

New Mexico State University

Annual Financial Report

2008 - 2009



Live, Learn and Thrive.™

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Director of University Accounts Receivable



November 3, 2009

Members of the Board of Regents
New Mexico State University

We are pleased to submit the annual financial report of New Mexico State University (NMSU) for the fiscal year ended June 30, 2009. The accompanying financial statements of the University include a separate column entitled Discrete Component Unit representing the New Mexico State University Foundation, Inc. Moss Adams, LLP, independent auditors, have examined the financial statements and their unqualified opinion is displayed on pages 3 and 4 of the report.

As the University weathered the downturn in the national economy during the fiscal year ended June 30, 2009, with its impacts upon state appropriation funding and investment returns in the financial markets, we benefitted greatly from the underlying soundness of our financial position. Although total net assets decreased by \$14.5 million, our operating revenues increased by 9 percent through growth in net tuition and fees and sponsored project expenditures, and our strong enrollment helped hold our decline in state appropriations to 1 percent. The overall net asset decrease was due primarily to a \$17.8 million loss on permanent endowments, a direct result of the condition of the financial markets; even with the result, the university's overall endowment losses were lower on a percentage basis than many recorded in higher education, as a result of sound investment strategies.

We have recently completed or are scheduled to complete, within the current fiscal year, almost \$108.9 million in capital projects designed to improve our delivery of services in the furtherance of our mission, including renovation of Gardiner Hall, the expansion of the Dona Ana Community College East Mesa Campus and Technical Studies Building and the Alamogordo Community College Business Tech Center; a number of new projects are planned for the upcoming year, including the construction of an Arts Complex.

Our budgetary challenges will deepen in the months to come, along with those of our sister institutions across the country. We are confident, however, that our history of conservative fiscal management, coupled with strong enrollment trends and the state's continued commitment of support to higher education, will position us to address funding contractions strategically, protecting our core mission of instruction, research and public service delivery, in an environment of accessible, high-quality education for our students. With the combined expertise, dedication and support of our Regents, sponsors, friends, faculty, and staff, even amid uncertain macroeconomic conditions at the federal, state and local level, we believe we can continue to make a positive difference in higher education and beyond.

Sincerely,



Manuel T. Pacheco
Interim President

Independent Auditors' Report

The Board of Regents
New Mexico State University and
Mr. Hector Balderas
New Mexico State Auditor

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of New Mexico State University ("University") as of and for the years ended June 30, 2009 and 2008. We have also audited the combining statements of net assets – primary institution as of June 30, 2009 and 2008, and the combining statements of revenues expenses and changes in net assets – primary institution for the years then ended, and the budget comparison for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the financial statements, the financial statements of New Mexico State University are intended to present the financial position, and the changes in net assets and cash flows for only that portion of the business-type activities of the State of New Mexico which are attributable to the transactions of New Mexico State University. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2009 and 2008, or the changes in its financial position or its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic 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 University at June 30, 2009 and 2008, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the combining statements of net assets – primary institution as of June 30, 2009 and 2008, and the combining statements of revenues, expenses and changes in net assets – primary institution for the years then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget

The Board of Regents
New Mexico State University and
Mr. Hector Balderas
New Mexico State Auditor

comparisons referred to above present fairly, in all material respects, the budgetary comparison for the year ended June 30, 2009 in conformity with the budgetary basis of accounting prescribed by the New Mexico Administrative Code, and more fully described in the budgetary schedules, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2009, on our consideration of internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 through 15 and the required supplemental information presented in Schedule 5 is not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the basic financial statements, the aggregate discretely presented component units, and the combining statements and budgetary comparison presented as supplemental information. The accompanying schedule of expenditures of federal awards (Schedule 7), as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the accompanying supplemental information in Schedules 4 and 6, as required by the New Mexico State Audit Rule, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moss Adams LLP

Albuquerque, New Mexico
November 3, 2009

Annual Financial Statements

New Mexico State University

Management's Discussion and Analysis

For the Year Ended June 30, 2009

(Unaudited)

Overview of Financial Statements and Financial Analysis

The Management's Discussion and Analysis is designed to provide an easily readable analysis of New Mexico State University's (the University's) financial activities for the fiscal years ended June 30, 2009, 2008 and 2007. This overview is based on facts, decisions and conditions known as of the date of the independent auditors' report. There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. Please read this analysis in conjunction with the University's financial statements and accompanying notes, which begin on page 22. Separately issued component unit financial statements are available as detailed in Note 11.

Using This Annual Report

The Statement of Net Assets provides information about the University's financial condition at fiscal year end. It presents both a current year synopsis and a longer-term view of the University's assets, liabilities and net assets.

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

The final statement presented is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University during the fiscal year.

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

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

Financial Highlights

For the years ended June 30, 2009, 2008, and 2007, the University's financial position was as follows (in thousands):

Condensed Statement of Net Assets

	June 30, 2009	June 30, 2008	June 30, 2007
ASSETS			
Current assets	\$ 114,510	\$ 108,191	\$ 118,111
Non-current assets	<u>556,114</u>	<u>572,767</u>	<u>560,763</u>
TOTAL ASSETS	670,624	680,958	678,874
LIABILITIES			
Current liabilities	81,093	76,338	89,129
Non-current liabilities	<u>111,729</u>	<u>112,277</u>	<u>116,646</u>
TOTAL LIABILITIES	192,822	188,615	205,775
NET ASSETS			
Invested In capital assets, net of related debt	267,896	262,490	258,516
Restricted	98,074	120,109	111,564
Unrestricted	<u>111,832</u>	<u>109,744</u>	<u>103,019</u>
TOTAL NET ASSETS	<u>\$ 477,802</u>	<u>\$ 492,343</u>	<u>\$ 473,099</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

OPERATING REVENUES			
Federal appropriations, grants, and contracts	\$ 157,258	\$ 142,063	\$ 151,429
Student tuition and fees (net)	54,987	49,512	46,272
Other operating revenues	<u>113,144</u>	<u>107,436</u>	<u>101,388</u>
TOTAL OPERATING REVENUES	325,389	299,011	299,089
OPERATING EXPENSES			
Instruction	137,685	124,242	114,902
Research	122,542	110,430	123,544
Other operating expenses	<u>285,468</u>	<u>275,989</u>	<u>260,773</u>
TOTAL OPERATING REVENUES	<u>545,695</u>	<u>510,661</u>	<u>499,219</u>
Net operating loss	(220,306)	(211,650)	(200,130)
Non-operating revenues and expenses	<u>198,812</u>	<u>203,451</u>	<u>187,001</u>
Loss before other revenue, expenses, gains or losses	(21,494)	(8,199)	(13,129)
Other revenues, expenses, gains or losses	<u>6,953</u>	<u>27,443</u>	<u>53,454</u>
Increase (Decrease) in net assets	(14,541)	19,244	40,325
Net assets at beginning of year	<u>492,343</u>	<u>473,099</u>	<u>432,774</u>
Net assets at end of year	<u>\$ 477,802</u>	<u>\$ 492,343</u>	<u>\$ 473,099</u>

General Overview for 2009 and 2008

In fiscal year 2009, the total assets of the institution decreased by \$10.3 million and liabilities increased by \$4.2 million. Changes in the Statement of Net Assets include:

- Decrease in Accounts receivable related to increased collection efforts on grants and contracts.
- Decrease in value of Investments held by others due primarily to a decrease in the State Land Grant Endowment Allocation and the Foundations Assets held in trust.
- Ongoing increases in Capital assets and related decreases in Long-term investments, as several major construction and infrastructure projects were completed and others are progressing.
- Inventory decreased due to transfer of bookstore operations to Barnes and Noble College Booksellers.

The operations discussed below resulted in a decrease in net assets of \$14.5 million; and the University had an Operating Loss of \$220.3 million. Primary components of this change in Net assets include:

- Net operating loss for 2009 increased over 2008 by 4.0%. There were increases in both operating expenses and operating revenue.
- Decreases in the Permanent endowments related to the Land Grant Endowment and Permanent Endowment contributions were the primary factors responsible for the change in net assets. In addition, there was a decrease in Capital appropriations.

Accordingly, the Statement of Cash Flows shows a net decrease in cash. The largest source of cash from operating activities was from Grant and Contract revenues followed by Tuition and Fees while the largest source of cash from non-operating activities was from State Appropriations. The most significant uses of cash were for payments to suppliers and to employees and for employee benefits.

General Overview for 2008 and 2007

In fiscal year 2008, the total assets of the institution increased by \$2.1 million and liabilities decreased by \$17.2 million. Changes in the Statement of Net Assets include:

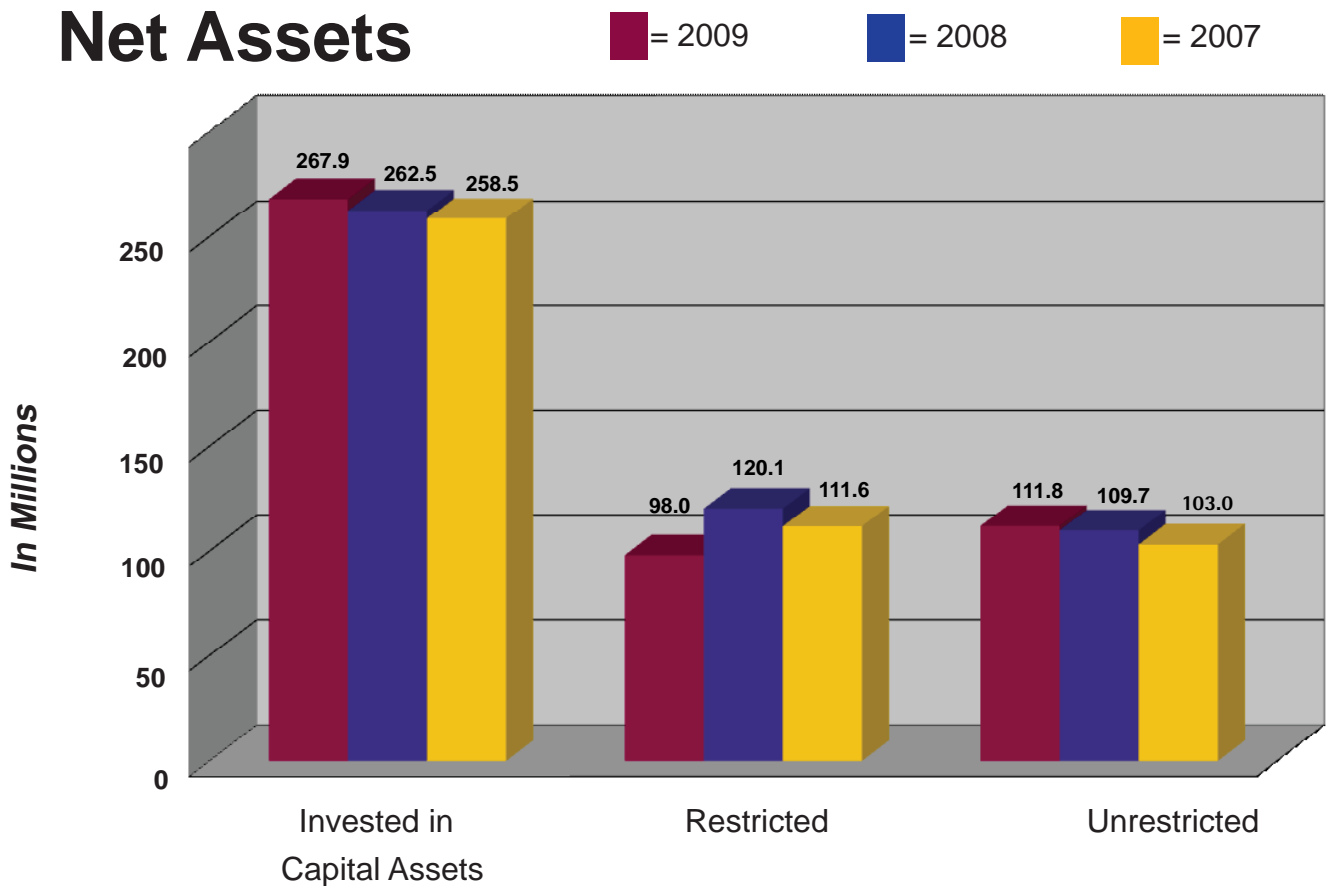
- A shift from Other long-term investments to Cash equivalents due to market volatility and interest rates.
- Decrease in Accounts receivable related to increased collection efforts on grants and contracts.
- Decrease in value of Investments held by others due primarily to a decrease in the State Land Grant Endowment Allocation.
- Ongoing increases in Capital assets and related decreases in Long-term investments, as several major construction and infrastructure projects were completed and others are progressing.

The operations discussed below resulted in a decrease in net assets of \$3.1 million; and the University had an Operating loss of \$220.3 million. This was offset by net Non-operating revenues of \$198.8 million resulting in a Loss before other revenues, expenses, gains or losses of \$21.4 million. Primary components of this change in Net assets include:

- Operating revenues increased by 8.7%, primarily as a result of increases in Tuition and fees, Federal and State appropriations and Grants and contracts.
- The overall loss was increased by a 4.0% increase in operating expenses, with the largest dollar increases being in Instruction, Public service, and Research.
- The resulting net Operating loss was increased in part by an 1.4% decrease in State appropriations.
- The primary contributors to the 1.46% decline in the Increase in net assets were the decrease in Capital appropriations, and a 26.8% increase in Loss in permanent endowments from the State Land Grant Endowment.

Accordingly, the Statement of Cash Flows indicates a net increase in cash. The largest source of cash from operating activities was from grant and contract revenues followed by Tuition and Fees while the largest source of cash from non-operating activities was from State Appropriations. The most significant uses of cash were for payments to suppliers and to employees and for employee benefits.

The following graph illustrates the comparison of net assets by category for fiscal years 2009, 2008 and 2007.



Operating Revenues for 2009 and 2008

All Operating revenue sources increased, with the sole exception of Sales and services; the decrease in this line item was due to the bookstore operations being transferred to Barnes and Noble College Booksellers.

The operating loss for fiscal year 2009 of \$220.3 million increased \$8.7 million from the \$211.7 million loss in fiscal year 2008. Operating expenses increased by \$35.0 million, and operating revenues also increased by \$26.2 million. The most significant changes in operating revenue were as follows:

- Increase in Federal appropriations, Grants and contracts of \$15.2 million (10.6%) with significant increases in Agency for International Development and Federal Pell grant funding.
- Increase in Student tuition and fees, net of Scholarship allowances, of \$5.5 million (11.0%), due to a combination of increased tuition and fee rates and increased scholarship allowances.
- Increase of \$4.7 million (21.0%) in State grants and contracts, related primarily to State funded student scholarships.

Operating Revenues for 2008 and 2007

All Operating revenue sources increased, with the sole exception of Federal appropriations, Grants and contracts; the decrease in this line item was sufficient to leave total 2008 Operating revenue close to the 2007 level.

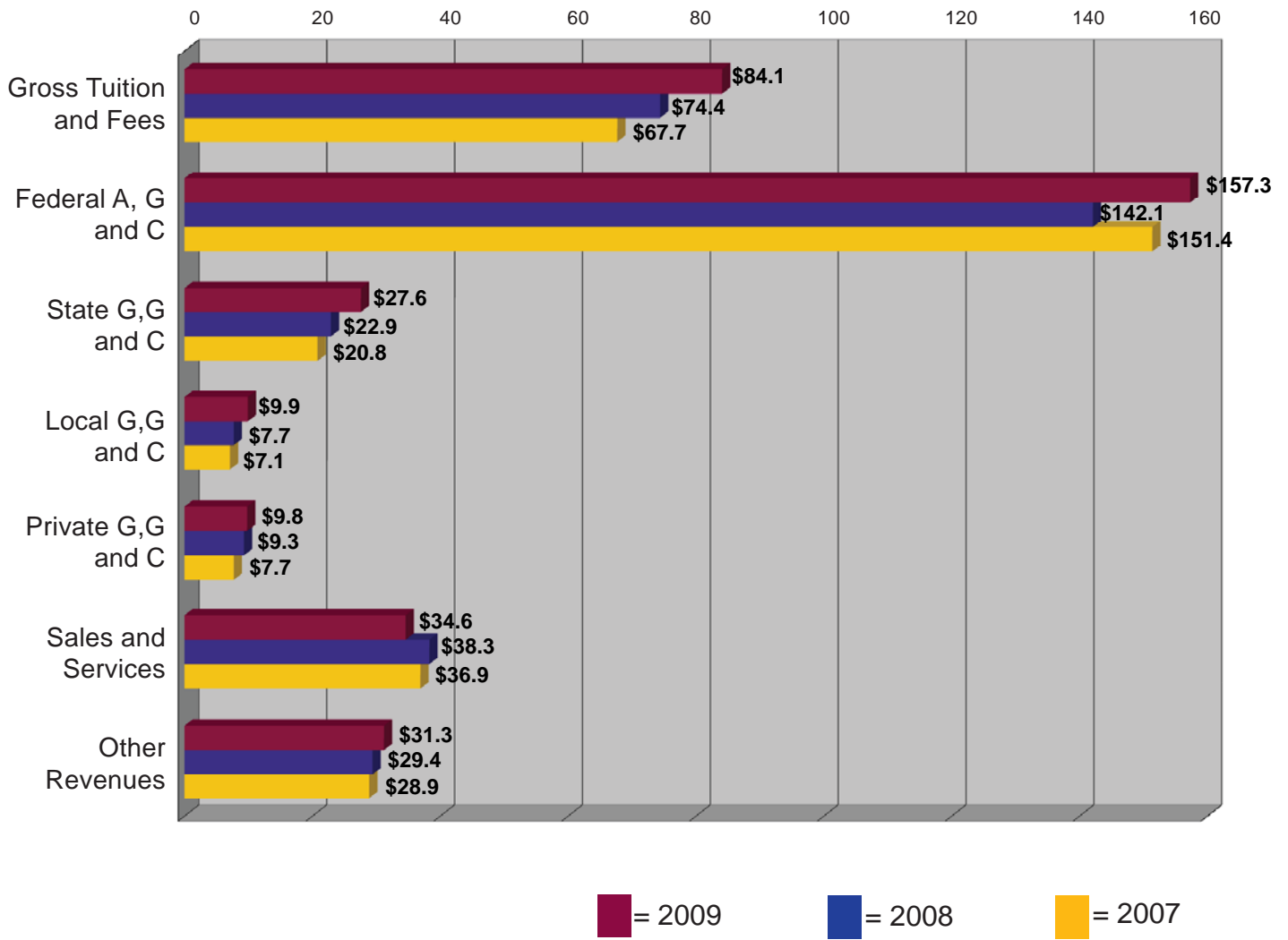
The operating loss for fiscal year 2008 of \$211.7 million increased \$11.5 million from the \$200.1 million loss in fiscal year 2007. While operating expenses increased by \$11.4 million, operating revenues decreased by \$.78 million. The most significant changes in operating revenue were as follows:

- Decrease in Federal appropriations, Grants and contracts of \$9.4 million (6.2%) with significant decreases in Department of Defense funding, USDA-Joe Skeen funding for Rangeland Restoration and Extension and the conclusion of the USDA Forage Loss Program.
- Increase in Student tuition and fees, net of Scholarship allowances, of \$3.2 million (7.0%), due to a combination of increased tuition and fee rates and increased scholarship allowances.
- Increase of \$2.1 million (10.0%) in State grants and contracts, related primarily to State funded student scholarships.

The following graph illustrates a comparison of operating revenues by type for fiscal years 2009, 2008 and 2007.

Operating Revenues

In Millions



Operating Expense for 2009 and 2008

The largest dollar increases in operating expense were as follows:

- Increase in Instruction expenses of \$13.4 million (11.0%). This reflects, in part, additional State funding of \$5.7 million and NMCYFD grant funding of \$4 million.
- Increase in Research expenditures of \$12.1 million (11.0%). This increase in part is due to \$4.7 million of funding from the U.S. Army and \$2.1 million of funding from the National Institutes of Health.
- Increase in Public Service expenses of \$9.4 million (17.0%) related, in part, to the increased federal amounts received for the New Mexico Works Program, and Agency for International Development funding.

