</u>	<u>277,113,700</u>	<u>216,394,633</u>	<u>(60,719,067)</u>
Net transfers	<u>(119,980)</u>	<u>(119,980)</u>	<u>(3,835,446)</u>	<u>(3,715,466)</u>
Change in net (deficit) position (budgetary basis)	<u>(1,669,780)</u>	<u>(16,671,354)</u>	<u>13,408,037</u>	<u>30,079,391</u>
Ending net position	<u>\$ 37,327,316</u>	<u>\$ 72,954,963</u>	<u>\$ 103,013,846</u>	<u>\$ 30,058,883</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, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Over (Under) Budget</u>
Unrestricted beginning net position	\$ 38,997,096	\$ 91,188,765	\$ 91,168,257	\$ (20,508)
Unrestricted revenues				
Tuition	11,981,070	11,565,718	11,570,698	4,980
Miscellaneous fees	2,902,463	2,971,969	3,002,718	30,749
Government appropriation, federal	-	-	-	-
Government appropriation, state	64,310,712	64,310,712	68,264,336	3,953,624
Government appropriation, local	-	-	-	-
Government grants, federal	-	-	-	-
Government grants, state	252,981	252,981	204,665	(48,316)
Contracts, local	-	-	-	-
Private contracts	-	-	-	-
Endowments	-	-	6,163,970	6,163,970
Land and permanent fund	1,550,000	1,900,000	2,457,535	557,535
Private gifts	-	-	6,131	6,131
Sales and service	10,856,517	10,856,517	9,293,710	(1,562,807)
Other sources	18,475,817	23,975,817	20,217,106	(3,758,711)
Total unrestricted revenues	<u>110,329,560</u>	<u>115,833,714</u>	<u>121,180,869</u>	<u>5,347,155</u>
Total unrestricted revenues and net position budgeted	<u>149,326,656</u>	<u>207,022,479</u>	<u>212,349,126</u>	<u>5,326,647</u>
Unrestricted expenditures				
Instruction and general	56,484,976	64,119,736	51,816,724	(12,303,012)
Student social and cultural	993,366	1,611,252	1,193,542	(417,710)
Research	13,271,044	19,997,781	11,850,294	(8,147,487)
Public service	1,866,966	2,194,588	1,882,494	(312,094)
Internal service departments	1,821,928	2,876,313	1,080,150	(1,796,163)
Student aid	9,781,547	10,402,067	8,182,896	(2,219,171)
Auxiliary enterprises	8,531,117	8,777,993	8,628,781	(149,212)
Independent operations	7,176,416	8,703,358	7,107,565	(1,595,793)
Capital outlay	9,010,000	15,010,000	13,643,552	(1,366,448)
Renewal and replacements	2,052,000	3,802,000	2,231,745	(1,570,255)
Retirement of indebtedness	890,000	890,000	313,110	(576,890)
Total unrestricted expenditures	<u>111,879,360</u>	<u>138,385,088</u>	<u>107,930,853</u>	<u>(30,454,235)</u>
Net transfers	<u>(119,980)</u>	<u>(119,980)</u>	<u>(1,046,876)</u>	<u>(926,896)</u>
Change in net (deficit) position (budgetary basis)	<u>(1,669,780)</u>	<u>(22,671,354)</u>	<u>12,203,140</u>	<u>34,874,494</u>
Ending net position	<u>\$ 37,327,316</u>	<u>\$ 68,517,411</u>	<u>\$ 103,371,397</u>	<u>\$ 34,853,986</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, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Over (Under) Budget</u>
Restricted beginning net position	\$ -	\$ (1,562,448)	\$ (1,562,448)	\$ -
Restricted revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Government appropriation, federal	202,298	202,298	294,084	91,786
Government appropriation, state	-	-	-	-
Government appropriation, local	-	-	-	-
Government grants, federal	104,450,000	104,450,000	78,808,816	(25,641,184)
Government grants, state	4,700,000	4,700,000	6,115,175	1,415,175
Contracts, other	6,000,000	6,000,000	5,493,420	(506,580)
Private contracts	15,075,000	15,075,000	11,807,335	(3,267,665)
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	-	-	-	-
Sales and service	8,301,314	8,301,314	9,938,419	1,637,105
Other sources	-	-	-	-
Total restricted revenues	<u>138,728,612</u>	<u>138,728,612</u>	<u>112,457,249</u>	<u>(26,271,363)</u>
Cash balance, budgeted	-	(1,562,448)	(1,562,448)	-
Total restricted revenues and net position budgeted	<u>138,728,612</u>	<u>137,166,164</u>	<u>110,894,801</u>	<u>(26,271,363)</u>
Restricted expenditures				
Instruction and general	-	-	-	-
Student social and cultural	-	-	-	-
Research	118,992,231	118,992,231	92,398,131	(26,594,100)
Public service	-	-	-	-
Internal service departments	9,084,083	9,084,083	7,966,419	(1,117,664)
Student aid	6,552,298	6,552,298	4,165,008	(2,387,290)
Auxiliary enterprises	-	-	-	-
Intercollegiate athletics	-	-	-	-
Independent operations	4,100,000	4,100,000	3,934,222	(165,778)
Capital outlay	-	-	-	-
Renewal and replacements	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total restricted expenditures	<u>138,728,612</u>	<u>138,728,612</u>	<u>108,463,780</u>	<u>(30,264,832)</u>
Net transfers	-	-	(2,788,571)	(2,788,571)
Change in net (deficit) position (budgetary basis)	-	-	1,204,898	1,204,898
Ending net position	<u>\$ -</u>	<u>\$ (1,562,448)</u>	<u>\$ (357,550)</u>	<u>\$ 1,204,898</u>