Operating Expense for 2008 and 2007

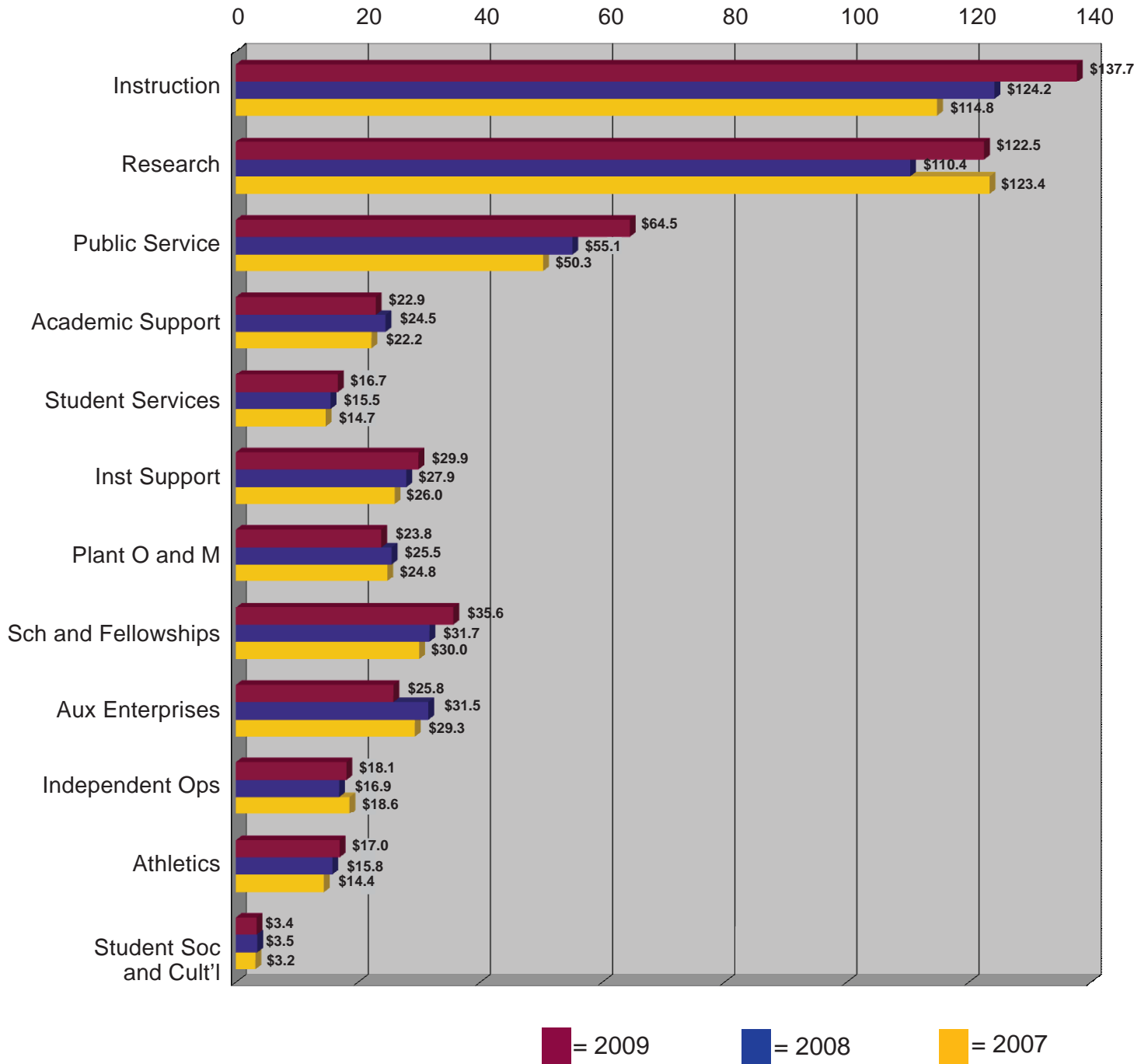
The largest dollar increases in operating expense were as follows:

- Increase in Instruction expenses of \$9.3 million (8.1%). This reflects, in part, additional State funding of \$1.6 million and NMCYFD grant funding of \$2.8 million.
- Increase in Public Service expenses of \$4.7 million (9.4%) related, in part, to the increased federal amounts received for the New Mexico Works Program.
- These increases were offset by a decrease in Research expenditures of \$13.1 million (10.6%). This was primarily due to decreases in the programs discussed in the Operating Revenues for 2008 and 2007 section.

The following graph illustrates a comparison of operating expenses by function (excluding depreciation and loan administration) for fiscal years 2009, 2008 and 2007.

Operating Expenses

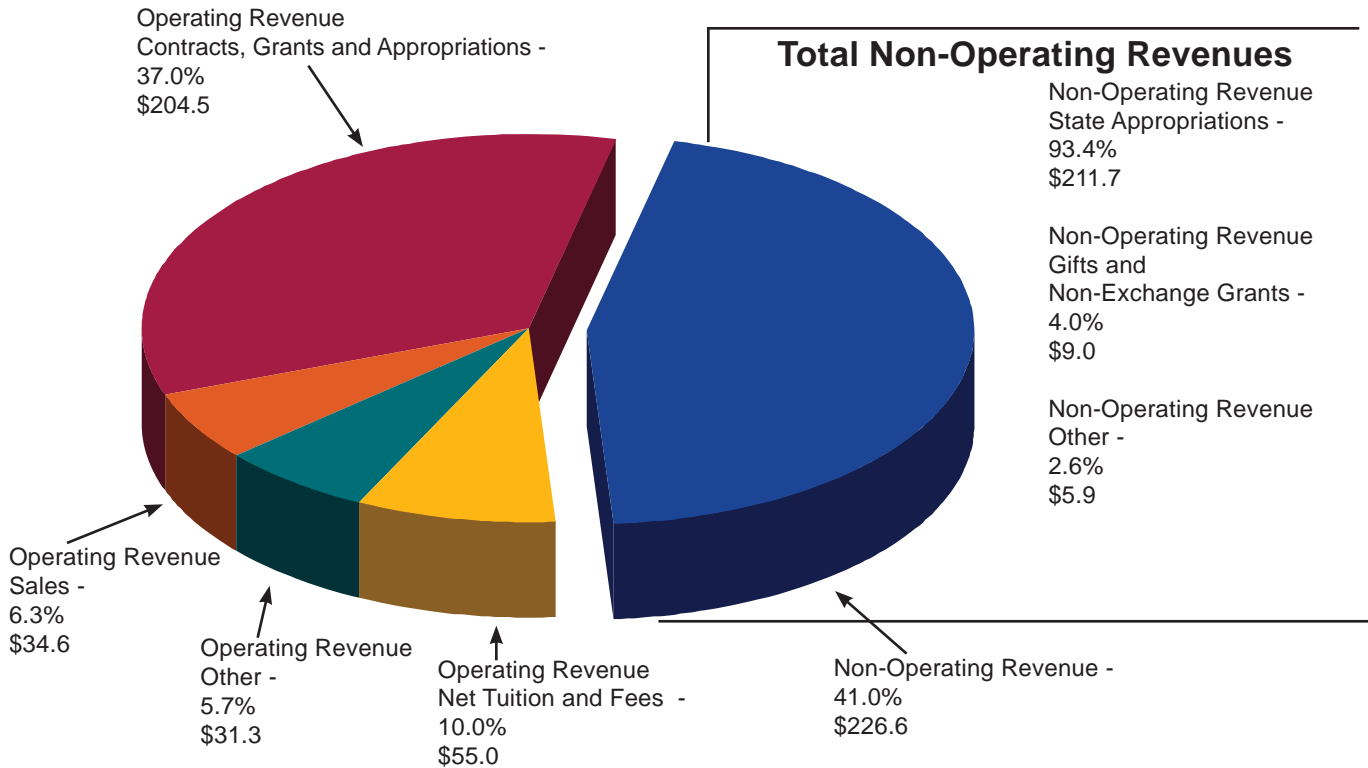
In Millions



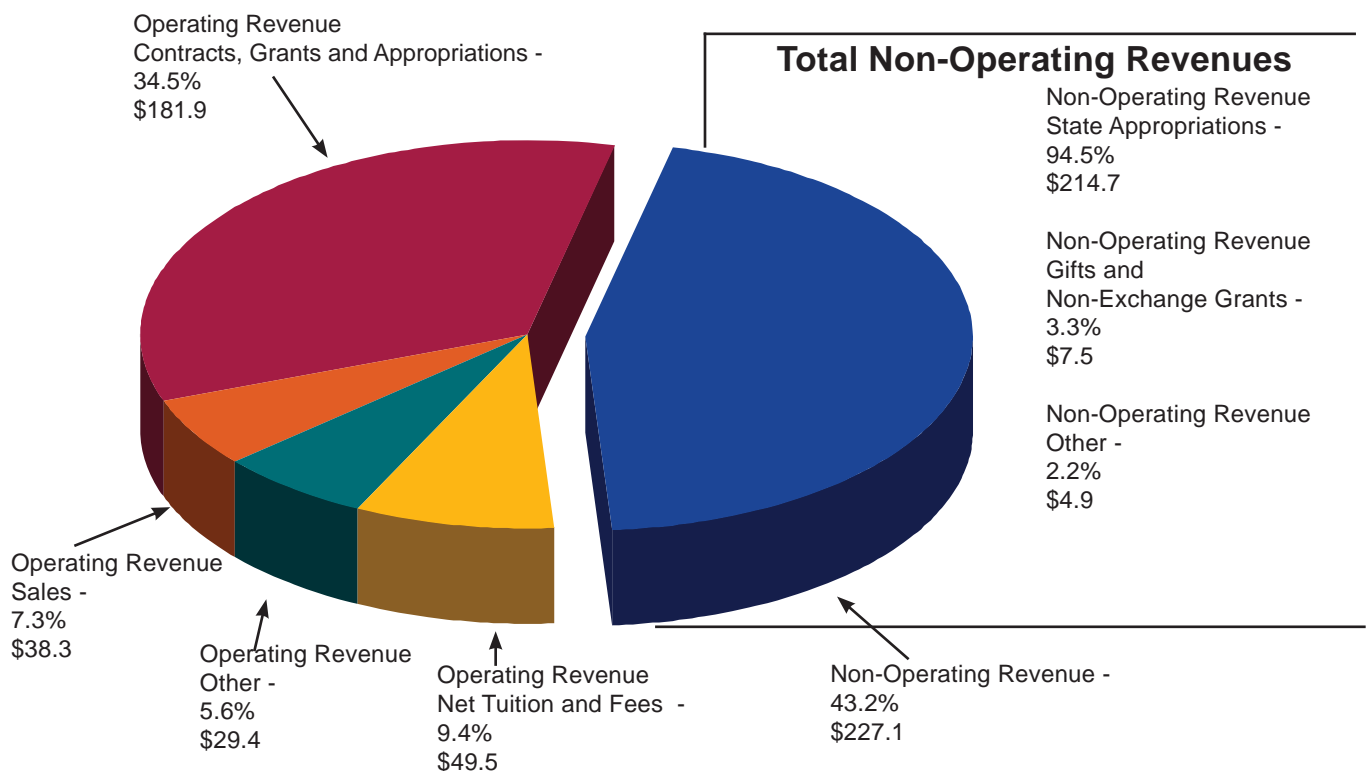
The Statement of Revenues, Expenses, and Changes in Net Assets reflects a Loss before other revenues, expenses, gains or losses of \$21.5 million, \$8.2 million, \$11.7 million in 2009, 2008 and 2007, respectively.

The following graphs reflect the University's sources of revenue available to meet current operating costs for fiscal years 2009, 2008 and 2007.

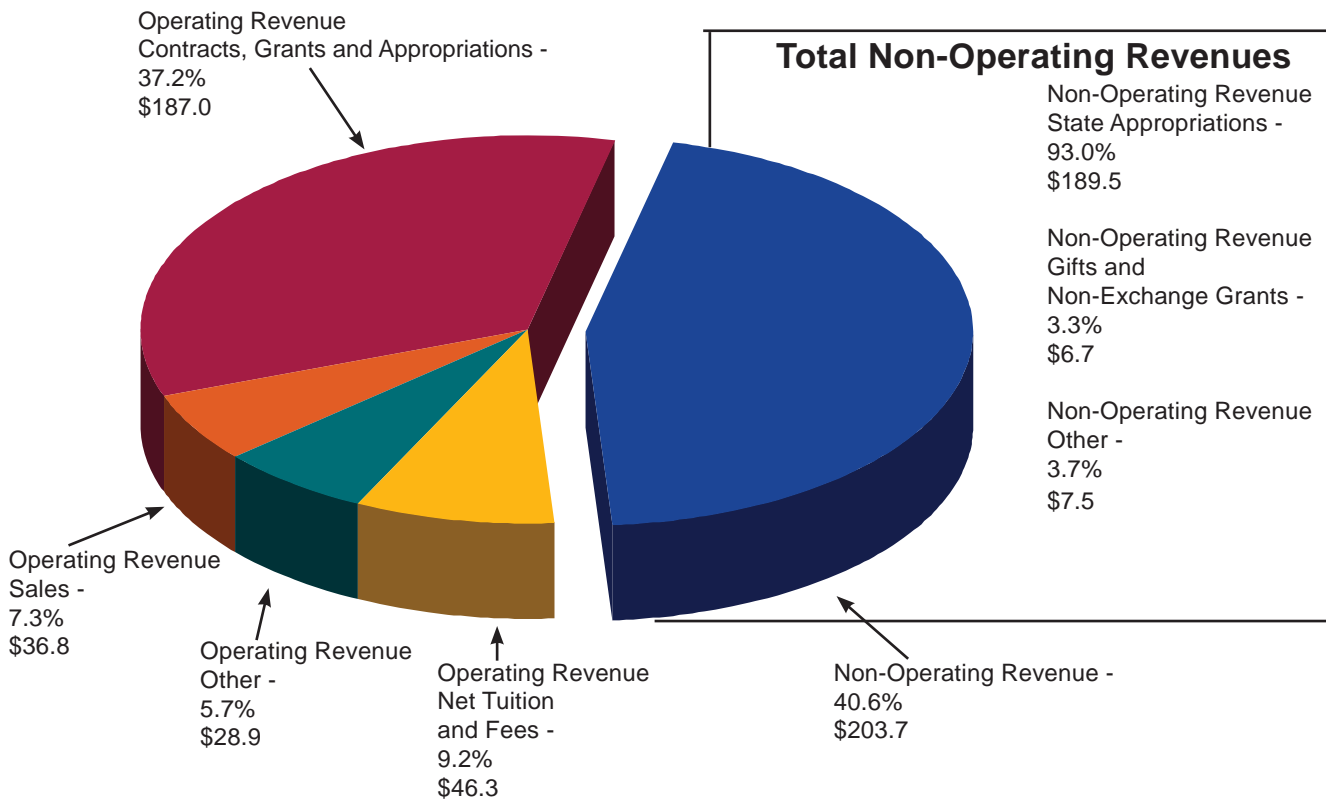
2009 Total Operating and Non-Operating Revenues



2008 Total Operating and Non-Operating Revenues



2007 Total Operating and Non-Operating Revenues



Capital Asset and Debt Administration

During fiscal year 2009, Net Capital Assets increased by \$7.0 million primarily from four projects - Phase IV of the Dona Ana Community College East Mesa Campus (\$5.3 million), the addition to the Reidlinger Health Science Building at the Alamogordo Community College Campus (\$4.4 million), the renovation of the Physics building at the Las Cruces Campus, Gardiner Hall, (\$4.0 million), and the Vocational Trades building on the main campus of the Dona Ana Community College (\$2.8 million). The offset can be attributed to the rate of Capital Asset additions having decreased by 24% over the previous five year average. This has resulted in depreciation expense exceeding the total added for Net Capital Assets.

The increase in Net Capital Assets of \$12.9 million recognized in fiscal year 2008 was primarily the result of capitalizing costs associated with O'Donnell Hall (Education Building) in the amount of \$15.1 million. The Work Force Center of the Dona Ana Community College increased by \$3.5 million and final construction costs for the student apartments in the amount of \$2.1 million also added to this change. These increases were offset by the disposal of approximately 2,200 units of equipment due to technological and functional obsolescence, having a net book value of \$7.8 million.

For the fiscal year ended June 30, 2007, the net increase in Capital Assets of \$22.5 million resulted from the final capitalized construction costs for the Pan American Center and the Student Housing Projects of \$9.4 million and \$7.1 million, respectively, and the construction in progress expenditures for O'Donnell Hall (Education Building) of \$7.7 million. These increases were offset by the disposal of approximately 600 units of equipment due to technological and functional obsolescence having a net book value of \$1.1 million.

Budget Comparison

In comparing the total original budgeted revenue to the revised budgeted revenue for fiscal year 2009, there was an increase of approximately \$47.2 million, and a corresponding increase of approximately \$47.6 million in the revised budgeted expenditures. The most significant changes were anticipated increases in sources and uses related to Federal government grants and contracts and anticipated increases in expenditures related to public service.

Actual revenues earned in fiscal year 2009 were lower than budgeted by \$3.3 million and actual expenditures were higher than budgeted by \$44.4 million. Increases in instruction funding of \$12.4 million, increases in public service expenses of \$8.2 million and a \$7.5 million increase in capital funds for current projects were major components of budget to actual variances. Because the University budgets capital projects in their entirety, multi-year projects may result in mismatches of budget to actual revenues and expenses in any one year. Total operating expense increases were within operating revenue increases, and all capital projects were within their respective multi-year budgets.

Factors Impacting Future Periods

The State of New Mexico is anticipating a mid-year rescission in fiscal year 2010. This will likely result in a permanent funding contraction starting in fiscal year 2011. The University is prepared to adjust internal budgetary allocation decisions to absorb the impact of this potential action, with the goal of minimizing its impact upon the core mission of the institution: instruction, research and public service.

The University is not aware of any additional facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the 2009-2010 fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

The University's overall financial position is strong. Enrollment statistics for Fall 2009 indicate another increase and the University continues to support a large sponsored awards base. The University will maintain a close watch over resources to ensure the University's ability to react to unknown internal and external issues.

New Mexico State University

Statement of Net Assets

As of June 30, 2009

	University	Discrete Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,086,368	\$ 7,699,733
Cash and cash equivalents held in trust by Component Unit for NMSU	3,055,478	3,055,478
Short-term investments	4,011,100	224,246
Accounts receivable, net	86,142,252	2,512,963
Due from Component Unit	1,505,233	-
Inventories	2,251,495	33,301
Prepaid expenses	7,970,831	46,440
Student loans receivable - current portion, net	1,487,126	-
Total current assets	114,509,883	13,572,161
Non-current assets		
Restricted cash and cash equivalents	42,454,669	5,229,150
Investments held by others	41,494,076	2,485,130
Investments held in trust by Component Unit for NMSU	29,005,771	29,005,771
Investments held in trust for others	-	595,616
Other long-term investments	50,660,496	66,386,498
Student loans receivable, net	13,384,137	-
Prepaid expenses and other assets	460,976	238,110
Capital assets, net	378,654,494	130,274
Total non-current assets	556,114,619	104,070,549
TOTAL ASSETS	670,624,502	117,642,710
LIABILITIES		
Current liabilities		
Accounts payable	21,018,570	922,505
Due to NMSU	-	1,505,233
Other accrued liabilities	20,948,169	-
Accrued interest payable	1,304,541	-
Held in trust for NMSU	-	3,055,478
Deferred revenue	27,842,583	-
Long-term liabilities - current portion	9,978,897	195,073
Total current liabilities	81,092,760	5,678,289
Non-current liabilities		
Accrued benefit reserves	529,743	-
Held in trust for NMSU	-	29,005,771
Other long-term liabilities	111,199,445	2,239,898
Total non-current liabilities	111,729,188	31,245,669
TOTAL LIABILITIES	192,821,948	36,923,958
NET ASSETS		
Invested in capital assets, net of related debt	267,896,256	130,274
Restricted for:		
Non-expendable:		
Endowments	55,304,274	60,512,668
Expendable:		
General activities	6,359,027	14,454,317
Federal student loans	16,776,329	-
Capital projects	19,225,151	-
Related entity activities	409,026	-
Unrestricted	111,832,491	5,621,493
TOTAL NET ASSETS	\$ 477,802,554	\$ 80,718,752

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University

Statement of Net Assets

As of June 30, 2008

	University	Discrete Component Unit
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,289,117	\$ 8,113,558
Cash and cash equivalents held in trust by Component Unit for NMSU	2,307,239	2,307,239
Short-term investments	511,100	376,029
Accounts receivable, net	91,596,665	1,621,916
Due from Component Unit	600,036	-
Inventories	4,949,014	33,187
Prepaid expenses	4,343,398	83,303
Student loans receivable - current portion, net	1,594,621	-
Total current assets	108,191,190	12,535,232
Non-current assets		
Restricted cash and cash equivalents	55,748,333	3,998,939
Investments held by others	50,548,777	2,316,439
Investments held in trust by Component Unit for NMSU	37,841,605	37,841,605
Investments held in trust for others	-	637,726
Other long-term investments	42,427,573	80,832,811
Student loans receivable, net	14,351,585	-
Prepaid expenses and other assets	528,837	238,110
Capital assets, net	371,319,756	167,452
Total non-current assets	572,766,466	126,033,082
TOTAL ASSETS	680,957,656	138,568,314
LIABILITIES		
Current liabilities		
Accounts payable	19,231,950	2,001,591
Due to NMSU	-	600,036
Other accrued liabilities	19,018,788	-
Accrued interest payable	1,280,978	-
Held in trust for NMSU	-	2,307,239
Deferred revenue	27,343,990	-
Long-term liabilities - current portion	9,462,299	190,859
Total current liabilities	76,338,005	5,099,725
Non-current liabilities		
Accrued benefit reserves	771,627	-
Held in trust for NMSU	-	37,841,605
Other long-term liabilities	111,504,857	1,865,674
Total non-current liabilities	112,276,484	39,707,279
TOTAL LIABILITIES	188,614,489	44,807,004
NET ASSETS		
Invested in capital assets, net of related debt	262,490,125	167,452
Restricted for:		
Non-expendable:		
Endowments	75,101,734	62,138,933
Expendable:		
General activities	5,450,126	25,368,856
Federal student loans	16,745,779	-
Capital projects	22,161,628	-
Related entity activities	650,304	-
Unrestricted	109,743,471	6,086,069
TOTAL NET ASSETS	\$ 492,343,167	\$ 93,761,310

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2009

	University	Discrete Component Unit
REVENUES		
Operating revenues:		
Student tuition and fees (gross)	\$ 84,059,927	\$ -
Less: scholarship allowances	(29,072,497)	-
Student tuition and fees (net)	54,987,430	-
Federal appropriations, grants and contracts	157,258,243	-
State grants and contracts	27,579,989	-
Local appropriations, grants and contracts	9,915,316	-
Non-governmental grants and contracts	9,780,429	8,202,428
Sales and services	34,582,632	3,240,724
Other operating revenues	31,285,312	-
Total operating revenues	325,389,351	11,443,152
EXPENSES		
Operating expenses:		
Instruction	137,685,177	-
Research	122,541,630	-
Public service	64,544,008	-
Academic support	22,886,501	-
Student services	16,685,819	-
Institutional support	29,896,080	-
Operation and maintenance of plant	23,817,060	-
Scholarships and fellowships	35,591,193	-
Auxiliary enterprises	25,766,512	-
Independent operations	18,120,710	-
Intercollegiate athletics	16,987,996	-
Student social and cultural	3,409,772	-
Loan administration	271,190	-
Depreciation	27,491,771	54,799
Other operating expenses	-	10,554,148
Total operating expenses	545,695,419	10,608,947
Net operating (loss) income	(220,306,068)	834,205
Non-operating revenues (expenses):		
State appropriations	211,751,502	-
Gifts and non-exchange grants	8,953,633	-
Investment income (loss)	5,910,371	(13,737,303)
Interest and other expenses on capital asset-related debt	(3,419,336)	-
Other non-operating revenues (expenses)	(24,384,419)	(139,460)
Net non-operating revenues	198,811,751	(13,876,763)
Income (loss) before other revenues, expenses, gains or losses	(21,494,317)	(13,042,558)
Capital appropriations	9,195,973	-
Capital grants, gifts and other income	10,848,768	-
Building fees	5,190,051	-
Loss on disposal of plant	(497,348)	-
Loss on permanent endowments	(17,783,740)	-
Decrease in net assets	(14,540,613)	(13,042,558)
NET ASSETS		
Beginning of year	492,343,167	93,761,310
End of year	\$ 477,802,554	\$ 80,718,752

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University

Statement of Revenues, Expenses, and Changes in Net Assets For the Year Ended June 30, 2008

	University	Discrete Component Unit
REVENUES		
Operating revenues:		
Student tuition and fees (gross)	\$ 74,439,626	\$ -
Less: scholarship allowances	(24,927,363)	-
Student tuition and fees (net)	49,512,263	-
Federal appropriations, grants and contracts	142,063,080	-
State grants and contracts	22,905,645	-
Local appropriations, grants and contracts	7,651,293	-
Non-governmental grants and contracts	9,258,299	9,922,528
Sales and services	38,255,295	6,434,410
Other operating revenues	29,365,250	-
Total operating revenues	299,011,125	16,356,938
EXPENSES		
Operating expenses:		
Instruction	124,242,312	-
Research	110,430,343	-
Public service	55,124,551	-
Academic support	24,509,471	-
Student services	15,497,962	-
Institutional support	27,856,422	-
Operation and maintenance of plant	25,549,164	-
Scholarships and fellowships	31,707,875	-
Auxiliary enterprises	31,538,619	-
Independent operations	16,879,383	-
Intercollegiate athletics	15,817,054	-
Student social and cultural	3,459,901	-
Loan administration	479,878	-
Depreciation	27,568,376	51,131
Other operating expenses	-	12,719,472
Total operating expenses	510,661,311	12,770,603
Net operating (loss) income	(211,650,186)	3,586,335
Non-operating revenues (expenses):		
State appropriations	214,681,502	-
Gifts and non-exchange grants	7,480,347	-
Investment income (loss)	4,938,113	(1,558,608)
Interest and other expenses on capital asset-related debt	(4,041,251)	-
Other non-operating revenues (expenses)	(19,608,003)	204,007
Net non-operating revenues	203,450,708	(1,354,601)
Income (loss) before other revenues, expenses, gains or losses	(8,199,478)	2,231,734
Capital appropriations	13,503,925	-
Capital grants, gifts and other income	9,488,558	-
Building fees	4,952,221	-
Gain on sale of land	37,000	-
Loss on disposal of plant	(1,228,743)	-
Gain on permanent endowments	690,531	-
Increase in net assets	19,244,014	2,231,734
NET ASSETS		
Beginning of year	473,099,153	91,529,576
End of year	\$ 492,343,167	\$ 93,761,310

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University

Statement of Cash Flows

For the Year Ended June 30, 2009

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees and other student payments received	\$ 67,967,685
Grants and contracts received	212,351,415
Payments to suppliers	(99,729,610)
Payments for travel	(15,871,100)
Payments to employees and for employee benefits	(344,944,600)
Disbursement of net aid to students	(55,780,918)
Receipts from sales and services	26,986,411
Other operating revenues	24,192,999
NET CASH USED BY OPERATING ACTIVITIES	(184,827,718)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State appropriations	211,751,502
Gifts for other than capital purposes	8,953,633
Private gifts for endowment	2,009,975
Other non-operating expense	(20,611,277)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	202,103,833
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt	-
Capital gifts, grants and contracts	18,219,270
Purchases/construction/renovation of capital assets	(23,094,228)
Principal paid on capital debt and leases	(9,995,669)
Interest and fees paid on capital debt and leases	(4,177,342)
Building fees received from students	5,190,050
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(13,857,919)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	80,508,021
Interest on investments	2,814,159
Purchase of investments	(81,975,550)
Realized gain on investments	(12,261,239)
NET CASH USED BY INVESTING ACTIVITIES	(10,914,609)
Net decrease in cash and cash equivalents	(7,496,413)
Cash and cash equivalents - beginning of year	58,037,450
Cash and cash equivalents - end of year	\$ 50,541,037
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	\$ (220,306,068)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	27,491,771
Change in assets and liabilities:	
Decrease in accounts receivable	3,800,977
Increase in prepaid expenses	(3,559,570)
Decrease in inventory	2,697,518
Decrease in loans receivable	1,074,943
Increase in accounts payable	1,786,620
Increase in other accrued liabilities	1,687,498
Increase in deferred revenue	498,593
NET CASH USED BY OPERATING ACTIVITIES	\$ (184,827,718)

The notes to the financial statements are an integral part of the financial statements.

New Mexico State University

Statement of Cash Flows

For the Year Ended June 30, 2008

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees and other student payments received	\$ 69,779,528
Grants and contracts received	184,947,831
Payments to suppliers	(115,882,352)
Payments for travel	(14,841,928)
Payments to employees and for employee benefits	(327,032,441)
Disbursement of net aid to students	(51,762,775)
Receipts from sales and services	38,255,295
Other operating revenues	29,365,250
NET CASH USED BY OPERATING ACTIVITIES	(187,171,592)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State appropriations	212,645,955
Gifts for other than capital purposes	9,810,400
Private gifts for endowment	609,925
Other non-operating expense	(12,409,401)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	210,656,879
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt	206,945
Capital gifts, grants and contracts	25,499,924
Purchases/construction/renovation of capital assets	(42,649,516)
Principal paid on capital debt and leases	(14,062,385)
Interest and fees paid on capital debt and leases	(4,115,632)
Building fees received from students	4,952,221
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(30,168,443)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	62,300,843
Interest on investments	12,425,180
Purchase of investments	(40,806,637)
Realized gain on investments	(1,280,444)
NET CASH PROVIDED BY INVESTING ACTIVITIES	32,638,942
Net increase in cash and cash equivalents	25,955,786
Cash and cash equivalents - beginning of year	32,081,664
Cash and cash equivalents - end of year	<u>\$ 58,037,450</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	\$ (211,650,186)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	27,568,376
Change in assets and liabilities:	
Decrease in accounts receivable	15,096,868
Increase in prepaid expenses	(2,615,024)
Increase in inventory	(964,061)
Increase in loans receivable	(126,251)
Decrease in accounts payable	(6,198,559)
Increase in other accrued liabilities	795,390
Decrease in deferred revenue	(9,078,145)
NET CASH USED BY OPERATING ACTIVITIES	\$ (187,171,592)

The notes to the financial statements are an integral part of the financial statements.

Note 1 – Organization

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

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation. The Governmental Accounting Standards Board’s (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provides additional guidance to determine whether certain organizations, for which the primary government is not financially accountable, should be reported as component units, based on the nature and significance of their relationship with the primary government.

Under GASB 39 criteria, the Foundation meets the criteria for discrete component unit presentation. Arrowhead Center, Inc. meets the criteria for blended presentation. The University and its blended component unit are shown as the University column in the financial statements. The component units have separately audited financial statements, which can be obtained at their administrative offices. Addresses for the component units are in Note 11.

The University has adopted GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*. This statement establishes standards for the measurement, recognition, and display of OPEB expense and related liabilities/assets, note disclosures, and required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement generally provides for prospective implementation—that is, that employers set the beginning net OPEB obligation at zero as of the beginning of the initial year. This statement is effective for periods beginning after December 15, 2006, for phase 1 governments (those with total annual revenues of \$100 million or more), and therefore applicable for the University’s 2008 fiscal year.

The University has adopted GASB 49, *Accounting for Pollution Remediation Obligations* and GASB 52, *Land and Other Real Estate Held as Investments by Endowments*. Statement 49 establishes standards for identifying and reporting a liability related to pollution remediation. This statement is effective for periods beginning after December 15, 2007, but liabilities should be measured at the beginning of that period so that beginning net assets can be restated. Statement 52 establishes standards for accounting and reporting land and other real estate held as investments by endowments. This statement is effective for periods beginning after June 15, 2008. The actual expenses related to asbestos abatement for 2009 and 2008 were \$170,581 and \$97,895, respectively.

Basis of Accounting. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants' (AICPA) guide, and the New Mexico Higher Education Department's Financial Reporting for Public Institutions in New Mexico.

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented in a single column using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All significant inter-agency transactions have been eliminated. Eliminations are not performed between the University and the Discrete Component Unit. The University is an agency of the State of New Mexico and, as such, is included in the State of New Mexico's Comprehensive Annual Financial Report.

The University has the option of applying Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless the FASB pronouncement conflicts with GASB guidance. The University has elected not to apply FASB pronouncements issued after the applicable date.

Statement of Net Assets. Current assets consist of unrestricted assets which are available for current operations or which will be available within one year and restricted assets that will be used in current operations. All other assets are classified as non-current assets. Current liabilities consist of those liabilities that are due within one year including the current portion of any long-term liabilities.

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

The University accounts for its investments at fair value. Changes in the unrealized gain (loss) on the carrying value of investments are reported as a component of investment income (loss) in the Statement of Revenues, Expenses, and Changes in Net Assets.

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

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

Disbursements of the net appreciation of investments in donor restricted endowments are permitted in accordance with the Uniform Management of Institutional Funds Act [46-9-1 to 46-9-12 NMSA], except where a donor has specified otherwise. The Investment Committee of the Foundation establishes a

target investment allocation designed to support distributions from the Pool and to protect the purchasing power of the endowment principal. The Foundation Investment Committee sets the annual distribution rate, which may vary between four and six percent, in accordance with agreements with some endowment donors. The distribution for the year ended June 30, 2008, was approximately four percent of the average market value and for the year ended June 30, 2009, the distribution was calculated in accordance with a revised Investment Policy. The revised distribution guideline determines the payout utilizing a two component factor: 1) 80 percent of the payout is the prior year payout adjusted for inflation and 2) 20 percent of the payout is based on 4% of the market value on March 31 of the prior year.

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

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

Investments Held in Trust. Trust assets held by the Foundation are measured at fair value as of the date of receipt. The corresponding trust liability, included in other long-term liabilities, is measured at the present value of expected future cash flows to be paid to the beneficiary. Upon death of the income beneficiary, substantially all of the principal balance passes to the Foundation to be used in accordance with the donor's wishes.

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

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

Capital Assets. Capital assets are recorded at cost as of the date of acquisition, or in the case of gifts, fair market value as of the date of donation. The University's capitalization threshold for equipment acquired after July 1, 2005, is \$5,000, for equipment acquired prior to that date, the threshold was \$1,000. Software is capitalized at \$5,000. Infrastructure and land improvements that significantly increase the value, productivity, or extend the useful life of the structure are capitalized at \$50,000. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

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

Category	Useful Life
Non-componentized buildings	50 years
Componentized buildings	12 – 50 years
Infrastructure	10 or 20 years
Library books	15 years
Equipment	6 or 15 years
Software	5 or 10 years

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

The Foundation uses the straight-line depreciation method for capital assets. Depreciation expense is recorded over the approximate useful life of each class of asset: computer equipment and software, 5 years; furniture and equipment, 7 years; and automobiles, 5 years. Other items are depreciated over useful lives ranging from 10 to 15 years.

Accrued Liabilities. Accrued liabilities include accrued current payroll and fringe benefits. These benefits consist of the employee and employer portions of taxes, insurance, retirement and other compensation related withholdings.

Deferred Revenue. Deferred revenue represents revenue collected but not earned as of June 30, 2009 and 2008. This amount is primarily composed of revenue for grants and contracts, prepaid athletic ticket sales, and prepaid student tuition and fees.

Current and Non-Current Liabilities. The University did not have any outstanding short-term debt for the years ended June 30, 2009 and 2008.

Non-current liabilities include principal amounts of revenue bonds payable and contracts payable and the non-current portion of accrued compensated absences and other liabilities.

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

Annual and Sick Leave Policies. Regular full-time exempt and non-exempt employees earn annual leave at a rate of 22 working days per year and sick leave at a rate of 12 working days per year. Leave is prorated for regular employees working at least half-time. University policy allows employees to accumulate a maximum of 30 unused annual leave days. Accumulated annual leave for non-exempt individuals and for exempt individuals is paid upon termination. Employees may carry forward up to 100 days (800 hours) of sick leave. Upon termination, employees will be paid for earned sick leave over 600 hours (not to exceed 200 hours). The sick leave payment will be made at a rate of 50 percent of the employee's straight-time hourly salary.

Net Assets. The University's net assets are classified as follows:

- *Invested in capital assets, net of related debt* – Invested in capital assets, net of related debt represent the University's total capital assets, net of accumulated depreciation and outstanding debt

obligations related to those capital assets. Debt that has been incurred but not yet expended for capital assets is not included as a component of invested in capital assets, net of related debt.

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

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

Elimination Entries. Eliminations have been made in the Statement of Revenues, Expenses, and Changes in Net Assets to remove the effect of internal charges incurred for service activities in excess of the cost of providing those services and for revenue recognized by the Auxiliary Service departments for sales to other University departments. The effects of assets due from and liabilities due to the University from its blended component unit are eliminated from the Statement of Net Assets. Elimination entries are not recorded between the University and the Discrete Component Unit.

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

The Foundation is exempt from federal income taxes under Internal Revenue Code section 501(c)(3).

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

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

and other revenue sources that are defined as non-operating revenues by GASB 9, *Reporting Cash Flows Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB 34. These revenue streams are recognized under GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Revenues are recognized when all applicable eligibility requirements have been met.

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

- *Operating expenses:* Operating expenses include activities that have the characteristics of exchange transactions, such as (1) employee salaries, benefits, and related expenses; (2) scholarships and fellowships, net of scholarship discounts and allowances; (3) utilities, supplies, and other services; (4) professional fees; and (5) depreciation expenses related to property, plant, and equipment.
- *Non-operating expenses:* Non-operating expenses include activities that have the characteristics of non-exchange transactions, such as interest on capital asset-related debt and other expenses that are defined as non-operating expenses by GASB 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB 34.

Scholarship Discounts and Allowances. Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the Statements of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the student's behalf. Certain governmental grants, such as Pell grants and other federal, state or non-governmental programs, may be recorded as either operating or non-operating revenues in the University's financial statements. These determinations are made based on definitions in GASB 9 and GASB 34. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded scholarship discount and allowance as a contra-revenue.

Budgetary Process. Operating budgets are submitted for approval to the Board of Regents, the New Mexico Higher Education Department (HED), and the New Mexico Department of Finance and Administration - State Budget Division (DFA). Similarly, budget requests are submitted to and approved by the Board of Regents, then forwarded to the HED and DFA. These state agencies develop consolidated funding recommendations for all higher education institutions which are considered for appropriation during the annual legislative sessions. The legal level of budgetary control is at the functional level, in accordance with NMAC 5.3.4.10. For fiscal years 2009 and 2008, NMAC 5.3.4.10 was violated, resulting in line item unfavorable budget variances totaling \$3,934,663 and \$8,335,980, respectively. Cash basis of accounting is used for budgetary comparison. If total expenditures by Community College are expected to exceed the approved budget, the University is required to submit a Board of Regents approved budget adjustment request to the HED which is subsequently forwarded to the DFA. In accordance with House Bill 2, in general, unexpended state appropriations to the University do not revert at the end of each fiscal year. All state appropriations are accounted for separately in the accounting system.

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

Reclassifications. Certain reclassifications were made to 2008 information to conform to 2009 presentation.

Student Loans Receivable. Student loans receivable are shown net of allowance for doubtful accounts in the accompanying Statements of Net Assets. Federal Perkins Loans make up approximately 99% and 99% of the student loans receivable at June 30, 2009 and 2008, respectively. Under this program, the federal government provides funds for approximately 75% of the total contribution for student loans, with the University providing the balance. Under certain conditions such loans can be forgiven at annual rates of 10% to 30% of the original balance up to maximums of 50% to 100% of the original loan. The federal government reimburses the University 10% for the amounts cancelled on loans originated prior to July 1, 1993 under the Federal Perkins Loan Program.

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

Note 3 - Cash and Investments

The University is authorized by the Board of Regents to invest all available University cash. The classification "Cash and cash equivalents" includes cash in banks (deposits), cash on hand, petty cash change funds, certificates of deposit, and funds invested in overnight repurchase agreements.

The Foundation (see Note 11) invests endowment and similar funds for the benefit of the University under the terms of a revocable agreement. These assets are invested in a common pool and as of June 30, 2009 and 2008, the University owned 18,548,189 and 17,288,615 shares which represented 30.54% and 30.99% of the total shares in the pool, respectively. The fair value per share as of June 30, 2009 and 2008, was \$1.68 and \$2.19, respectively.

Cash. The University's deposits are in demand and time deposit accounts at local financial institutions. The University requires a minimum of 50 percent collateralization of all uninsured funds deposited with a financial institution, with the exception of overnight repurchase agreements, which require 102 percent collateralization. All collateral is held in third-party safekeeping in the name of the University. The majority of the total deposits were invested in interest bearing accounts at June 30, 2009 and 2008.

Investments. The Senior Vice President for Business, Finance and Human Resources, the Associate Vice President, the Controller and the Investment and Tax Manager are authorized to purchase and to sell investments of the University. Investments are required to be made in a prudent manner so as to ensure an acceptable yield with a minimum risk within the guidelines of the University's investment policy, which requires investment in securities or other financial instruments which are not contrary to Section 6-10-10 and 46-9-1 through 46-9-12 NMSA 1978, existing bond covenants or other externally placed restrictions. At June 30, 2009 and 2008, all investments are either held in the name of the University by its agent, or held by the University. The investments not held by the Foundation consisted of certificates of deposit and U.S. agency securities at June 30, 2009 and 2008. The Foundation's short-term investments in marketable securities consisted entirely of domestic stocks and bonds at June 30, 2009 and 2008.

Endowment investments were \$74,785,368 and \$88,960,169 at June 30, 2009 and 2008, respectively, and represent longer term investments in debt and equity securities, including, but not limited to, pooled or common trust funds holding such types of securities, subject to any specific limitation set forth in the applicable gift instrument.