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, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Over (Under) Budget</u>
Unrestricted beginning net position	\$ 4,512,186	\$ 13,491,914	\$ 13,491,914	\$ -
Unrestricted revenues				
Tuition	11,981,070	11,565,718	11,570,698	4,980
Miscellaneous fees	1,958,963	2,028,469	2,043,521	15,052
Government appropriation, federal	-	-	-	-
Government appropriation, state	39,719,038	39,719,038	40,005,062	286,024
Government appropriation, local	-	-	-	-
Government grants, federal	-	-	-	-
Government grants, state	-	-	-	-
Contracts, local	-	-	-	-
Private gift/contracts	-	-	-	-
Endowment earnings	-	-	3,025	3,025
Land and permanent fund	1,550,000	1,900,000	2,457,535	557,535
Private gifts	-	-	-	-
Sales and service	-	-	-	-
Other sources	8,000,745	12,500,745	11,748,118	(752,627)
Total unrestricted revenues	<u>63,209,816</u>	<u>67,713,970</u>	<u>67,827,959</u>	<u>113,989</u>
Unrestricted expenditures				
Instruction	24,587,136	28,623,503	22,707,082	(5,916,421)
Academic support	4,405,660	4,729,854	4,091,152	(638,702)
Student services	3,688,696	4,061,415	3,692,465	(368,950)
Institutional support	13,557,210	16,275,559	12,528,498	(3,747,061)
Operation and maintenance of plant	10,246,274	10,429,405	8,797,527	(1,631,878)
Total unrestricted expenditures	<u>56,484,976</u>	<u>64,119,736</u>	<u>51,816,724</u>	<u>(12,303,012)</u>
Net transfers	<u>(9,467,359)</u>	<u>(13,204,924)</u>	<u>(16,301,555)</u>	<u>(3,096,631)</u>
Change in net (deficit) position (budgetary basis)	<u>(2,742,519)</u>	<u>(9,610,690)</u>	<u>(290,320)</u>	<u>9,320,370</u>
Ending net position	<u>\$ 1,769,667</u>	<u>\$ 3,881,224</u>	<u>\$ 13,201,594</u>	<u>\$ 9,320,370</u>

See accompanying notes.

**New Mexico Institute of Mining and Technology**  
**Schedule of Pledged Collateral (Schedule 5)**  
**June 30, 2025**

	Pledged Collateral			First State Bank Socorro, NM	Wells Fargo Socorro, NM	Total
	Safekeeping Location	Type of Security	Maturity Date			
Funds on deposit						
Deposits				\$ 39,794,919	\$ 2,948,549	\$ 42,743,468
FDIC insurance						
Demand deposits				(250,000)	(250,000)	(500,000)
Total uninsured public funds				<u>\$ 39,544,919</u>	<u>\$ 2,698,549</u>	<u>\$ 42,243,468</u>
Fifty percent collateral requirement per Section 6-10-17 NMSA 1978				\$ 19,772,459	\$ 1,349,275	\$ 21,121,734
Pledged collateral	Federal Reserve Bank	FFCB 3.430% CUSIP #3133EJ2D0	12/6/2028	3,040,145	-	3,040,145
		FFCB 2.500% CUSIP #3133EKQJ8	6/12/2029	3,007,650	-	3,007,650
		FFCB 4.000% CUSIP #3133EN4T4	9/27/2029	1,181,534	-	1,181,534
		FHLB 3.250% CUSIP #3130AE3Z1	3/8/2030	3,789,959	-	3,789,959
		FFCB 4.375% CUSIP #3133EPDK8	3/15/2030	2,994,646	-	2,994,646
		FHLB 3.375% CUSIP #3130AEMB3	6/14/2030	3,195,863	-	3,195,863
		FFCB 3.150% CUSIP #3133ENXY1	6/2/2031	2,973,251	-	2,973,251
		FFCB 2.960% CUSIP #3133EHQV8	7/7/2031	4,207,823	-	4,207,823
		FHLB 3.500% CUSIP #3130AS2U2	6/11/2032	2,017,328	-	2,017,328
		FHLB 4.375% CUSIP #3130AV4X7	3/11/2033	3,070,154	-	3,070,154
		FFCB 4.500% CUSIP #3133EPSE6	8/8/2033	2,986,544	-	2,986,544
		FHLB 4.875% CUSIP #3130AXQZ4	12/9/2033	2,553,176	-	2,553,176
		FHLB 4.750% CUSIP #3130B0X87	3/10/2034	2,477,892	-	2,477,892
		FFCB 4.375% CUSIP #3133EN5Z9	1/13/2038	3,039,531	-	3,039,531
	BNY Mellon	GNMA 2.500% CUSIP #36179WNE4	9/20/2051	-	514,312	514,312
		GNMA 5.000% CUSIP #36179X5G7	6/20/2053	-	4,400,720	4,400,720
		GNMA 5.500% CUSIP #36179XQX7	1/20/2053	-	9,872	9,872
		GNMA 5.000% CUSIP #36179YDJ0	7/20/2053	-	1,353,328	1,353,328
Total collateral				<u>40,535,496</u>	<u>6,278,232</u>	<u>46,813,728</u>
Excess of pledged collateral over the required amount				<u>\$ 20,763,037</u>	<u>\$ 4,928,957</u>	<u>\$ 25,691,994</u>

See accompanying notes.

**New Mexico Institute of Mining and Technology**  
**Schedule of Individual Deposit and Investment Accounts – Institute (Schedule 6)**  
**June 30, 2025**

Financial Institution: Account name	Account Type	Bank Balance	Outstanding (Checks) Deposits	Book Balance
<b>Deposits</b>				
First State Bank				
Comptroller cash on deposit	Checking (noninterest-bearing)	\$ 39,112,743	\$ 178,016	\$ 39,290,759
Payroll cash on deposit	Checking (noninterest-bearing)	142,268	(132,268)	10,000
NMEAF cash on deposit	Checking (interest-bearing)	253,673	-	253,673
Commercial savings	Savings (interest-bearing)	45,246	-	45,246
Research park corporation	Checking (noninterest-bearing)	240,989	-	240,989
		39,794,919	45,748	39,840,667
Wells Fargo				
Vendor cash on deposit	Checking (noninterest-bearing)	2,931,239	(1,506,714)	1,424,525
Flexible spending account	Checking (noninterest-bearing)	17,310	(200)	17,110
		2,948,549	(1,506,914)	1,441,635
Total deposit accounts		42,743,468	(1,461,166)	41,282,302
<b>Other</b>				
Petty cash		23,789	-	23,789
Total cash		42,767,257	(1,461,166)	41,306,091
<b>Investments</b>				
Morgan Stanley				
Langmuir endowment	Investment	3,861,084	-	3,861,084
TD Ameritrade				
New Mexico Institute of Mining and Technology	Investment	370,296	-	370,296
New Mexico State Investment Council				
New Mexico Institute of Mining and Technology	Investment	134,005,621	-	134,005,621
New Mexico State Treasurer - LGIP				
New Mexico Institute of Mining and Technology	Investment	26,952,149	-	26,952,149
Total investments		165,189,150	-	165,189,150
Total cash and investments		\$ 207,956,407	\$ (1,461,166)	\$ 206,495,241
Cash and investments on statement of net position				\$ 206,495,241