At June 30, 2009 and 2008, the investments of the University and its Component Unit consisted of the following:

	2009		2008	
	Weighted Average Maturity (Years)	Fair Value	Weighted Average Maturity (Years)	Fair Value
University				
U.S. agency securities	3.40	\$ 50,386,714	3.50	\$ 42,228,749
Certificates of deposit	1.00	4,011,100	1.00	511,100
Corporate stocks and bonds		244,601		198,825
Pooled cash and investments held by others		70,529,028		88,390,381
Total investments		<u>\$ 125,171,443</u>		<u>\$ 131,329,055</u>
Foundation				
U.S. government and agency securities		\$ 4,007,984		\$ 4,026,252
Corporate stocks and bonds		48,307,404		58,826,680
Alternative investments		12,298,835		16,623,563
Other investments		1,996,521		1,356,316
Cash and investments held by others		-		376,029
Total investments		<u>\$ 66,610,744</u>		<u>\$ 81,208,840</u>

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

In accordance with state statutes, the Land Grant Permanent Fund is held by the State of New Mexico for the benefit of the University.

The following is a schedule of the pooled cash and investments held by the Discrete Component Unit for the University at June 30, 2009 and 2008:

	2009	2008
Equities	72%	74%
Fixed income	21%	20%
Cash and cash equivalents	6%	1%
Investments not securities	1%	5%
	<u>100%</u>	<u>100%</u>

Collateralization of Deposits. At June 30, 2009 and 2008, the recorded values of the University's cash and time deposits with financial institutions were \$5,938,969 and \$5,866,749, respectively. Bank balances, which differ from the reported values due to reconciling items, are categorized and presented in the following table:

	2009	2008
University		
Amount insured by the Federal Deposit Insurance Corporation	\$ 1,120,225	\$ 725,150
Amount collateralized with securities held by the pledging financial institution	36,191,347	12,032,155
Uncollateralized	-	35,000
Total cash and time deposit bank balances	37,311,572	12,792,305
Time deposits	(4,011,100)	(511,100)
Cash equivalents	23,499,501	52,036,558
Other reconciling items	(6,258,936)	(6,280,313)
Total reported cash balance	<u>\$ 50,541,037</u>	<u>\$ 58,037,450</u>
Foundation		
Amount insured by the Federal Deposit Insurance Corporation	\$ 450,032	\$ 190,958
Amount in excess of FDIC coverage	541,368	9,655
Amount at Merrill Lynch insured by Security Investor Protection Corporation (SIPC) and the Federal Deposit Insurance Corporation	11,937,483	11,911,884
Total reported cash balance	<u>\$ 12,928,883</u>	<u>\$ 12,112,497</u>

The following table provides information on the University's cash and cash equivalents at June 30, 2009:

Account	Type of Account	Bank Balance	Reconciling Items	Book Balance
First National Bank of Alamogordo				
Operational	Checking	84,625	(601)	84,024
Operational	Debt service	452,173	-	452,173
East Texas National Bank				
Operational	Checking	51,624	(4,005)	47,619
Standard Chartered Bank				
Operational	Checking	95,514	-	95,514
Grants State Bank				
Operational	Checking	51,037	(252)	50,785
Wells Fargo Bank of New Mexico				
Operational	Checking	-	(5,879,914)	(5,879,914)
Operational	Student ACH	-	2,904	2,904
Operational	General	-	(73,148)	(73,148)
Operational	Payroll	-	(490,703)	(490,703)
Operational	Credit card	-	61,165	61,165
Operational	Debt service	3,814,629	-	3,814,629
Operational	Deposit	-	14,736	14,736
Operational	Cash management	1,081,096	-	1,081,096
Operational	Savings	17,024,167	-	17,024,167
Repurchase agreement	Repurchase	10,484,657	29	10,484,686
Western Commerce Bank of Carlsbad				
Operational	Checking	155,589	(2,182)	153,407
Operational	Deposit	5,361	3,048	8,409
First Community Bank				
Certificate of deposit	Investment	4,000,000	(4,000,000)	-
Citizen's Bank of Las Cruces				
Certificate of deposit	Investment	11,100	(11,100)	-
Cash on Hand				
Cash on hand	Cash	-	109,987	109,987
Federated Investment Manager				
Dividend reinvestment	Money market	23,499,501	-	23,499,501
Total cash and cash equivalents		<u>\$ 60,811,073</u>	<u>\$ (10,270,036)</u>	<u>\$ 50,541,037</u>

The following table provides information on the University's deposit accounts and investments, including reconciling items, at June 30, 2009:

Account	Type of Account	Bank Balance	Reconciling Items	Book Balance
Morgan Keegan				
U.S. agency securities	Investment	\$ 17,155,260	\$ -	\$ 17,155,260
A.G. Edwards				
Corporate stocks and bonds	Investment	23,977	-	23,977
Wells Fargo				
Bonds	Investment	2,002,240	-	2,002,240
FTN Financial				
U.S. agency securities	Investment	31,121,980	-	31,121,980
Forensic Testing and Laboratory				
Corporate stocks and bonds	Investment	106,595	-	106,595
Eberhardt Memorial				
Corporate stocks and bonds	Investment	3,875	-	3,875
Principal Funds				
Corporate stocks and bonds	Investment	73,198	-	73,198
Franklin Templeton				
Corporate stocks and bonds	Investment	36,956	-	36,956
First Community Bank				
Certificate of deposit	Investment	4,000,000	-	4,000,000
Citizen's Bank of Las Cruces				
Certificate of deposit	Investment	11,100	-	11,100
Department of the Treasury Bureau of the Public Debt				
U.S. agency securities	Investment	61,362	-	61,362
First Tennessee National Bank Association				
U.S. agency securities	Investment	45,872	-	45,872
New Mexico State Investment Council				
Permanent land fund	Investment	39,444,489	-	39,444,489
New Mexico State University Foundation, Inc.				
NMSU endowments	Investment	31,084,539	-	31,084,539
Total investments		<u>\$ 125,171,443</u>	<u>\$ -</u>	<u>\$ 125,171,443</u>

Information on the Foundation's cash and cash equivalents and deposit accounts and investments, including reconciling items, at June 30, 2009 is provided below:

Account	Type of Account	Bank Balance	Reconciling Items	Book Balance
Wells Fargo Bank of New Mexico				
Operational	Checking	\$ 225,219	\$ (1,366)	\$ 223,853
Operational	Money market	16,377	-	16,377
Program	ACH	50,275	-	50,275
Operational	Checking - SE	180,141	(48,530)	131,611
Citizens Bank of Las Cruces				
Program	Checking	512,006	(26,102)	485,904
Program	Money market	74,040	9,340	83,380
Merrill Lynch				
Operational	Checking	2	-	2
Operational	Money market	24,954	-	24,954
Program	Checking	760,003	-	760,003
Program	Money market	6,886,797	132,543	7,019,340
Merrill Lynch (Designated) cleared with interfund due to/from entries	Money market	-	(1,095,967)	(1,095,967)
Investments - Merrill Lynch				
Managers				
Hedge Access	Money market	4,820,446	-	4,820,446
Eagle	Money market	235,618	-	235,618
McDonnell	Money market	70,332	-	70,332
Tradewinds NWQ	Money market	300,782	-	300,782
Earnest	Money market	192,841	-	192,841
NWQ	Money market	103,725	-	103,725
Insight	Money market	81,871	-	81,871
Fred Alger	Money market	145,016	-	145,016
Oppenheimer	Money market	8,319	-	8,319
Venture Capital	Money market	293,802	-	293,802
Alliance Bernstein	Money market	271,343	-	271,343
Managed Futures	Money market	86,065	-	86,065
Invesco REITS	Money market	195,601	-	195,601
Aletheia (large cap value)	Money market	210,557	-	210,557
Short term investment fund	Money market	1,102,307	-	1,102,307
Chase	Money market	37,942	-	37,942
Scafer Cullen (large cap growth)	Money market	125,551	-	125,551
NMSU Business College	Money market	2,511	-	2,511
Less: cash allocated to NMSU for AHIT	Money market	(3,055,478)	-	(3,055,478)
Total cash and cash equivalents		<u>\$ 13,958,965</u>	<u>\$ (1,030,082)</u>	<u>\$ 12,928,883</u>
Merrill Lynch				
U.S. government and agency securities	Investment	\$ 4,007,984	\$ -	\$ 4,007,984
Corporate stocks and bonds	Investment	37,373,049	-	37,373,049
Mortgage-backed securities	Investment	10,934,355	-	10,934,355
Limited Partnerships				
Alternative investments	Investment	12,298,835	-	12,298,835
Real Estate Holdings				
Other investments	Investment	1,641,396	-	1,641,396
Various Financial Institutions				
Short term investments	Investment	224,247	-	224,247
Accrued investment interest	Investment	130,878	-	130,878
Total investments		<u>\$ 66,610,744</u>	<u>\$ -</u>	<u>\$ 66,610,744</u>

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

A summary of the investments at June 30, 2009 and their exposure to interest rate risk are as follows:

	Short/Long Term	Fair Value	Less than 1 Year	1 -5 Years	6 - 10 Years	Greater than 10 Years
University						
Agency securities	Long-term	\$ 50,386,714	\$ -	\$ 50,386,714	\$ -	\$ -
Certificates of deposits	Short-term	4,011,100	4,011,100			
Corporate stocks and bonds	Short-term	244,601	244,601			
Pooled cash and investments held by others	Long-term	70,529,028	-	70,529,028		
Total investments		<u>\$ 125,171,443</u>	<u>\$ 4,255,701</u>	<u>\$ 120,915,742</u>		
Foundation						
U.S. government and agency securities	Long-term	\$ 4,007,984	\$ 601,198	\$ 2,605,190	\$ 801,596	\$ -
Corporate and foreign bonds	Short/Long-term	4,764,226	1,203,821	3,109,110	451,295	-
Items not subject to interest rate risk:						
Corporate and foreign stocks	Not aged	32,608,822	-	32,608,822	-	-
Mortgage-backed securities	Not aged	12,298,835	-	12,298,835	-	-
Other investments	Not aged	12,930,877	-	12,930,877	-	-
Total investments		<u>\$ 66,610,744</u>	<u>\$ 1,805,019</u>	<u>\$ 63,552,834</u>	<u>\$ 1,252,891</u>	<u>\$ -</u>

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

A summary of the investments at June 30, 2009 and their exposure to credit risk follows:

	Rating	Fair Value
University		
U.S. agency securities	Moody's---Aaa	\$ 50,386,714
Certificates of deposits	Federally insured	4,011,100
Corporate stocks and bonds	Moody's---CAA1	7,551
	Moody's---BBA1/BBB	10,426
	Not rated	6,000
	Morning Star---3	3,875
	Not rated	179,793
	Not rated	36,956
Pooled cash and investments held by others	N/A	70,529,028
Total investments		<u>\$ 125,171,443</u>
Foundation		
U.S. government and agency securities	Moody's Aaa	\$ 4,007,984
Corporate bonds	A1	478,887
Corporate bonds	A2	771,487
Corporate bonds	A3	538,490
Corporate bonds	A4	247,814
Corporate bonds	AA2	293,224
Corporate bonds	AA3	201,587
Corporate bonds	AAA	1,008,953
Corporate bonds	BAA	284,400
Corporate bonds	BAA1	152,416
Corporate bonds	BAA2	335,925
Corporate bonds	BAA3	344,702
Corporate stocks	Not rated	18,362,739
Foreign bonds	AAA	106,342
Foreign stocks	Not rated	14,246,083
Mortgage-backed securities	AAA+	10,934,355
Alternative investments	Not rated	12,298,835
Other investments (real estate and accrued investment interest)	N/A	1,996,521
Total investments		<u>\$ 66,610,744</u>

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

Custodial Credit Risk-Deposits. This is the risk that in the event of a bank failure, the University's deposits may not be returned to it. Neither the University, nor its discretely presented component unit, the Foundation, has a deposit policy for custodial credit risk. As of June 30, 2009 and 2008, total bank balances of the University were \$37,331,811 and \$12,792,306, respectively. A portion of the balances were subject to custodial credit risk in Category 2, uninsured and collateralized with securities held by the pledging financial institution, and Category 3, uninsured and uncollateralized, as follows:

	June 30, 2009	June 30, 2008
Category 2	\$ 36,191,347	\$ 12,032,155
Category 3	\$ -	\$ 35,000

Custodial Credit Risk-Investments. This is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2009 and 2008, the University's certificate of deposit balances were \$4,011,100 and \$511,100, respectively. There were no investment balances that were subject to custodial credit risk in Category 2, uninsured and collateralized with securities held by the pledging financial institution, and Category 3, uninsured and uncollateralized.

Note 4 – Accounts Receivable

Accounts receivable consists of the following at June 30, 2009 and 2008:

	2009	2008
University		
Student tuition and fees	\$ 25,768,282	\$ 21,356,083
Federal, state, and private grants and contracts	73,374,324	79,248,103
Other	450,981	3,236,483
Cash and cash equivalents held in trust for NMSU	3,055,478	2,307,239
Due from Component Units	1,505,233	600,036
Less: allowance for doubtful accounts	(13,451,335)	(12,244,004)
Net accounts receivable	<u>\$ 90,702,963</u>	<u>\$ 94,503,940</u>
Foundation		
Net miscellaneous accounts receivable	<u>\$ 2,512,963</u>	<u>\$ 1,621,916</u>

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

Note 5 – Capital Assets

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

The University's main campus has permitted water rights equaling 11,454 acre feet per annum. As there is no clear guidance from the GASB on their presentation, neither the water rights nor the livestock bred by the University are presented in the accompanying Statement of Net Assets. The State of New Mexico Land Office holds 193,272 surface and 254,627 sub-surface acres in trust for the University and manages the commercial use of this property including various leases and oil and gas exploration. The value of the land is recorded at the State of New Mexico Land Office; therefore this amount is not presented in the accompanying Statement of Net Assets.

In March 2006, the University was selected to participate in Partners for the Advancement of Collaborative Engineering (PACE) to integrate 3-D solid modeling and other parametric-based applications into design, engineering, and manufacturing curricula. As a participant in this partnership, the University was given a non-exclusive, non-transferable license to install and use, solely for academic and educational purposes, CAD/CAM/CAE products and services in an aggregate amount of \$135,534,390. The University is required to return all copies of the software and the associated documentation at the expiration, cancellation, or termination of the agreement. PACE has made similar donations to many universities and some software licenses donated by PACE are already available to education institutions essentially free of charge; therefore, this transaction was not recorded in the financial statements of the University.

Changes in capital asset balances for the year ended June 30, 2009, were as follows:

	Balance July 1 2008	Additions	Transfers	Retirements	Balance June 30 2009
University					
Capital assets not being depreciated:					
Land and land improvements	\$ 10,696,079	\$ -	\$ -	\$ -	\$ 10,696,079
Construction in progress	10,740,744	11,891,535	(6,086,276)	(73,549)	16,472,454
Software implementation in progress	1,132,446	314,371	-	-	1,446,817
Total capital assets not being depreciated	\$ 22,569,269	\$ 12,205,906	\$ (6,086,276)	\$ (73,549)	\$ 28,615,350
Other capital assets:					
Buildings	\$486,729,389	\$ 11,245,576	\$ 5,864,799	\$ -	\$503,839,764
Infrastructure	42,317,964	247,345	221,477	-	42,786,786
Equipment	118,789,399	6,868,782	-	(7,281,773)	118,376,408
Software	13,017,496	847,974	-	-	13,865,470
Library books	56,055,732	3,908,274	-	(3,850)	59,960,156
Total other capital assets	716,909,980	23,117,951	6,086,276	(7,285,623)	738,828,584
Less accumulated depreciation for:					
Buildings	(209,849,393)	(14,880,885)	-	-	(224,730,278)
Infrastructure	(26,857,833)	(1,491,623)	-	-	(28,349,456)
Equipment	(87,512,349)	(7,451,560)	-	6,857,974	(88,105,935)
Software	(4,712,784)	(1,229,715)	-	-	(5,942,499)
Library books	(39,227,134)	(2,437,988)	-	3,850	(41,661,272)
Total accumulated depreciation	(368,159,493)	(27,491,771)	-	6,861,824	(388,789,440)
Other capital assets, net	\$348,750,487	\$ (4,373,820)	\$ 6,086,276	\$ (423,799)	\$350,039,144
Capital asset summary:					
Capital assets not being depreciated	\$ 22,569,269	\$ 12,205,906	\$ (6,086,276)	\$ (73,549)	\$ 28,615,350
Other capital assets, at cost	716,909,980	23,117,951	6,086,276	(7,285,623)	738,828,584
Total cost of capital assets	739,479,249	35,323,857	-	(7,359,172)	767,443,934
Less: accumulated depreciation	(368,159,493)	(27,491,771)	-	6,861,824	(388,789,440)
Capital assets, net	\$371,319,756	\$ 7,832,086	\$ -	\$ (497,348)	\$378,654,494
Foundation					
Capital assets	\$ 388,187	\$ 17,621	\$ -	\$ -	\$ 405,808
Less: accumulated depreciation	(220,735)	(54,799)	-	-	(275,534)
Capital assets, net	\$ 167,452	\$ (37,178)	\$ -	\$ -	\$ 130,274

Changes in capital asset balances for the year ended June 30, 2008, were as follows:

	Balance July 1 2007	Additions	Transfers	Retirements	Balance June 30 2008
University					
Capital assets not being depreciated:					
Land and land improvements	\$ 9,948,079	\$ 748,000	\$ -	\$ -	\$ 10,696,079
Construction in progress	16,990,801	8,743,383	(14,977,739)	(15,701)	10,740,744
Software implementation in progress	1,142,446	-	(10,000)	-	1,132,446
Total capital assets not being depreciated	<u>\$ 28,081,326</u>	<u>\$ 9,491,383</u>	<u>\$ (14,987,739)</u>	<u>\$ (15,701)</u>	<u>\$ 22,569,269</u>
Other capital assets:					
Buildings	\$457,943,014	\$ 16,305,674	\$ 14,525,488	\$ (2,044,787)	\$486,729,389
Infrastructure	39,556,949	2,308,764	452,251	-	42,317,964
Equipment	117,554,528	8,653,479	(43,947)	(7,374,661)	118,789,399
Software	12,440,333	523,216	53,947	-	13,017,496
Library books	51,628,873	4,439,487	-	(12,628)	56,055,732
Total other capital assets	<u>679,123,697</u>	<u>32,230,620</u>	<u>14,987,739</u>	<u>(9,432,076)</u>	<u>716,909,980</u>
Less accumulated depreciation for:					
Buildings	(197,060,440)	(14,567,388)	-	1,778,435	(209,849,393)
Infrastructure	(25,360,605)	(1,497,228)	-	-	(26,857,833)
Equipment	(85,903,241)	(8,044,743)	7,664	6,427,971	(87,512,349)
Software	(3,553,089)	(1,152,031)	(7,664)	-	(4,712,784)
Library books	(36,932,776)	(2,306,986)	-	12,628	(39,227,134)
Total accumulated depreciation	<u>(348,810,151)</u>	<u>(27,568,376)</u>	<u>-</u>	<u>8,219,034</u>	<u>(368,159,493)</u>
Other capital assets, net	<u>\$330,313,546</u>	<u>\$ 4,662,244</u>	<u>\$ 14,987,739</u>	<u>\$ (1,213,042)</u>	<u>\$348,750,487</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 28,081,326	\$ 9,491,383	\$ (14,987,739)	\$ (15,701)	\$ 22,569,269
Other capital assets, at cost	679,123,697	32,230,620	14,987,739	(9,432,076)	716,909,980
Total cost of capital assets	<u>707,205,023</u>	<u>41,722,003</u>	<u>-</u>	<u>(9,447,777)</u>	<u>739,479,249</u>
Less: accumulated depreciation	<u>(348,810,151)</u>	<u>(27,568,376)</u>	<u>-</u>	<u>8,219,034</u>	<u>(368,159,493)</u>
Capital assets, net	<u>\$358,394,872</u>	<u>\$ 14,153,627</u>	<u>\$ -</u>	<u>\$ (1,228,743)</u>	<u>\$371,319,756</u>
Foundation					
Capital assets	\$ 1,003,628	\$ 49,017	\$ -	\$ (664,458)	\$ 388,187
Less: accumulated depreciation	(506,685)	(51,132)	-	337,082	(220,735)
Capital assets, net	<u>\$ 496,943</u>	<u>\$ (2,115)</u>	<u>\$ -</u>	<u>\$ (327,376)</u>	<u>\$ 167,452</u>

As of June 30, 2008, the University had to replace a television broadcasting transmitter for a total of \$815,254 and received insurance proceeds, in fiscal year 2008, in the amount of \$771,844. The University had no other significant asset impairments during the fiscal years ended June 30, 2009 and 2008.

Note 6 – Long-Term Liabilities

A summary of changes in long-term liabilities for the University and Discrete Component Unit for the year ended June 30, 2009 follows:

	Balance July 1 2008	Additions	Reductions	Balance June 30 2009	Current Portion (due in 2010)	
University						
Bonds and contracts payable:						
Revenue bonds payable	\$ 95,425,714	\$ -	\$ (5,808,712)	\$ 89,617,002	\$ 5,940,000	
Contracts payable	541,323	88,267	(201,837)	427,753	203,569	
Total bonds, contracts	<u>95,967,037</u>	<u>88,267</u>	<u>(6,010,549)</u>	<u>90,044,755</u>	<u>6,143,569</u>	
Other liabilities:						
Accrued compensated absences	18,848,646	7,889,019	(6,877,021)	19,860,644	3,835,328	
Other post employment benefits	5,415,850	4,683,150	-	10,099,000	-	
Other	735,623	438,320	-	1,173,943	-	
Total other liabilities	<u>25,000,119</u>	<u>13,010,489</u>	<u>(6,877,021)</u>	<u>31,133,587</u>	<u>3,835,328</u>	
Total long-term liabilities	<u>\$ 120,967,156</u>	<u>\$ 13,098,756</u>	<u>\$ (12,887,570)</u>	<u>\$ 121,178,342</u>	<u>\$ 9,978,897</u>	
	Balance July 1 2008	Additions	Reductions	Changes in Estimate	Balance June 30 2009	Current Portion (due in 2010)
Foundation						
Gift annuities payable	\$ 1,826,830	\$ 176,453	\$ (183,062)	\$ 397,455	\$ 2,217,676	\$ 168,701
Payable under unitrusts	229,703	-	-	(12,408)	217,295	26,372
Total long-term liabilities	<u>\$ 2,056,533</u>	<u>\$ 176,453</u>	<u>\$ (183,062)</u>	<u>\$ 385,047</u>	<u>\$ 2,434,971</u>	<u>\$ 195,073</u>

A summary of changes in long-term liability for the University and Discrete Component Unit for the year ended June 30, 2008 follows:

	Balance July 1 2007	Additions	Reductions	Balance June 30 2008	Current Portion (due in 2009)	
University						
Bonds and contracts payable:						
Revenue bonds payable	\$101,017,217	\$ -	\$ (5,591,503)	\$ 95,425,714	\$5,710,000	
Contracts payable	578,671	206,945	(244,293)	541,323	219,040	
Total bonds, contracts	<u>101,595,888</u>	<u>206,945</u>	<u>(5,835,796)</u>	<u>95,967,037</u>	<u>5,929,040</u>	
Other liabilities:						
Accrued compensated absences	16,672,709	3,990,779	(1,814,842)	18,848,646	3,523,899	
Other post employment benefits	-	5,415,850	-	5,415,850	-	
Other	309,219	426,494	(90)	735,623	9,360	
Total other liabilities	<u>16,981,928</u>	<u>9,833,123</u>	<u>(1,814,932)</u>	<u>25,000,119</u>	<u>3,533,259</u>	
Total long-term liabilities	<u>\$ 118,577,816</u>	<u>\$ 10,040,068</u>	<u>\$ (7,650,728)</u>	<u>\$ 120,967,156</u>	<u>\$ 9,462,299</u>	
	Balance July 1 2007	Additions	Reductions	Changes in Estimate	Balance June 30 2008	Current Portion (due in 2009)
Foundation						
Gift annuities payable	\$ 1,612,174	\$ 123,982	\$ (204,721)	\$ 295,395	\$ 1,826,830	\$ 160,476
Payable under unitrusts	257,276	-	(9,474)	(18,099)	229,703	30,383
Total long-term liabilities	<u>\$ 1,869,450</u>	<u>\$ 123,982</u>	<u>\$ (214,195)</u>	<u>\$ 277,296</u>	<u>\$ 2,056,533</u>	<u>\$ 190,859</u>

Bonds Payable. The University's outstanding parity revenue bonds, all tax-exempt, are payable solely from, and secured by, a pledge of and a non-exclusive first lien on, certain pledged revenues; the revenues pledged to meet these debt obligations are student tuition and fees, sales and services, other operating income, investment income and building fees. Interest payments are made twice a year, on October 1 and April 1 while principal is paid on April 1 only. All outstanding University revenue bonds as of June 30, 2009 and 2008, were issued as parity bonds. Bond issuance costs, premiums, and discounts on bonds payable are recorded in total and amortized according to the bonds outstanding method, which approximates the effective interest method.

The bond interest expense incurred for the fiscal years 2009 and 2008, was \$4,068,262 and \$4,027,019, respectively, net of interest income. Of these amounts, \$186,061 and \$177,879 was capitalized during fiscal years 2009 and 2008, respectively.

Total University issued bonds and those outstanding on June 30, 2009 and 2008, excluding bonds issued by local governments on behalf of certain community colleges (See Note 13), consisted of:

	Total Issued	Outstanding	
		2009	2008
Revenue and improvement revenue Bond Series 1998, (3.95% - 5.00%) final maturity 2020	\$ 21,010,000	\$ 7,395,000	\$ 7,915,000
Revenue and improvement revenue Bond Series 2001, (3.95% - 5.00%) final maturity 2021	9,210,000	6,085,000	6,550,000
Revenue and improvement revenue Bond Series 2002, (2.00% - 5.00%) final maturity 2022	15,495,000	8,730,000	9,965,000
Refunding and improvement revenue Bonds Series 2003 (2.00% - 5.00%) final maturity 2023	28,495,000	20,950,000	22,775,000
Improvement revenue bonds Bond Series 2004B, (2.00% - 5.00%) final maturity 2025	42,275,000	36,630,000	37,935,000
Improvement revenue bonds Bond Series 2006, (4.00% - 5.25%) final maturity 2026	10,245,000	9,140,000	9,500,000
Total bonds payable	126,730,000	88,930,000	94,640,000
Plus: unamortized net premium	1,452,123	746,033	853,178
Less: unamortized loss on refunding	(169,759)	(59,031)	(67,464)
Bonds payable, net	<u>\$ 128,012,364</u>	<u>\$ 89,617,002</u>	<u>\$ 95,425,714</u>

The maturity schedule for the University bonds payable at June 30, 2009, follows:

Year Ending June 30	Principal	Interest
2010	\$ 5,940,000	\$ 4,087,215
2011	6,180,000	3,847,155
2012	6,350,000	3,586,081
2013	6,425,000	3,299,068
2014	5,580,000	3,023,461
2015-2019	26,400,000	11,514,024
2020-2024	26,695,000	5,099,112
2025-2029	5,360,000	285,600
Total	<u>\$ 88,930,000</u>	<u>\$ 34,741,716</u>

Contracts Payable. The University acquires various types of equipment under capital lease agreements. All lease agreements contain a fiscal funding clause, which allows the lease agreements to be canceled if funding for future periods is not appropriated. University administration believes that the likelihood of this occurrence is remote. The following tables detail the carrying value of assets acquired under these arrangements, the future minimum lease payments, the portion of the lease payments representing interest and the present value of the net minimum lease payments at June 30, 2009.

Type of Property	Asset Carrying Value	Net Present Value of Minimum Lease Payments
Office equipment	\$ 664,195	\$ 348,676
Laboratory, video and other equipment	222,076	79,077
Total	<u>\$ 886,271</u>	<u>\$ 427,753</u>

Future minimum payments required under capital leases and the net present values of the future payments are as follows:

Year Ending June 30	Principal	Interest	Minimum Payments
2010	\$ 224,182	\$ 23,540	\$ 247,722
2011	90,745	10,942	101,687
2012	83,025	6,175	89,200
2013	17,597	1,484	19,081
2014	12,204	403	12,607
Total minimum lease payments	<u>\$ 427,753</u>	<u>\$ 42,544</u>	<u>\$ 470,297</u>

Note 7 – Health Insurance

The University provides group health insurance coverage for all regular employees working 20 hours per week or more. Coverage is optional and is available the first pay period after 30 days of employment. The University's portion of the premium is based on the employee's annual salary. Employee contributions are required for personal, as well as spouse and dependent coverage.

Effective September 1, 2006, the University elected to participate in the State insurance program. Premiums are paid to the State of New Mexico. The State program assumes full responsibility for all claims.

Eligible retirees who were enrolled in health insurance for a minimum of ten consecutive years prior to retirement may elect to continue health insurance coverage through the University's program. The University contributes 60% of the premiums for retirees and their dependents until the retiree reaches age 70, after which, the University contributes 30%.

Effective July 1, 2006, the University enrolled in a fully insured plan for the eligible active retirees. Premiums are paid to the insurance carrier. The insurance carrier assumes full responsibility for all claims.

Note 8 – Retirement Programs

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

A. Educational Retirement Act

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

Funding Policy. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. As of July 1, 2009, House Bill 854 increased plan members' contributions to 9.4%. The University is required to contribute 10.9% of the gross covered salary. Employees earning \$20,000 or less (on a full-time annualized basis) contribute 7.90% of gross salary and the University contributes 11.65%. The employer contribution will increase .75% each year until July 1, 2011, when the employer contribution will be 13.9%. The contribution requirements of plan members and the University are established in State statute under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. After June 30, 2011, the employee contribution rate will return to 7.9%. The University's contributions to the ERB for the years ended June 30, 2009, 2008 and 2007, were \$23,798,427, \$19,923,444 and \$18,602,871, respectively, which equal the amount of the required contributions for each fiscal year.

Return to Work Program. Effective January 1, 2002, the ERB implemented a retiree Return-To-Work (RTW) program whereby the University is required to make regular (10.9%) employer contributions on eligible retiree wages. No contribution is required by the retiree. The University's contribution to the ERB for RTW program participants for the years ended June 30, 2009, 2008, and 2007 were \$264,822, \$193,937, and \$180,251, respectively, which equal the amount of the required contributions for each year.

B. Alternative Retirement Program

Plan Description. The New Mexico ARP was established by amendment to Chapter 22, Article 11, Section 47-52. Certain faculty and professional staff hired on or after July 1, 1991, may elect to participate in an alternative defined contribution retirement plan in lieu of participation in the ERA in accordance with policies stipulated by the Board of Regents. The two carriers approved by the ERB are the Teachers Insurance and Annuity Association/College Retirement Equities Fund and the Variable Annuity Life Insurance Company. Employees are allowed to transfer between carriers once each year.

On July 1, 2009, eligible employees in the ARP have a one-time opportunity to move to the ERB's defined benefit plan. Senate Bill 572 allows members of the ARP the option to cash out or rollover the ARP account once they have left employment.

Contributions Required. Total payroll expenses covered by the ARP for the years ended June 30, 2009, 2008 and 2007, were \$28,042,960, \$28,354,154 and \$26,872,405, respectively. Employees under this plan contribute 7.9% of their gross salaries. House Bill 854 increased plan members' contributions to 9.4%, effective July 1, 2009. After June 30, 2011, the contribution rate will return to 7.9%. The University is required to contribute 8.65% to the carrier and 3.0% to the ERB as an administrative fee. The 3.0% fee does not provide retirement benefits. Benefits are determined strictly by contributions made and earnings on contributions.

Vesting is immediate and benefits are distributed only as an annuity. The University's contributions for the years ended June 30, 2009, 2008, and 2007, were \$2,405,755, \$2,238,147, and \$1,916,063, respectively, for employees participating in the ARP. Additionally, \$841,289, \$850,624, and \$806,172, were paid as administrative fees to the ERB for the years ended June 30, 2009, 2008 and 2007, respectively; employees participating in the ARP made contributions totaling \$2,199,668, \$2,219,829, and \$2,079,459, respectively, for the same periods.

C. Federal Retirement Program

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

Contributions Required. Employees covered by CSRS and FERS are considered Federal Employees and as such are obligated to contribute according to the guidelines of the Federal Government. For the years ended June 30, 2009 and 2008, there were 14 and 16 employees, respectively, enrolled under CSRS and 17 and 18 employees, respectively, enrolled under FERS. The University contributes 7.0% and employees contribute 7.0% under CSRS. The University contributes 10.7% and employees contribute 0.8% under FERS. For the fiscal years ended June 30, 2009, 2008, and 2007, the University

contributed \$221,260, \$239,083, and \$245,611, respectively; employees contributed \$83,952, \$98,761, and \$101,024, respectively, under both plans.

Note 9 – Other Postemployment Benefits Plan

The University implemented GASB Statement No. 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as of July 1, 2007.

Plan Description. New Mexico State University is a single employer that offers employees and their eligible dependents retiree benefits. The authority to establish and amend the benefit provisions rests with the Board of Regents.

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

The University currently pays 60% of the monthly medical and prescription premium for retirees and their eligible dependents to age 70. When the retiree reaches age 70, NMSU reduces its contribution to 30%. The premium for the first \$2,000 of the life insurance benefit is paid by NMSU, while the premium for any additional benefit, is paid by the retiree. Retiree life insurance benefits are based on pre-retirement benefit levels.

At the original valuation date of January 1, 2008, there were 838 retirees, 2,316 not fully eligible active employees, and 1,415 fully eligible employees. At June 30, 2009, 919 retirees met the eligibility requirements for health insurance and 1,330 for life insurance.

Funding Policy. The University does not use a trust fund to administer the financing and payment of benefits. The retired employees that elect to participate in post employment benefits are required to make contributions in the form of monthly premiums based on current rates established under the medical and life plans.

The University funds the plan on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits, and includes all expected claims and related expenses and is offset by retiree contributions. The pay-as-you-go expense for fiscal year 2009 was \$3,057,000, net of retiree contributions.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009, actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% annual discount rate assuming NMSU funds the retirement benefit on a pay-as-you go basis. Currently, the plans are considered to be unfunded as there are no assets and retiree benefits are expected to be paid annually on a cash basis. The actuarial valuation assumes an annual health care cost trend on a select and ultimate basis: medical and prescription benefits on a select basis at 11% and on an ultimate basis at 5%. The select trend rates are reduced .5% each year until reaching the ultimate trend. The Unfunded Actuarial Accrued Liability is amortized over the

maximum acceptable period of 30 years and is calculated assuming a level percentage of projected payrolls. Payroll is projected to increase 3.5% per year.

Annual OPEB Cost and Net OPEB Obligation. NMSU's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of NMSU's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in NMSU's net OPEB obligation:

Annual required contribution	\$ 7,740,000
Interest on net OPEB obligation	244,000
Adjustment to annual required contribution	(207,000)
Annual OPEB cost (expense)	<u>7,777,000</u>
Contributions made	<u>(3,094,000)</u>
Increase in net OPEB obligation	<u>4,683,000</u>
Net OPEB obligation beginning of year	<u>5,416,000</u>
Net OPEB obligation end of year	<u><u>\$ 10,099,000</u></u>

NMSU's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the OPEB obligation for fiscal year 2009 is as follows:

Annual OPEB Cost	\$ 7,777,000
% of Annual OPEB Cost Contributed	39.8%
Net OPEB Obligation	\$ 3,094,000

Funded Status and Funding Progress. As of July 1, 2008, the updated actuarial valuation date, the plan was not funded. NMSU's actuarial accrued liability (AAL), the present value of all future expected post-retirement health payments and administrative costs attributable to past service, was \$94,506,000, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of the full \$93,256,000, or a funded ratio of 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$269,922,638, and the ratio of the UAAL to the covered payroll was 35%.

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

Note 10 – Commitments

Capitalizable Project Commitments and Financing. The University has entered into Contracts for the construction and renovation of various facilities. These projects are in various stages of completion. At June 30, 2009, the estimated remaining cost to complete these and other in-house construction and

renovation projects was approximately \$108 million with an estimated completion date of September 2014. The remaining cost will be financed as follows:

Funding Sources	Amount
Revenue bonds	\$ 4,757,888
General obligation bonds	61,511,011
Severance tax bonds	4,407,110
University funds	18,963,254
State funds	17,613,832
Gifts, grants and contracts	1,599,350
Total	<u>\$ 108,852,445</u>

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

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

Year Ending June 30	Minimum Payments
2010	\$ 1,481,811
2011	686,909
2012	331,900
2013	118,237
2014	9,200
Years after	128,033
Total minimum lease payments	<u>\$ 2,756,090</u>

Operating lease payments made in fiscal years 2009 and 2008 are as follows:

	2009	2008
Minimum rentals	\$ 1,489,058	\$ 1,588,074
Contingent rentals	68,042	77,135
Total lease payments	<u>\$ 1,557,100</u>	<u>\$ 1,665,209</u>

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

Other Commitments. At June 30, 2009, the University had outstanding purchase orders for materials and services which were not received, and thus are not reflected liabilities in the accompanying Statement of Net Assets. The approximate amount of such commitments is \$33 million.

Note 11 – Component Units

The following entities support the University in accomplishing its various missions. These entities were selected for inclusion based on criteria as set forth in GASB 14 and GASB 39. Complete financial statements for these component units can be obtained from each respective administrative office at the addresses listed below.

The Foundation is discretely presented on the face of the financial statements, as prescribed by the Governmental Accounting Standards board (GASB) Statement No. 14, The Reporting Entity, as amended by Statement No. 39, *Determining Whether Certain Organizations Are Components Units*. The entity qualifies as discretely presented according to Statement 14, paragraph 40a, because of the nature and significance of its relationship with the University. This relationship meets the direct benefit, access to economic resources and significance of resources criteria. The Aggie Athletics Fund, Inc. was merged into the Foundation on May 1, 2008. Both Component Units were previously discretely presented. All of the other component units are blended with the University because NMSU either completely controls their activities or the entities provide services entirely, or almost entirely to NMSU.

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

Summary financial information as of June 30, 2009 and 2008, and for the fiscal years then ended follows:

	2009	2008
Capital assets	\$ 130,274	\$ 167,452
Other assets	117,512,436	138,400,862
Total assets	117,642,710	138,568,314
Long-term liabilities	31,245,669	39,707,279
Other liabilities	5,678,289	5,099,725
Total liabilities	36,923,958	44,807,004
Invested in capital assets, net of related debt	130,274	167,452
Restricted for endowments	60,512,668	62,138,933
Restricted for general activities	14,454,317	25,368,856
Unrestricted	5,621,493	6,086,069
Total net assets	<u>\$ 80,718,752</u>	<u>\$ 93,761,310</u>
Operating revenues	\$ 11,443,152	\$ 16,356,938
Depreciation	(54,799)	(51,131)
Other operating expense	(10,554,148)	(12,719,472)
Non-operating revenue (expense)	(139,460)	204,007
Gain (loss) on endowments	(13,737,303)	(1,558,608)
Increase (Decrease) in net assets	<u>\$ (13,042,558)</u>	<u>\$ 2,231,734</u>

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

Summary financial information as of June 30, 2009 and 2008, and for the fiscal years then ended follows:

	2009	2008
Total assets	\$ 729,898	\$ 581,677
Total net assets	\$ 701,618	\$ 495,226
Total revenues and other additions	\$ 442,806	\$ 916,135
Total expenditures	\$ 236,414	\$ 424,975

Note 12 – Contingent Liabilities

The University currently is a party to various litigation and other claims in the ordinary course of business. The University participates in the State of New Mexico Risk Management Program (Risk Management) which provides liability, medical malpractice, and physical damage insurance. The Risk Management program liability insurance coverage includes most employee liability claims; those claims falling outside this State program are covered under the University's liability self-insurance program. During the fiscal years ended June 30, 2009 and 2008, the University paid Risk Management \$4,449,959, and \$4,299,694 in insurance premiums, respectively. After conferring with legal counsel concerning pending litigation and claims, the University administration believes that the outcome of pending litigation should not have a material adverse effect on the financial position or operations of the University, but the details are presented below.

New Mexico State University (NMSU) is involved in various stages of negotiations with state and federal agencies from one federal audit, one state audit and one self-reported occurrence of misstatement of program eligibility. The details of these three situations are stated below.

1. **TRIO Student Support Services.** As a result of self-reported findings of misstatement of eligible participants in the Student Support Services program (SSS) to the United States Department of Education (Department), NMSU was issued a Program Determination Letter dated February 25, 2009 requesting payment of the determined liability of \$1,044,163. Through subsequent discussions with the Department, NMSU was granted a payment extension in order to provide additional information and documentation in support of reducing the assessment. The information was delivered to the Department on July 20, 2009, with additional documentation provided on August 19, 2009. Based on the procedures performed, NMSU submitted revised overcharge calculations in the amounts of \$173,661 and \$476,932. Management believes a final assessment in the amount of \$476,932 is reasonable.
2. **Internal Revenue Service.** The Internal Revenue Service (Service) has issued an assessment to NMSU in the amount of \$116,262, related to an ongoing audit of payroll and related areas. NMSU filed an appeal with the Service on August 28, 2009, and therefore cannot reasonably determine the final outcome of the appeal or assessment amount.