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, 2025**

Financial Institution: Account name	Account Type	Bank Balance	Outstanding (Checks) Deposits	Book Balance
<b>Deposits</b>				
First State Bank				
Checking	Checking (noninterest- bearing)	\$ 759,525	\$ (9,990)	\$ 749,535
Saving	Saving (interest- bearing)	43,314	-	43,314
		802,839	(9,990)	792,849
Wells Fargo				
Checking	Checking (interest- bearing)	69,776	-	69,776
Total deposit accounts		872,615	(9,990)	862,625
Total cash		872,615	(9,990)	862,625
<b>Investments</b>				
New Mexico State Investment Council New Mexico Tech Research Foundation	Investment	43,749,649	-	43,749,649
Total investments		43,749,649	-	43,749,649
Total cash and investments		\$ 44,622,264	\$ (9,990)	\$ 44,612,274
Cash and investments on statement of net position				\$ 44,612,274

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, 2025**

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
<b>General Obligation Revenue Bond</b>													
General Fund													
Academic Library Resource Acquisitions	Ch 55, Sect 10B	2022	2023	6/30/2026	\$ 111,584	\$ 111,584	\$ -	\$ 111,584	\$ 20,048	\$ 21,345	\$ -	\$ -	\$ 70,191
Academic Library Resource Acquisitions	Ch 64, Sect 10B	2024	2025	6/30/2028	110,100	110,100	-	110,100	-	-	-	-	110,100
NMIMT Kelly Hall Construction	Ch 55, Sect 10C	2022	2023	6/30/2026	3,300,000	3,300,000	-	3,300,000	-	3,267,000	33,000	-	-
NMIMT Kelly Hall Construction		2024	2025	6/30/2028	8,500,000	8,500,000	-	8,500,000	-	-	85,000	-	8,415,000
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>\$ 17,021,684</u>	<u>\$ 17,021,684</u>	<u>\$ -</u>	<u>\$ 17,021,684</u>	<u>\$ 20,048</u>	<u>\$ 3,288,345</u>	<u>\$ 118,000</u>	<u>\$ -</u>	<u>\$ 13,595,291</u>
<b>Severance Tax Bond</b>													
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	1,952,430	567,570	-	-	-
Total Severance Tax Bonds					<u>\$ 2,820,000</u>	<u>\$ 2,820,000</u>	<u>\$ -</u>	<u>\$ 2,820,000</u>	<u>\$ 1,952,430</u>	<u>\$ 567,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>
Total Capital Appropriation					<u>\$ 19,841,684</u>	<u>\$ 19,841,684</u>	<u>\$ -</u>	<u>\$ 19,841,684</u>	<u>\$ 1,972,478</u>	<u>\$ 3,855,915</u>	<u>\$ 118,000</u>	<u>\$ -</u>	<u>\$ 13,895,291</u>

See accompanying notes.

**New Mexico Institute of Mining and Technology**  
**Schedule of Joint Powers Agreements (Schedule 9)**  
**Year Ended June 30, 2025**

Other Participant(s)	Party Responsible for Operations	Description	Beginning Date	Ending Date	Estimated Cost	FY 2025 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	City 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	NMIMT hereby appoints the SIC as the fiduciary authorized to invest the long-term reserves of the Institute and all investment income thereon (collectively the "Long-Term Reserves"), through SIC Long-Term Pooled Investment Funds (the "Pooled Investment Funds"). The SIC acknowledges and agrees that it is a fiduciary with respect to NMIMT and the Pooled Investment Funds in which the NMIMT's Long-Term Reserves are invested.	10/21/2021	10/20/2025 (Plus optional 4-year renewal period)	None	None	SIC	Both	Both

See accompanying notes.

## **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, 2025, 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 22, 2025.

### **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 responses under other matters as required by section 12-6-5 NMSA 1978 as item 2025-001.

## **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 responses. 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.



Albuquerque, New Mexico  
October 22, 2025

**New Mexico Institute of Mining and Technology**  
**Schedule of Auditor's Results (As Required by 2.2.2.10 NMAC L(1) (f))**  
**Year Ended June 30, 2025**

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**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

**New Mexico Institute of Mining and Technology**  
**Schedule of Findings and Responses**  
**Year Ended June 30, 2025**

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**Section II – Financial Statement Findings**

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None reported.

**New Mexico Institute of Mining and Technology**  
**Schedule of Findings and Responses**  
**Year Ended June 30, 2025**

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

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**2025-001 – NSLDS Reporting (Other Matter)**

**Condition:** For 4 of 10 students tested, the Institute did not report student status changes to the National Student Loan Data System (NSLDS) in a timely manner.