3. **NM Department of Transportation.** The New Mexico Department of Transportation issued a report on an ongoing audit on January 13, 2009. The report was issued to NMSU in July of 2009, with a letter assessing a \$1,066,010 repayment to the agency. NMSU is in the process of reviewing the findings in detail to determine whether we are in agreement. At this time, NMSU agrees with findings in the amount of \$21,697 and disagrees with findings in the amount of \$1,043,830. Until the conclusion of NMSU's review and negotiations with the agency, management is unable to reasonably estimate a liability amount.

Note 13 – Community College General Obligation Bonds

General Obligation bonds are issued by the community colleges of the University for the purpose of community college facilities. The bonds are general obligations of the school districts in which the community colleges reside and are payable solely out of general (ad valorem) taxes which are levied against all taxable property in each respective district. Taxes collected by the respective district's tax assessor are deposited in bank accounts for the purpose of servicing the debt and are reflected as cash in the University's Statement of Net Assets. At June 30, 2009 and 2008, the cash balances available to make the next semi-annual payments were \$450,923 and \$264,053, respectively for the Alamogordo Community College and \$3,814,629 and \$3,220,150, respectively for the Dona Ana Community College. New general obligation bonds were issued for the Carlsbad Community College and the 2009 cash balance available was \$250,976.

The following table shows the future scheduled debt payments by community college (due semi-annually in August and February):

Alamogordo Community College			
Year Ending June 30	Principal	Interest	Total
2010	260,000	188,923	448,923
2011	270,000	177,360	447,360
2012	285,000	166,954	451,954
2013	295,000	156,079	451,079
2014	310,000	144,735	454,735
2015-2019	1,775,000	535,500	2,310,500
2020-2024	1,805,000	165,609	1,970,609
Total	<u>\$ 5,000,000</u>	<u>\$ 1,535,160</u>	<u>\$ 6,535,160</u>
Carlsbad Community College			
Year Ending June 30	Principal	Interest	Total
2010	260,000	107,075	367,075
2011	265,000	97,888	362,888
2012	275,000	88,438	363,438
2013	285,000	78,638	363,638
2014	290,000	68,575	358,575
2015-2019	1,625,000	166,550	1,791,550
2020-2024	-	-	-
Total	<u>\$ 3,000,000</u>	<u>\$ 607,164</u>	<u>\$ 3,607,164</u>
Dona Ana Community College			
Year Ending June 30	Principal	Interest	Total
2010	\$ 2,610,000	\$ 319,895	\$ 2,929,895
2011	1,600,000	236,195	1,836,195
2012	1,200,000	180,133	1,380,133
2013	900,000	138,308	1,038,308
2014	900,000	102,808	1,002,808
2015-2019	2,310,000	155,646	2,465,646
2020-2024	-	-	-
Total	<u>\$ 9,520,000</u>	<u>\$ 1,132,985</u>	<u>\$ 10,652,985</u>

Note 14 – Natural Classification Operating Expenses

The University's operating expenses by natural classification were as follows:

	2009		2008	
	University	Component Units	University	Component Units
Operating Expenses				
Salaries:				
Faculty	\$ 85,003,765	\$ 1,310,973	\$ 78,210,221	\$ -
Exempt staff	110,373,721	121,432	104,886,338	1,241,450
Non-exempt staff	39,534,117	38,951	43,367,336	191,595
Student/graduate assistant	29,789,503	-	28,293,892	55,962
Other compensation	5,221,532	6,715	5,202,749	41,639
Total salaries	<u>269,922,638</u>	<u>1,478,071</u>	<u>259,960,536</u>	<u>1,530,646</u>
Other Operating Expenses:				
Benefits	80,244,059	-	65,709,514	-
Travel	15,879,827	145,032	15,649,291	158,660
Scholarship and fellow ships	40,434,027	8,244,650	36,642,995	10,046,881
Utilities	14,475,901	2,672	14,987,337	5,013
Professional fees	20,623,009	175,358	20,915,061	192,552
Supplies and other services	76,624,187	508,365	69,228,201	785,719
Depreciation	27,491,771	54,799	27,568,376	51,132
Total operating expenses	<u>\$ 545,695,419</u>	<u>\$ 10,608,947</u>	<u>\$ 510,661,311</u>	<u>\$ 12,770,603</u>

Note 15 – Subsequent Events

Subsequent to year end there have been significant fluctuations in investment market values. The ultimate impact of these fluctuations on the value of investments reported in the accompanying financial statements cannot reasonably be determined.

As the result of a special session of the State Legislature held in October 2009, the Governor is now considering a series of bills which would have a budgetary impact upon the University. The bill with primary budgetary impact would reduce the University's current year state appropriation funding for Instruction and General for the current fiscal year by 4%, and for Research and Public Service line item appropriations by 6.5%, with a proposed offset of 2% from American Recovery and Reinvestment Act (ARRA) funds for the Instruction and General funding reduction. The University has a plan in place to absorb these current year reductions with minimal impact to core mission functions, through a one-time use of contingency funds, balances and strategic program reductions.

Note 16 – New Accounting Standards

GASB Statement No. 51 (*Accounting and Financial Reporting for Intangible Assets*) and GASB Statement No. 53 (*Accounting and Financial Reporting for Derivative Instruments*) will be effective for the University as of fiscal year 2010. The University has not concluded its assessment of the impact of these standards.

New Mexico State University
Combining Statement of Net Assets
Primary Institution
June 30, 2009 and 2008

Schedule 1

	New Mexico State University		Arrowhead Center, Inc		Elimination Adjustments		Total Primary Institution	
	2009	2008	2009	2008	2009	2008	2009	2008
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 7,488,675	\$ 1,759,379	\$ 597,693	\$ 529,738	\$ -	\$ -	\$ 8,086,368	\$ 2,289,117
Cash and cash equivalents held in trust by Component Unit for NMSU	3,055,478	2,307,239	-	-	-	-	3,055,478	2,307,239
Short-term investments	4,011,100	511,100	-	-	-	-	4,011,100	511,100
Accounts receivable, net	86,117,561	91,574,726	24,691	21,939	-	-	86,142,252	91,596,665
Due from Component Unit	1,505,233	600,036	-	-	-	-	1,505,233	600,036
Inventories	2,251,495	4,949,014	-	-	-	-	2,251,495	4,949,014
Prepaid expenses	7,970,831	4,343,398	-	-	-	-	7,970,831	4,343,398
Student loans receivable - current portion, net	1,487,126	1,594,621	-	-	-	-	1,487,126	1,594,621
Total current assets	113,887,499	107,639,513	622,384	551,677	-	-	114,509,883	108,191,190
Non-current assets:								
Restricted cash and cash equivalents	42,454,669	55,748,333	-	-	-	-	42,454,669	55,748,333
Investments held by others	41,494,076	50,548,777	-	-	-	-	41,494,076	50,548,777
Investments held in trust by Component Unit for NMSU	29,005,771	37,841,605	-	-	-	-	29,005,771	37,841,605
Other long-term investments	50,553,982	42,397,573	106,514	30,000	-	-	50,660,496	42,427,573
Student loans receivable, net	13,384,137	14,351,585	-	-	-	-	13,384,137	14,351,585
Prepaid expenses	460,976	528,837	-	-	-	-	460,976	528,837
Capital assets, net	378,654,494	371,319,756	-	-	-	-	378,654,494	371,319,756
Total non-current assets	556,008,105	572,736,466	106,514	30,000	-	-	556,114,619	572,766,466
TOTAL ASSETS	669,895,604	680,375,979	728,898	581,677	-	-	670,624,502	680,957,656
LIABILITIES								
Current liabilities:								
Accounts payable	20,994,038	19,178,304	24,532	53,646	-	-	21,018,570	19,231,950
Other accrued liabilities	19,999,900	19,084,718	-	-	948,269	(65,930)	20,948,169	19,018,788
Deferred revenue	27,839,835	27,341,814	2,748	2,176	-	-	27,842,583	27,343,990
Accrued interest payable	1,304,541	1,280,978	-	-	-	-	1,304,541	1,280,978
Contracts payable	-	(30,629)	-	30,629	-	-	-	-
Long-term liabilities - current portion	9,978,897	9,462,299	-	-	-	-	9,978,897	9,462,299
Total current liabilities	80,117,211	76,317,484	27,280	86,451	948,269	(65,930)	81,092,760	76,338,005
Non-current liabilities:								
Accrued benefit reserves	529,743	771,627	-	-	-	-	529,743	771,627
Other long-term liabilities	111,199,445	111,504,857	-	-	-	-	111,199,445	111,504,857
Total non-current liabilities	111,729,188	112,276,484	-	-	-	-	111,729,188	112,276,484
TOTAL LIABILITIES	191,846,399	188,593,968	27,280	86,451	948,269	(65,930)	192,821,948	188,614,489
NET ASSETS								
Invested in capital assets, net of related debt	267,896,256	262,490,125	-	-	-	-	267,896,256	262,490,125
Restricted for:								
Non-expendable:								
Endowments	55,304,274	75,101,734	-	-	-	-	55,304,274	75,101,734
Expendable:								
General activities	6,359,027	5,450,126	-	-	-	-	6,359,027	5,450,126
Federal student loans	16,776,329	16,745,779	-	-	-	-	16,776,329	16,745,779
Capital projects	19,225,151	22,161,628	-	-	-	-	19,225,151	22,161,628
Related entity activities	655,677	89,148	-	-	(246,651)	561,156	409,026	650,304
Unrestricted	111,832,491	109,743,471	701,618	495,226	(701,618)	(495,226)	111,832,491	109,743,471
TOTAL NET ASSETS	\$ 478,049,205	\$ 491,782,011	\$ 701,618	\$ 495,226	\$ (948,269)	\$ 65,930	\$ 477,802,554	\$ 492,343,167

New Mexico State University
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Primary Institution
For the Years Ended
June 30, 2009 and 2008

Schedule 2

	New Mexico State University		Arrowhead Center, Inc.		Elimination Adjustments		Total Primary Institution	
	2009	2008	2009	2008	2009	2008	2009	2008
REVENUES								
Operating revenues:								
Student tuition and fees (gross)	\$ 84,059,927	\$ 74,439,626	\$ -	\$ -	\$ -	\$ -	\$ 84,059,927	\$ 74,439,626
Less: Scholarship allowances	(29,072,497)	(24,927,363)	-	-	-	-	(29,072,497)	(24,927,363)
Student tuition and fees (net)	54,987,430	49,512,263	-	-	-	-	54,987,430	49,512,263
Federal appropriations, grants and contracts	157,258,243	142,063,080	-	-	-	-	157,258,243	142,063,080
State grants and contracts	27,579,989	22,905,645	-	-	-	-	27,579,989	22,905,645
Local appropriations, grants and contracts	9,915,316	7,651,293	-	-	-	-	9,915,316	7,651,293
Non-governmental grants and contracts	9,780,429	9,258,299	-	-	-	-	9,780,429	9,258,299
Sales and services	34,582,632	38,255,295	366,292	409,693	(366,292)	(409,693)	34,582,632	38,255,295
Other operating revenues	31,285,312	29,365,250	-	-	-	-	31,285,312	29,365,250
Total operating revenues	325,389,351	299,011,125	366,292	409,693	(366,292)	(409,693)	325,389,351	299,011,125
EXPENSES								
Operating expenses:								
Instruction	138,278,951	124,932,826	-	-	(681,436)	(690,514)	137,597,515	124,242,312
Research	123,236,599	111,108,600	-	-	(607,307)	(678,257)	122,629,292	110,430,343
Public service	64,863,655	55,445,808	-	-	(319,647)	(321,257)	64,544,008	55,124,551
Academic support	22,999,844	24,645,738	-	-	(113,343)	(136,267)	22,886,501	24,509,471
Student services	16,768,454	15,584,031	-	-	(82,635)	(86,068)	16,685,819	15,497,963
Institutional support	30,044,137	28,053,603	-	-	(148,057)	(197,181)	29,896,080	27,856,422
Operation and maintenance of plant	23,935,011	25,690,043	-	-	(117,951)	(140,879)	23,817,060	25,549,164
Scholarships and fellowships	35,767,454	32,021,671	-	-	(176,261)	(313,796)	35,591,193	31,707,875
Auxiliary enterprises	25,894,118	31,737,213	-	-	(127,606)	(198,594)	25,766,512	31,538,619
Independent operations	18,210,451	16,972,800	-	-	(89,741)	(93,417)	18,120,710	16,879,383
Intercollegiate athletics	17,072,127	15,904,934	-	-	(84,131)	(87,880)	16,987,996	15,817,054
Student social and cultural	3,426,658	3,479,311	-	-	(16,886)	(19,412)	3,409,772	3,459,899
Loan administration	271,190	479,879	-	-	-	-	271,190	479,879
Depreciation	27,491,771	27,568,376	-	-	-	-	27,491,771	27,568,376
Other operating expense	-	-	236,414	424,975	(236,414)	(424,975)	-	-
Total operating expenses	548,260,420	513,624,833	236,414	424,975	(2,801,415)	(3,388,497)	545,695,419	510,661,311
Net operating income / (expense)	(222,871,069)	(214,613,708)	129,878	(15,282)	2,435,123	2,978,804	(220,306,068)	(211,650,186)
Non-operating revenues / (expenses):								
State appropriations	211,751,502	214,681,502	-	-	-	-	211,751,502	214,681,502
Gifts and non-exchange grants	8,953,633	7,480,347	-	-	-	-	8,953,633	7,480,347
Investment income	5,910,371	4,938,113	-	-	-	-	5,910,371	4,938,113
Interest and other expenses on capital asset-related debt	(4,057,355)	(4,459,896)	-	-	638,019	418,645	(3,419,336)	(4,041,251)
Other non-operating revenues / (expenses)	(24,524,880)	(20,074,639)	76,514	506,442	63,947	(39,806)	(24,384,419)	(19,608,003)
Net non-operating revenues / (expenses)	198,033,271	202,565,427	76,514	506,442	701,966	378,839	198,811,751	203,450,708
Income before other revenues, expenses, gains or losses	(24,837,798)	(12,048,281)	206,392	491,160	3,137,089	3,357,643	(21,494,317)	(8,199,478)
Capital appropriations	13,347,261	16,776,264	-	-	(4,151,288)	(3,272,339)	9,195,973	13,503,925
Capital grants, gifts and other income	10,848,768	9,488,557	-	-	-	-	10,848,768	9,488,558
Building fees	5,190,051	4,952,221	-	-	-	-	5,190,051	4,952,221
Gain on sale of land	-	37,000	-	-	-	-	-	37,000
Loss on disposal of plant	(497,348)	(1,228,742)	-	-	-	-	(497,348)	(1,228,743)
Gain / (loss) on permanent endowments	(17,783,740)	690,531	-	-	-	-	(17,783,740)	690,531
Increase / (decrease) in net assets	\$ (13,732,806)	\$ 18,667,550	\$ 206,392	\$ 491,160	\$ (1,014,199)	\$ 85,304	\$ (14,540,613)	\$ 19,244,014
NET ASSETS								
Beginning of year	491,782,011	473,114,461	495,226	4,066	65,930	(19,374)	492,343,167	473,099,153
End of year	\$ 478,049,205	\$ 491,782,011	\$ 701,618	\$ 495,226	\$ (948,269)	\$ 65,930	\$ 477,802,554	\$ 492,343,167

**Budgetary Comparison Schedules - Combined Campuses
Fiscal Year Ended June 30, 2009**

Schedule 3A

Unrestricted and Restricted - All Operations

	Original Budget	Revised Budget	Actuals	Revised Budget vs Actuals - Variance Favorable (Unfavorable)
Unrestricted and restricted beginning fund balance	\$ 84,916,005	\$ 122,129,322	\$ 122,085,085	\$ (44,237)
Unrestricted and restricted revenues:				
Tuition and fees income	78,516,903	84,621,751	84,515,656	(106,095)
Federal government appropriations	7,455,000	7,407,523	4,687,336	(2,720,187)
State government appropriations	216,141,356	211,669,123	211,684,004	14,881
Local government appropriations	8,675,000	12,626,651	9,890,759	(2,735,892)
Federal government grants and contracts	141,173,136	159,034,131	167,737,907	8,703,776
State government grants and contracts	31,251,460	34,179,329	28,482,377	(5,696,952)
Local government grants and contracts	578,630	14,323	-	(14,323)
Private gifts, grants and contracts	16,750,587	16,946,000	16,056,168	(889,832)
Endowment, land and permanent fund income	4,114,900	4,947,675	4,421,171	(526,504)
Sales and services	46,335,727	43,749,313	38,392,868	(5,356,445)
Other sources	64,054,361	88,411,157	63,359,577	(25,051,580)
Total unrestricted and restricted revenues	<u>615,047,060</u>	<u>663,606,976</u>	<u>629,227,823</u>	<u>(34,379,153)</u>
Unrestricted and restricted expenditures:				
Instruction	139,926,679	145,177,593	138,311,010	6,866,583
Academic support	26,400,280	25,779,865	23,472,409	2,307,456
Student services	16,787,545	18,007,602	16,996,666	1,010,936
Institutional support	29,808,795	30,761,912	30,655,300	106,612
Operation and maintenance	28,899,777	26,990,588	24,254,671	2,735,917
Subtotal instruction and general	<u>241,823,076</u>	<u>246,717,560</u>	<u>233,690,056</u>	<u>13,027,504</u>
Student social and cultural activities	3,589,517	3,851,333	3,492,238	359,095
Research	126,359,005	134,420,781	134,641,787	(221,006)
Public service	55,303,445	77,759,530	69,471,906	8,287,624
Internal services	(211,107)	3,677,255	1,989,983	1,687,272
Student aid, grants and stipends	62,235,355	68,982,770	64,200,503	4,782,267
Auxiliary services	37,761,715	34,862,858	29,783,228	5,079,630
Intercollegiate athletics	16,480,292	17,621,337	17,067,644	553,693
Independent operations	16,969,391	18,611,964	18,272,208	339,756
Capital outlay	34,407,648	43,990,073	36,453,545	7,536,528
Renewal and replacement	22,226,000	15,384,824	11,027,648	4,357,176
Retirement of indebtedness	9,996,656	10,011,656	10,010,929	727
Total unrestricted and restricted expenditures	<u>626,940,993</u>	<u>675,891,941</u>	<u>630,101,675</u>	<u>45,790,266</u>
Net transfers to (from)	-	-	-	-
Change in fund balance (budgetary basis)	(11,893,933)	(12,284,965)	(873,852)	11,411,113
Ending fund balance	<u>\$ 73,022,072</u>	<u>\$ 109,844,357</u>	<u>\$ 121,211,233</u>	<u>\$ 11,366,876</u>

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

**Budgetary Comparison Schedules - Combined Campuses
Fiscal Year Ended June 30, 2009**

Schedule 3B

Unrestricted - Non-Instruction and General

**Revised Budget vs
Actuals - Variance
Favorable
(Unfavorable)**

	Original Budget	Revised Budget	Actuals	
Unrestricted beginning fund balance	\$ 68,913,973	\$ 102,236,448	\$ 102,192,211	\$ (44,237)
Unrestricted revenues:				
Tuition and fees income	10,915,776	11,169,170	11,580,136	410,966
Federal government appropriations	-	-	-	-
State government appropriations	53,471,701	51,801,869	51,816,850	14,981
Local government appropriations	-	-	-	-
Federal government grants and contracts	-	-	1,500	1,500
State government grants and contracts	-	550,000	1,054,200	504,200
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	30,000	4,836	40,951	36,115
Endowment, land and permanent fund income	-	-	-	-
Sales and services	45,940,912	43,353,813	37,943,202	(5,410,611)
Other sources	46,353,287	61,934,679	45,183,553	(16,751,126)
Total unrestricted revenues	<u>156,711,676</u>	<u>168,814,367</u>	<u>147,620,392</u>	<u>(21,193,975)</u>
Unrestricted expenditures:				
Student social and cultural activities	3,523,317	3,669,633	3,393,371	276,262
Research	35,900,045	38,893,670	35,180,013	3,713,657
Public service	22,078,280	23,735,841	22,601,556	1,134,285
Internal services	(318,907)	3,542,855	1,909,212	1,633,643
Student aid, grants and stipends	5,537,265	7,240,286	6,434,045	806,241
Auxiliary services	37,475,415	34,531,058	29,609,841	4,921,217
Intercollegiate athletics	13,419,292	16,842,287	16,300,459	541,828
Independent operations	15,368,791	17,001,964	16,884,397	117,567
Capital outlay	34,407,648	43,990,073	36,453,545	7,536,528
Renewal and replacement	22,226,000	15,384,824	11,027,648	4,357,176
Retirement of indebtedness	9,996,656	10,011,656	10,010,929	727
Total unrestricted expenditures	<u>199,613,802</u>	<u>214,844,147</u>	<u>189,805,016</u>	<u>25,039,131</u>
Net transfers to (from)	(31,536,214)	(38,541,932)	(37,857,309)	(684,623)
Change in fund balance (budgetary basis)	(11,365,912)	(7,487,848)	(4,327,315)	3,160,533
Ending fund balance	<u>\$ 57,548,061</u>	<u>\$ 94,748,600</u>	<u>\$ 97,864,896</u>	<u>\$ 3,116,296</u>

**Budgetary Comparison Schedules - Combined Campuses
Fiscal Year Ended June 30, 2009**

Schedule 3C

Restricted - Non-Instruction and General

**Revised Budget vs
Actuals - Variance
Favorable
(Unfavorable)**

	Original Budget	Revised Budget	Actuals	
Restricted beginning fund balance	\$ -	\$ -	\$ -	\$ -
Restricted revenues:				
Tuition and fees income	-	-	-	-
Federal government appropriations	7,455,000	7,407,523	4,687,336	(2,720,187)
State government appropriations	-	-	-	-
Local government appropriations	2,900,000	5,800,000	2,474,823	(3,325,177)
Federal government grants and contracts	129,770,990	146,633,041	159,992,448	13,359,407
State government grants and contracts	28,154,157	30,831,478	25,000,830	(5,830,648)
Local government grants and contracts	578,630	14,323	-	(14,323)
Private gifts, grants and contracts	14,421,423	13,305,404	12,929,523	(375,881)
Endowment, land and permanent fund income	1,650,000	2,111,575	1,521,643	(589,932)
Sales and services	29,315	-	-	-
Other sources	544,600	8,226,890	-	(8,226,890)
Total restricted revenues	<u>185,504,115</u>	<u>214,330,234</u>	<u>206,606,603</u>	<u>(7,723,631)</u>
Restricted expenditures:				
Student social and cultural activities	66,200	181,700	98,867	82,833
Research	90,458,960	95,527,111	99,461,774	(3,934,663)
Public service	33,225,165	54,023,689	46,870,350	7,153,339
Internal services	107,800	134,400	80,771	53,629
Student aid, grants and stipends	56,698,090	61,742,484	57,766,458	3,976,026
Auxiliary services	286,300	331,800	173,387	158,413
Intercollegiate athletics	3,061,000	779,050	767,185	11,865
Independent operations	1,600,600	1,610,000	1,387,811	222,189
Capital outlay	-	-	-	-
Renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total restricted expenditures	<u>185,504,115</u>	<u>214,330,234</u>	<u>206,606,603</u>	<u>7,723,631</u>
Net transfers to (from)	-	-	-	-
Change in fund balance (budgetary basis)	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Budgetary Comparison Schedules - Combined Campuses
Fiscal Year Ended June 30, 2009**

Schedule 3D

Unrestricted - Instruction and General

**Revised Budget vs
Actuals - Variance
Favorable
(Unfavorable)**

	Original Budget	Revised Budget	Actuals	
Unrestricted beginning fund balance	\$ 16,002,032	\$ 19,892,874	\$ 19,892,874	\$ -
Unrestricted revenues:				
Tuition and fees income	67,601,127	73,452,581	72,935,520	(517,061)
Federal government appropriations	-	-	-	-
State government appropriations	162,669,655	159,867,254	159,867,154	(100)
Local government appropriations	5,775,000	6,826,651	7,415,936	589,285
Federal government grants and contracts	304,500	304,500	121,760	(182,740)
State government grants and contracts	-	23,013	49,650	26,637
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	134,600	10,000	8,145	(1,855)
Endowment, land and permanent fund income	2,236,100	2,836,100	2,899,528	63,428
Sales and services	365,500	395,500	449,666	54,166
Other sources	17,156,474	18,249,588	18,176,024	(73,564)
Total unrestricted revenues	256,242,956	261,965,187	261,923,383	(41,804)
Unrestricted expenditures:				
Instruction	125,640,026	130,106,203	127,450,648	2,655,555
Academic support	25,378,220	24,405,685	22,517,936	1,887,749
Student services	15,933,845	16,557,274	15,978,877	578,397
Institutional support	29,424,195	30,253,532	30,421,505	(167,973)
Operation and maintenance	28,858,477	26,897,678	24,243,645	2,654,033
Total unrestricted expenditures	225,234,763	228,220,372	220,612,611	7,607,761
Net transfers to (from)	31,536,214	38,541,932	37,857,309	684,623
Change in fund balance (budgetary basis)	(528,021)	(4,797,117)	3,453,463	8,250,580
Ending fund balance	\$ 15,474,011	\$ 15,095,757	\$ 23,346,337	\$ 8,250,580

**Budgetary Comparison Schedules - Combined Campuses
Fiscal Year Ended June 30, 2009**

Schedule 3E

Restricted - Instruction and General

	Original Budget	Revised Budget	Actuals	Revised Budget vs Actuals - Variance Favorable (Unfavorable)
Restricted beginning fund balance	\$ -	\$ -	\$ -	\$ -
Restricted revenues:				
Tuition and fees income	-	-	-	-
Federal government appropriations	-	-	-	-
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government grants and contracts	11,097,646	12,096,590	7,622,199	(4,474,391)
State government grants and contracts	3,097,303	2,774,838	2,377,697	(397,141)
Local government grants and contracts	-	-	-	-
Private gifts, grants and contracts	2,164,564	3,625,760	3,077,549	(548,211)
Endowment, land and permanent fund income	228,800	-	-	-
Sales and services	-	-	-	-
Other sources	-	-	-	-
Total restricted revenues	<u>16,588,313</u>	<u>18,497,188</u>	<u>13,077,445</u>	<u>(5,419,743)</u>
Restricted expenditures:				
Instruction	14,286,653	15,071,390	10,860,362	4,211,028
Academic support	1,022,060	1,374,180	954,473	419,707
Student services	853,700	1,450,328	1,017,789	432,539
Institutional support	384,600	508,380	233,795	274,585
Operation and maintenance	41,300	92,910	11,026	81,884
Total restricted expenditures	<u>16,588,313</u>	<u>18,497,188</u>	<u>13,077,445</u>	<u>5,419,743</u>
Net transfers to (from)	-	-	-	-
Change in fund balance (budgetary basis)	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Budgetary Comparison Schedules - Combined Campuses
Fiscal Year Ended June 30, 2009

Change in fund balance (budgetary basis) as presented in schedule 3A	\$ (873,852)
Financial statement net operating loss	<u>(220,306,068)</u>
Difference	<u><u>\$ 219,432,216</u></u>
Reconciling items:	
State appropriations classified as non-operating revenues	211,751,502
Gifts classified as non-operating revenue	8,953,633
Current fund investment income shown as non-operating	5,939,939
Interest and other expenses on capital assets - non-operating	(4,243,416)
Other expenses	273,566
Capital appropriations, gifts, grants and contracts - non-operating	20,160,557
Building fees classified as non-operating	5,190,051
Net loan fund operating activity	(266,702)
Depreciation expense included in operating expense	(13,940,817)
Net plant fund non-operating activity	<u>(14,386,097)</u>
Total statement - only adjustments	<u><u>\$ 219,432,216</u></u>

Notes

- 1) The final State Budget Adjustment Request for Restricted Funds may not reflect all restricted revenue for the year due to timing differences; all restricted expenses were within restricted revenues earned as of June 30, 2009.
- 2) Although line item titles may be similar to line items on the Statement of Revenues, Expenditures and Changes in Net Assets, reconciling amounts may not include activity for certain fund types and/or functional classifications.

**Pledged Collateral Requirements
As of June 30, 2009**

Pledged Collateral By Financial Institution

Account	Type of Security	CUSIP No./ Security #	Maturity Date	Fair Value of Collateral
BANK OF AMERICA <i>Cash</i>	FNMA Pool 555424	31385XAZ0	5/1/2033	\$ 657,937
CITIZEN'S BANK OF LAS CRUCES <i>Certificate of deposit endowment</i>	None			
STANDARD CHARTERED BANK-KABUL <i>Cash</i>	None			
FIRST NATIONAL BANK OF ALAMOGORDO <i>Cash</i>	FHLMC Bond	31335HYJ6	9/1/2023	\$ 463,711
FIRST COMMUNITY BANK <i>Certificate of deposit</i>	FHLB FHLB	3128X8KW1 3136FHSN6	2/27/2014 11/28/2011	\$ 2,000,000 \$ 2,000,000
EAST TEXAS NATIONAL BANK - PALESTINE <i>Cash</i>	None			
GRANTS STATE BANK <i>Cash</i>	None			
WELLS FARGO BANK OF NEW MEXICO <i>Cash</i>	FNCL FNCL FNCL FNCL GNSF FNCL FNIONP FNCL	31407H3T1 31406YBS8 31409BV38 31409T5X2 36225BEV6 31411ASCO 31412FMNO 31414BS50	6/1/2036 2/1/2036 2/1/2036 12/1/2035 6/15/2029 11/1/2036 4/1/2037 2/1/2038	\$ 3,445,511 \$ 240,703 \$ 80,402 \$ 1,214,041 \$ 169,591 \$ 15,344,783 \$ 2,720,390 \$ 4,731,115
WESTERN COMMERCE BANK, CARLSBAD <i>Cash</i>	GNMA GNMA GNMA GNMA	36208ALJ8 36225CUF1 36202K4L6 36202KAW5	11/20/2029 2/20/2032 2/20/2022 1/20/2023	\$ 50,166 \$ 23,757 \$ 111,180 \$ 129,323
WELLS FARGO BANK OF NEW MEXICO <i>Repurchase agreement</i>	FNCL FNCL	31407FHG8 31409YPU5	8/1/2035 8/1/2035	\$ 7,171,051 \$ 3,523,300
Foundation: WELLS FARGO BANK OF NEW MEXICO <i>Cash</i>				
CITIZEN'S BANK OF LAS CRUCES <i>Cash</i>				
MERRILL-LYNCH <i>Cash</i>				

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

Pledged Collateral Requirements
As of June 30, 2009

Account	Deposit Amount	FDIC/SPIC Insurance	Uninsured Public Funds	Pledged Collateral held by the pledging Federal Institution	Over/ (Under) 50% Collateral Requirement
BANK OF AMERICA <i>Cash</i>	\$ -	\$ -	\$ -	\$ 657,937	\$ 657,937
CITIZEN'S BANK OF LAS CRUCES <i>Certificate of deposit endowment</i>	\$ 11,100	\$ 11,100	\$ -	\$ -	\$ -
STANDARD CHARTERED BANK-KABUL <i>Cash</i>	\$ 95,514	\$ 95,514	\$ -	\$ -	\$ -
FIRST NATIONAL BANK OF ALAMOGORDO <i>Cash</i>	\$ 536,798	\$ 250,000	\$ 286,798	\$ 463,711	\$ 320,312
FIRST COMMUNITY BANK <i>Certificate of deposit</i>	\$ 4,000,000	\$ 250,000	\$ 3,750,000	\$ 4,000,000	\$ 2,125,000
EAST TEXAS NATIONAL BANK - PALESTINE <i>Cash</i>	\$ 51,624	\$ 51,624	\$ -	\$ -	\$ -
GRANTS STATE BANK <i>Cash</i>	\$ 51,037	\$ 51,037	\$ -	\$ -	\$ -
WELLS FARGO BANK OF NEW MEXICO <i>Cash</i>	\$ 21,919,892	\$ 250,000	\$ 21,669,892	\$ 27,946,536	\$ 17,111,590
WESTERN COMMERCE BANK, CARLSBAD <i>Cash</i>	\$ 160,950	\$ 160,950	\$ -	\$ 314,426	\$ 314,426
WELLS FARGO BANK OF NEW MEXICO <i>Repurchase agreement</i>	\$ 10,484,657	\$ -	\$ 10,484,657	\$ 10,694,351	\$ 1
Foundation: WELLS FARGO BANK OF NEW MEXICO <i>Cash</i>	\$ -	\$ -	\$ -	\$ -	\$ -
CITIZEN'S BANK OF LAS CRUCES <i>Cash</i>	\$ -	\$ -	\$ -	\$ -	\$ -
MERRILL-LYNCH <i>Cash</i>	\$ -	\$ -	\$ -	\$ -	\$ -

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

**Schedule of Funding Progress and Employer Contributions
As of June 30, 2009**

The Schedule of Funding Progress and the Schedule of Employer Contributions present multi-year trend information comparing the actuarial value of plan assets to the actuarial accrued liability, and the actual contributions of NMSU to the annual required contributions. The plan received its first actuarial valuation as of January 1, 2008, and therefore, this information is presented for one year.

Schedule of Funding Progress

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2009	\$ -	\$ 94,506,000	\$ 94,506,000	0%	\$ 269,922,638	35%

Schedule of Employer Contributions

Fiscal Year Ending	Annual Required Contributions (ARC)	Actual Contributions	% Contributed
6/30/2009	\$ 7,777,000	\$ 3,094,000	39.8%

Summary of Key Actuarial Methods and Assumptions

Valuation year (updated)	July 1, 2008 to June 30, 2009
Actuarial cost method	Unit Credit Actuarial Cost Method
Amortization method	30 Years
Discount rate	4.5%
Projected payroll growth rate	3.5%
Health care cost trend rate	Medical and prescription benefits on a select basis at 11% and on an ultimate basis at 5%. The select trend rates are reduced .5% each year until reaching the ultimate trend.

New Mexico State University
Joint Powers Agreements (JPA) and Memorandums of Understanding (MOU)
As of June 30, 2009
Schedule 6

1. The Regents of New Mexico State University, the Regents of the University of New Mexico and the Regents of the New Mexico Institute of Mining and Technology entered into an agreement to form the New Mexico University Research Consortium (NMURC), effective May 4, 2006. The purpose of the Research Consortium is to promote statewide cooperation in attracting research resources to New Mexico, managing them for the State's higher education research facilities, other New Mexico research facilities and for the benefit of New Mexico economic development. The agreement remains in force indefinitely. Any party may choose to withdraw with sixty days written notice. At such time, the remaining parties have forty-five days to agree to maintain the NMURC or the JPA will terminate on the date of withdrawal. The agreement does not create any obligation for the parties to transfer funds to the NMURC. As the agreement is primarily to grant the power to establish non-profit corporations to carry on this work, there is not a total estimated cost of the project available at this time, and the University has not committed to any funding. In fiscal year 2009, the University contributed no funds to the project. NMURC is the fiscal agent for the project, reporting revenues and expenses of the consortium, and accepting audit responsibility.
2. The Regents of New Mexico State University have entered into Memorandums of Understanding with two local school districts, Las Cruces Public Schools and Gadsden Independent Schools, to provide leadership coursework curriculum for district staff. The University oversees the program, which is currently in effect from August 1, 2008 through August 30, 2009, and is renewable for future years. NMSU acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. The total estimated amount of the project is \$170,000 and the expenses recorded for the current year's agreements are \$157,812.
3. The Regents of New Mexico State University and the New Mexico Higher Education Department have entered into a Memorandum of Understanding to support the No Child Left Behind program. The current agreement is in effect between January 1, 2008 and December 31, 2008. NMSU acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. The total estimated amount of the project is not to exceed \$136,918 and the expenses recorded for the current year's agreement is \$74,412.
4. The Regents of New Mexico State University College of Agriculture and Home Economics and the Trustees of San Juan College have entered into a Memorandum of Understanding to develop a research program in the area of irrigated horticulture and teach courses in the Urban Agriculture/Xeric Landscape Design program and San Juan College. The current agreement is in effect for the period of October 1, 2008 to September 30, 2011 and can be renewed annually thereafter upon agreement by both parties. NMSU acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. The total project costs are not to exceed 25% of the New Mexico State University's horticulturalist's salary and fringe benefits and the total expenses recorded for the current year's agreement is \$18,958.
5. The Regents of New Mexico State University, the Regents of the New Mexico Institute of Mining and Technology and the State of New Mexico General Services Department Communications Division entered into an agreement to cooperate, jointly manage and share telecommunications facilities namely, fiber optic infrastructure located between El Paso, Texas and Santa Fe, New Mexico, effective on September 1, 2005. The project establishes a foundation to create a self provisioned statewide fiber optic network to be utilized by agencies and universities within the State of New Mexico. The agreement continues in effect until the termination of the NMSU/FiberCo contract, which is September 30, 2025, or upon the parties' written agreement to terminate this agreement. The total estimated cost of the project is \$3,003,240, and the University's estimated portion is \$750,810. In fiscal year 2009, the University contributed \$207,098 to the project. Each

New Mexico State University
Joint Powers Agreements (JPA) and Memorandums of Understanding (MOU)
As of June 30, 2009
Schedule 6 (continued)

party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.

6. The Regents of New Mexico State University and the Chancellor of the Ohio Board of Regents have entered into a Memorandum of Understanding to provide technical support to MATRIX. The current agreement is in effect from October 1, 2008 until the funds have been fully expended. The total estimated costs are not to exceed \$41,796. In fiscal year 2009, the University contributed \$12,133 to the project. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
7. The Regents of New Mexico State University and the New Mexico Economic Development Department have entered into a Memorandum of Understanding for New Mexico State University to prepare a comprehensive feasibility study for the development of a business incubator at Arrowhead Center. This agreement is in effect from the period of June 2, 2008 through June 30, 2010. In fiscal year 2009, the University contributed \$10,000 to the project, which represents the full amount of the project. NMSU acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility.
8. The Regents of New Mexico State University and the New Mexico School for the Blind and Visually Impaired have entered into a Memorandum of Understanding to develop and implement a customized program for personnel preparation in the area of visual impairment and orientation and mobility. This agreement is in effect from June 30, 2008 through June 30, 2009. The total estimated costs are not to exceed 100% of one faculty member's salary and fringe and three twelve's of another faculty member's salary and fringe. In fiscal year 2009, the University contributed \$114,371 to the project. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
9. The Regents of New Mexico State University, Carlsbad Community College and the Chase Foundation of Artesia have entered into a Memorandum of Understanding to provide access to quality education and support the economic and cultural life of the New Mexico community and to promote instruction in the area of Digital Video Production in Artesia, New Mexico. This agreement is in effect from April 1, 2009 through March 31, 2011. The total project costs are not to exceed \$100,000. In fiscal year 2009, the University contributed \$11,017. Each party to the agreement acts as its own fiscal agent, reporting its own revenues and expenses, and accepting audit responsibility.
10. The Regents of New Mexico State University and the Department of Finance and Administration have entered into a Memorandum of Understanding to build algae test-bed ponds and/or bio-reactors to support experimental work on commercial algae production utilizing water from New Mexico ecosystems, including impaired or brackish water from groundwater sources. This agreement is in effect from February 18, 2009 through June 30, 2010. The total project costs are not to exceed \$200,000. In fiscal year 2009, the University had not contributed any money to the project. NMSU acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility.
11. The Regents of New Mexico State University and the Department of Finance and Administration have entered into a Memorandum of Understanding to transfer an appropriation for soil conservation districts to match federal funds for water conservation and resource restoration technical assistance, pursuant to an agreement with the United States Department of Agriculture Resources Conservation Services. The University oversees the program, which is currently in effect from July 1, 2008 through June 30, 2009. The University acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. The total expenses for the current year's agreement are \$450,000.