**Criteria:** Under the Pell grant and ED loan programs per Pell, 34 CFR 690.83(b)(2), institutions must complete and return within 15 days the Enrollment Reporting Roster file placed in their NSLDS Professional Access (NSLDSFAP) mailboxes sent by ED. The institution determines how often it receives the Enrollment Reporting Roster file, but at a minimum, is required to certify enrollment every 60 days. Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS website.

**Effect:** Noncompliance with NSLDS reporting guidelines required by the Department of Education.

**Cause:** The Institute does not have an effective system of internal controls for monitoring and reporting student status changes.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** The Institute should implement internal controls to address timely monitoring and reporting of student status changes.

**Views of Responsible Officials and Planned Corrective Actions:** Management concurs with the audit finding regarding late submission of status changes to the National Student Loan Data System (NSLDS) timely. The current written processes for Enrollment Reporting will be reviewed and updated based on any new process changes. The Financial Aid staff will determine who has been provided access to the required systems and update if necessary. The Director of Financial Aid will review that the reports have been submitted timely by the assigned staff. This process review will be completed by December 31, 2025 and access updates within a month of the Department of Education reopening.

**Responsible Person:** Director of Financial Aid

**New Mexico Institute of Mining and Technology  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2025**

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**Section II – Financial Statement Findings**

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None reported.

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**Section III – Federal Award Findings and Questioned Costs**

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None reported.

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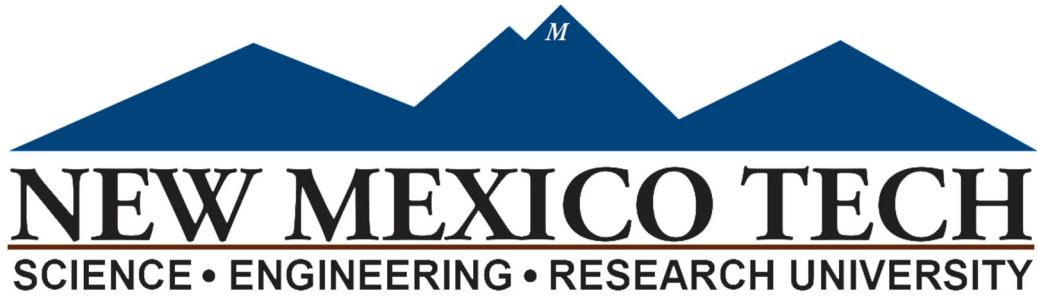
**Section IV – Other Matter Findings as Required by 12-6-5 NMSA 1978**

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

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

2024-003 – Capital Asset Disposals (Other Matter) – Resolved



**Corrective Action Plan**  
**Year Ended June 30, 2025**

Finding	Planned Corrective Action	Anticipated Completion Date	Responsible Department
2025-001 – NSLDS Reporting (Other Matter)	Management concurs with the audit finding regarding late submission of status changes to the National Student Loan Data System (NSLDS) timely. The current written processes for Enrollment Reporting will be reviewed and updated based on any new process changes. The Financial Aid staff will determine who has been provided access to the required systems and update if necessary. The Director of Financial Aid will review that the reports have been submitted timely by the assigned staff. This process review will be completed by December 31, 2025 and access updates within a month of the Department of Education reopening.	December 31, 2025	Director of Financial Aid

Document prepared by:

*Melissa Tull*

Date 10/21/2025

Melissa Tull  
 Controller  
 New Mexico Institute of Mining and Technology

**New Mexico Institute of Mining and Technology**  
**Exit Conference**  
**Year Ended June 30, 2025**

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An exit conference was held on October 20, 2025, 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**

Dr. David Lepre, Sr., Regent President

Jerry A. Armijo, Board Member

Dr. Michael Jackson, Interim President

Delilah Walsh, Vice President for Administration and Finance & Chief Financial Officer

Shaojie (Jenny) Ma, CPA, Associate Vice President for Administration and Finance

Melissa Tull, Controller

Carrie Marsyla, Director, Cost Accounting and Reporting

Mindi Orum, Manager, Cost Accounting and Reporting

Zelda Vinson, Director of Financial Aid

Vanessa Grain, Chief Executive Assistant to the President & Special Assistant to the Board of Regents

**Baker Tilly US, LLP**

Lisa Todd, CPA, Principal

Kevin Jankowski, CPA, Senior Manager

Janna Skinner, CPA, Senior Manager

Monica Ortiz, Senior

The financial statements were prepared by Baker Tilly US, LLP, with the assistance of the Institute. The Institute is responsible for the contents of these financial statements.