New Mexico State University
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

Schedule 7

NAME OF PROGRAM/ AGENCY NAME	Award Number	CFDA Number	Grant Code	Fund Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER						
DEPT OF DEFENSE (DOD)						
	DAAD19-03-1-0341ARMY	12.431	GR0000122	600146	-	(1)
	FA95500510267 USAF	12.800	GR0000152	600386	-	(4,017)
	FA9550-04-1-0392USAF	12.800	GR0000273	602235	-	122,241
	ARO W911NF-06-1-0007 RECNRSTRCT FLDS	12.431	GR0001423	601879	-	66,336
	DOD ACE W913E5-06-C-0008	12.rd	GR0001765	602470	-	63,100
	W911NF-06-1-0200/49455 CH H	12.431	GR0001865	602642	-	89,008
	PROJECT EMITS-W74V8H06C0042	12.431	GR0001969	602816	-	17,463
	ARMY RO W911NF-06-1-0441	12.431	GR0002034	602895	-	180,857
	W911NF-06-1-0492 Army	12.431	GR0002053	602917	-	(55)
	DOD W911NF-06-1-0487	12.431	GR0002057	602923	-	53,902
	ONR N00014-07-1-0552 NOZZLE TECH	12.300	GR0002348	603392	-	195,141
	DOD W911NF-07-1-0609	12.431	GR0002428	603500	-	70,849
	DOD-W91WAW-07-C-0078 EMITS PH. II	12.rd	GR0002451	603529	156,645	379,835
	USARMY WAR COLLEGE W91QF0-07-P-013	12.rd	GR0002490	603589	18,000	47,843
	ONR N00014-08-1-0304 DESALINATION	12.300	GR0002568	603710	25,000	264,037
	W912L1-08-P-5183	12.rd	GR0002651	603866	-	8,121
	ARMY/DOD W911NF-08-1-0198	12.431	GR0002657	603871	-	33,594
	USAF FA9550-09-1-0025	12.800	GR0002904	604277	-	15,645
	WSMR COOP AGREEMENT 4/20/09	12.rd	GR0002992	604362	-	7,201
	W9113M05D0001 ARMY	12.431	GRP000507	801412	-	918,101
	53301 PREDICTIVE TECH	12.431	GRP000533	800393	2,546,816	3,874,168
	545 USQVP PHASE II FA9201 AAC/PKET	12.rd	GRP000545	801322	396,336	2,252,047
	US GOVT 06 C 3052	12.rd	GRP000563	800470	-	148,782
	US ARMY 07-574	12.rd	GRP000574	800507	-	(493)
	W15QKN-07-D-0006	12.rd	GRP000592	801358	-	293,757
	DAAE30-99-D-1013	12.431	GRP000719	800016	-	(39,834)
	DAAD07-00-C-0210	12.431	GRP000767	800045	(303,693)	1,371,809
	DAAE30-01-C-1075ARMY	12.431	GRP000820	800055	-	120,868
	DATM05-01-C-0026 DOD	12.431	GRP000832	800474	3,281,076	11,045,962
	N63394-03-D-1126 DOD	12.300	GRP000916	801361	688,196	2,163,411
	F08635-03-C-0146	12.431	GRP000939	800088	-	(1,289)
	DAAD19-03-2-0038	12.431	GRP000942	801366	11,060	2,541,398
	US GOV	12.rd	GRP000972	800132	-	(3,375)
	FA8650-07-16847	12.rd	GRP001083	801377	-	28,907
	DOD/ACA/WSMR W9124Q-08-D-0800	12.431	GRP001099	801452	65,960	946,047
	AIR FORCE FA9201-08-D-0093 UAS	12.rd	GRP001107	801482	119,723	595,294
	W15QKN-07-D-0006 FFP	12.rd	GRP001592	801397	-	434,226
	DOD/ACA/WSMR W9124Q-08-D-0800	12.431	GRP011099	801461	-	49,993
			Total Direct DOD		7,005,119	28,350,879
Pass Through DOD						
BAE Systems	BAE 331935 TELEMETRY SUPPORT IR&D 5	12.rd	GRP001115	801510	-	21,006
Battelle Memorial Institute	871 TERMINAL TARGET ANTENNA	12.rd	GRP000871	800076	-	(4,990)
Battelle Memorial Institute	TCN 05061 BATTELLE	12.rd	GR0000118	800228	-	(273)
Battelle Memorial Institute	BATTELLE TCN 07142	12.rd	GR0002390	603452	-	87,475
Blythe & Trousil Inc.	BLYTHE & TROUSIL SUB NO. 0001	12.rd	GR0002233	603166	-	67,743
Concurrent Technology Corporation	050500140 CONCURRENT TECH	12.300	GRP000522	800231	-	615
Continuum Dynamics Inc	CD PO 08-302A	12.rd	GR0002695	603914	-	68,656
CSA Engineering Inc.	CSA ENG PO 50105	12.rd	GRP000588	801341	-	367
CSA Engineering Inc.	CSA ENG SUB No 2007-C-103	12.rd	GRP000596	801375	-	(1,614)
Defense Research Associates, Inc	DRA 1084 PO2007088 SSAASY	12.rd	GRP001084	801385	21,875	82,149
General Dynamics Armament & Technical Products	GENERAL DYNAMICS PO#90473	12.rd	GRP001098	801425	-	6,308
High Performance Technologies, Inc. (HPTi)	AHPCRC - HPTi	12.rd	GR0002275	603658	-	579,106
Honeywell Technology Solutions Incorporated	HONEYWELL PO#C09070107	12.rd	GRP001094	801420	-	(3,548)
ITT Corporation	LTCD-012 ITT AES CORP LAUNCH DESIGN	12.rd	GRP001100	801447	-	14,990
Lockheed Martin Shared Svcs	LOCKHEED MARTIN PO 4500080589 IBIS	12.rd	GRP001106	801474	-	83,967
Management Sciences Inc (MSI)	MSI-08-1390	12.800	GR0002658	603872	-	18,253
MC Fuhrman and Associates LLC (MCFA)	MCFA URS0006-3-1	12.rd	GR0002164	603067	-	19,839

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Schedule 7

NAME OF PROGRAM/ AGENCY NAME	Award Number	CFDA Number	Grant Code	Fund Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER						
Micro Analysis & Design Inc.	MICRO ANALY & DESIGN	12.rd	GR0000473	603606	257,650	666,135
MicroSat Systems Inc	MICROSAT 06M-279	12.rd	GR0002061	602929	-	36,202
Miratek	MIRATEK PO 2009-011 FT BLISS TOWER	12.rd	GR0003011	604396	-	595
Mit-Lincoln Laboratory	MIT PO#3105882/PO#7000049576	12.rd	GRP001575	801491	-	472
NanoComposix	nanoComposix BROADBAND OBSCURANTS	12.rd	GR0002918	604244	-	27,649
National Geospatial-Intelligence Agency	NGA HM157105C0004	12.rd	GRP000541	801392	-	31,496
National Geospatial-Intelligence Agency	NMA100-00C-0002 DOD	12.910	GRP000777	800285	-	32,750
National Geospatial-Intelligence Agency	NGIA HM1582-07-1-203	12.630	GRP001085	801390	-	189,226
National Geospatial-Intelligence Agency	NGA HM157105C0004	12.rd	GRP001541	801393	-	122,342
National Geospatial-Intelligence Agency	NATL GEO INTELL AGENCY HM15820612036	12.630	GR0002082	602957	-	112,848
National Geospatial-Intelligence Agency	NGIA/DOD HM157608C0006	12.rd	GR0002757	604009	-	327,673
New Mexico Tech	CACTUS SUBCON NM TECH	12.rd	GRP001095	801418	14,802	72,320
Newtec New Mexico Technology Group	NEWTEC S51156	12.rd	GRP000586	801338	-	(9,588)
Newtec New Mexico Technology Group	NEWTEC S52749	12.rd	GRP000593	801359	-	774
Newtec New Mexico Technology Group	NEWTEC S64907	12.rd	GRP001116	801513	-	143,941
Newtec New Mexico Technology Group	PO#S29034 NEWTEC/DOD	12.rd	GR0001464	600803	-	(5,234)
Northrop Grumman Information Technology Inc	SSES-SC-01-079 NGIT	12.431	GRP000855	800502	-	87,574
Northrop Grumman Information Technology Inc	24215JM2S TRW SYSTM	12.800	GRP000884	800302	-	13,091
Northrop Grumman Information Technology Inc	NORTHROP GRUMMANN PO#7500036300	12.rd	GR0002805	604063	-	6,975
Open Source Center Contracts	LAP BORDER 20061217005000	12.rd	GRP000572	800492	-	223
Raytheon	RAYTHEON LC3016405REV A	12.rd	GRP000555	801389	-	297,240
Sarnoff Corporation	SARNOFF NO. RTVGN-06-223 TASK#2	12.rd	GRP001557	801415	149,660	537,339
Sarnoff Corporation	SARNOFF RTVGN-06-223#89PO4900000304	12.rd	GR0002505	603622	-	99,823
Science and Technology Corp.	STC 08-17-6007-009	12.rd	GR0002883	604194	-	61,838
Science Applications International Corporation (SAIC)	SAIC PO4400145587	12.rd	GRP001082	801428	-	118,326
Science Applications International Corporation (SAIC)	4400077896 SC APP	12.rd	GRP000946	801427	-	196,701
Science Applications International Corporation (SAIC)	SAIC P010005628	12.431	GR0002687	603906	-	10,000
Scientific Application & Research Associates	SARA NAVY28.SC1 COLLISION AVOI	12.rd	GRP001093	801414	-	1,084
Scientific Application & Research Associates	STTR Topic N07-T025	12.rd	GRP001112	801519	-	12,797
Southern Research Institute	S-04001 STHR RESRCH	12.431	GR0000136	602159	-	48,369
Space Vector	PO 046732 SVC	12.rd	GRP000528	800003	-	4,320
Space Vector	PO 046697 MDA	12.rd	GRP000515	800279	-	89
SRI International	SRI INTRNL NO. RTVGN-06-223	12.rd	GRP000557	800466	-	(4,425)
Texas A&M University	RIVER COORDNT DATABASE TO12	12.rd	GR0001898	602847	-	6,191
Texas A&M University	TAMU MOA 06/00 TASK ORDER #14	12.114	GR0002591	603766	-	68,110
Texas A&M University	TAMU MOA 06/00 TO#15 SALINITY MGMT	12.rd	GR0002934	604268	-	33,675
Texas A&M University	570225/TO8 TX A&M UN	12.rd	GR0000071	602270	-	(22,392)
University of Alaska Fairbanks	UAF 08-0088	12.300	GRP001101	801449	21,900	32,773
University of New Mexico	UNM 798157-8745	12.351	GRP001113	801503	-	43,088
University of New Mexico	798096-8745 UNM PO#R0024446	12.002	GR0000963	601492	-	15,907
University of New Mexico	EP027958-8745 UNM SCIENTIST	12.rd	GR0001084	601627	-	(217)
Total Pass Through DOD					465,887	4,458,149
TOTAL DOD					7,471,006	32,809,028

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RESEARCH AND DEVELOPMENT CLUSTER						
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)						
	1257395 JPL	43.rd	GR0000153	602166	-	19,651
	NNG05GE97H NASA	43.001	GR0000182	650482	164,087	672,067
	RTA 1853 SATOP NASA	43.001	GR0000441	601315	-	(1,869)
	HST-GO 10190.02A STSI	43.001	GR0001523	601036	-	17,013
	NNG05GB86G NASA	43.001	GR0001554	601108	-	461,725
	NASA NNG06G126G	43.001	GR0001849	602615	-	32,528
	STSI HST-GO-10915.04-A	43.001	GR0002143	603038	-	3,852
	JPL 1293638	43.rd	GR0002170	603078	-	34,696
	JPL #1309074 CYCLOTRON/SYNCHROTRON	43.rd	GR0002325	603365	-	19,249
	STScI HST-AR-11271.01-A	43.001	GR0002359	603413	-	24,802
	STScI HST-GO-11210.04-A	43.001	GR0002360	603414	-	13,894
	STScI HST-GO-11211.07-A	43.001	GR0002361	603415	-	13,253
	NASA NNX07AV25H FELLOWSHIP 07-08	43.001	GR0002457	603542	-	32,281
	NASA NNX07AO42A EPSCoR-RID	43.rd	GR0002485	650484	72,970	154,202
	NASA NNX07AT64A EPSCoR	43.rd	GR0002488	650456	83,231	176,563
	NASA NNX08AF53A	43.001	GR0002536	603667	-	22,997
	CAL INST OF TECH JPL #1330975	43.rd	GR0002549	603684	-	2,963
	STScI HST-GO-11111.01-A	43.rd	GR0002580	603743	-	10,443
	NASA NNX08AK14G	43.001	GR0002601	603782	9,730	52,898
	JPL 1349299	43.002	GR0002721	603958	-	2,888
	NASA NNX08AV43H OBSERVATIONAL TESTS	43.rd	GR0002725	603963	-	27,928
	NASA NNM08AA08A	43.002	GR0002728	801472	-	44,085
	STScI HST-GO-11359.07-A WFC3 SRVEY	43.rd	GR0002732	603973	-	11,606
	NASA NNX08AW68H SIMULATION STUDY	43.rd	GR0002761	604011	-	22,373
	NASA NNX08AY44G SPECTROSCOPY	43.rd	GR0002800	604057	-	8,823
	NASA EPSCoR NNX08AV85A	43.002	GR0002815	650513	3,176	89,349
	STScI HST-GO-11704.05-A GL CLUSTERS	43.rd	GR0002881	604190	-	3,489
	STScI HST-AR-11746.03-A	43.rd	GR0002882	604313	-	594
	NASA NNX09AH61A DREAM	43.rd	GR0002985	604347	-	1,110
	540 SCE MOBILE LAB NASA NNG05GQ84G	43.rd	GRP000540	800417	-	59,680
	NASA NAG5-5351 849 SUBORBTL COE	43.001	GRP000849	800433	-	(6,056)
	NAS5-03003 NASA	43.rd	GRP000904	800223	6,881,032	20,840,006
			Total NASA Direct		7,214,226	22,869,083
Pass Through NASA						
Enterprise Advisory Services Inc	EASI PO 453539	43.rd	GR0002596	603777	-	36,872
Honeywell Technology Solutions Incorporated	HONEYWELL PO NEN445339	43.rd	GRP001097	801458	-	16,345
Jacobs Technology Inc.	JACOBS TECH INC. INTERN, W/S	43.rd	GR0002276	603279	-	142,466
Lockheed Martin Shared Svcs	LOCKHEED MARTIN U730701084	43.rd	GRP001086	801395	-	53,236
Lockheed Martin Shared Svcs	LOCKHEED MARTIN U730701178	43.rd	GRP001088	801405	-	77,766
Northrop Grumman Information Technology Inc	PRC 024053-SC-99-003	43.002	GRP000687	800171	-	951,076
NorthWest Research Associates, Inc.	NWRA SUBCON NWRA-09-S-117	43.rd	GR0002979	604336	-	19,676
State of Arizona	U OF A #Y502563 MODELS F COSMIC RAY	43.rd	GR0002855	604151	-	9,986
Texas Tech University	TEXAS TECH UNI 1314/C846-01	43.rd	GR0002237	603178	-	30,386
Universities Space Research Association	USRA SUBGRANT 03450-32	43.002	GR0002970	604319	-	5,185
Wyle Life Sciences Group	WYLE LSG PO#T71116	43.rd	GR0002525	603646	-	9,000
ZONA Technology, Inc.	ZONA ZTNMSU012209-DUST	43.001	GR0002910	604232	-	13,640
ZONA Technology, Inc.	ZONA ZTNMSU012209-DSMC	43.001	GR0002911	604233	-	11,129
			Total NASA Pass Through		-	1,376,763
			TOTAL NASA		7,214,226	24,245,846
NATIONAL SCIENCE FOUNDATION (NSF)						
	HRD-0420407 NSF	47.076	GR0000053	600115	103,389	669,481
	AST-0349155 NSF	47.049	GR0000163	602169	-	104,329
	DUE-0341333 NSF	47.076	GR0000180	602173	-	8,573
	CHE-0348956 NSF	47.075	GR0000181	602174	-	78,023

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RESEARCH AND DEVELOPMENT CLUSTER						
EAR-0335802 NSF		47.050	GR0000196	600220	-	60,449
DEB-0316194 NSF		47.074	GR0000221	600245	-	22,385
CCR-0133115 NSF		47.070	GR0000320	600344	-	(7,052)
ECS-0410092 NSF		47.041	GR0000425	600449	-	(1,273)
CHE0540843 NSF		47.049	GR0000629	601371	-	55,751
AST-0507558 NSF SATURN		47.049	GR0000689	601427	8,888	42,373
DEB-0080412 NSF		47.074	GR0000903	601141	-	45,866
HRD-0124198NSF/RASEM		47.076	GR0000907	602727	(102)	19,281
SBE-0123690 NSF		47.075	GR0000908	650509	-	196,335
EEC-0230709 NSF		47.041	GR0000913	601210	-	(104)
EIA-0220590 NSF		47.070	GR0000914	601211	-	223,912
AST-0519398 NSF		47.049	GR0001019	601589	-	142,449
DMI-0423907 NSF MICRO DEVICE		47.041	GR0001082	601623	-	7,457
EEC-0354094 NSF		47.041	GR0001112	600328	-	5,404
DBI-0501249 NSF		47.074	GR0001130	601684	-	368
DUE-0443533 NSF		47.076	GR0001446	600729	2,906	4,581
NSF EF-0542228		47.074	GR0001698	602378	-	36,155
NSF DBI-0552131 REU		47.074	GR0001709	602396	-	75,700
NSF DUE-0536210 CCLI GRASP		47.076	GR0001759	602465	-	6,972
NSF CCF-0541075		47.070	GR0001763	602468	-	33,070
NSF CNS-0551734		47.070	GR0001772	602479	-	71,317
NSF AST0628919		47.049	GR0001847	602611	-	17,196
NSF BES-0607175		47.041	GR0001905	602709	-	102,079
NSF DEB0080412 016		47.074	GR0001920	602738	-	(8)
PROBLEM SOLVING DUE-0618765		47.076	GR0001929	602751	-	226,461
NSF DMS 0604843		47.049	GR0001961	602807	-	3,579
NSF AST-0607752		47.049	GR0001968	602815	-	48,037
REACHING PINNACLE NSF HRD		47.076	GR0001980	602827	181,938	556,513
NSF ECS0636512		47.041	GR0001990	602844	-	83,645
NSF DBI0619747 EQPT		47.074	GR0002031	602890	-	821
NSF DUE-0633746		47.076	GR0002136	603029	-	50,271
NSF LTER V DEB-0618210		47.074	GR0002158	603074	35,000	878,605
NFS EAR-0636075		47.050	GR0002178	603089	-	57,205
NSF INDEPTH IV EAR-0409870		47.050	GR0002189	603101	43,747	129,672
NSF 0633736		47.076	GR0002210	603132	-	33,952
NSF ECCS-0702208		47.041	GR0002225	603155	-	81,765
NSF DUE-0633010		47.076	GR0002329	603369	-	4,498
NSF OISE-0738090		47.041	GR0002335	603377	-	15,009
NSF IOS-0725032 RIG/CAA		47.074	GR0002343	603384	-	87,191
NSF DUE 0717752 LEARN MATH & CS		47.076	GR0002355	603406	-	175,358
NSF DMS-0710228 THETA LIFTS		47.049	GR0002373	603433	-	29,753
NSF MCB-0718735		47.074	GR0002378	603439	-	121,845
NSF ECCS-0741977		47.041	GR0002379	603440	-	2,993
NSF DRL-0733690 SUMA		47.076	GR0002394	603457	191,763	481,395
NSF AST-0708185		47.049	GR0002395	603460	-	20,271
NSF AST-0708210		47.049	GR0002414	603479	-	90,754
NFS DUE-0652968		47.076	GR0002418	603487	-	419,130
NSF DUE-0715694 OPEN-SOURCE PHYSICS		47.076	GR0002425	603496	-	282
NSF #IOS 0744498		47.074	GR0002539	603670	-	144,403
NSF DMR-0804032		47.049	GR0002611	603792	-	116,113
NSF CNS-0838726		47.070	GR0002646	603818	700	54,497
NSF CHE-0835451 SECM WORKSHOP		47.049	GR0002670	603886	-	10,000
NSF AST-0807290 TEST OF GRB FIREBAL		47.049	GR0002724	603962	-	16,071
NSF CNS-0836632 COMMUNI & COMPUTING		47.070	GR0002733	603975	-	8,978
NSF MCB-0818729		47.074	GR0002734	603976	-	115,278
NSF HRD-0832947 NM AMP BD VI		47.076	GR0002738	603982	183,270	186,643
NSF IIS-0812267		47.070	GR0002739	603983	-	13,781
NSF S-STEM DUE-0807226		47.076	GR0002745	603990	-	120,718
NSF CHE-0809966 ARRAY PLATFORMS		47.049	GR0002746	603992	-	10,372
NSF DEB-0817033 REVSYS		47.074	GR0002747	603993	-	74,180
NSF AST-0807989 MODELING VARIATIONS		47.049	GR0002755	604006	18,623	58,973
NSF EAR-0809608		47.050	GR0002758	604007	-	26,262
NSF DUE-0817003-VALLES		47.076	GR0002766	604017	-	2,792

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RESEARCH AND DEVELOPMENT CLUSTER						
	NSF/DMR-0822846	47.049	GR0002794	604052	-	2,040
	NSF DBI-0821806	47.074	GR0002796	604054	-	694,380
	NSF/EAR0852467	47.050	GR0002807	604065	-	15,631
	NSF HRD-0803171	47.076	GR0002816	604084	40,441	266,104
	NSF DEB-0815808 SOIL EROSION & UV	47.074	GR0002838	604123	-	8,006
	NSF DMR-0900238	47.049	GR0002994	604372	-	9,705
	AMP PH III YR 3 BRDG TO FR ADMIN	47.rd	GR0001944	602781	-	9,696
	AMP PH III YR 3 BRDG TO DR	47.rd	GR0001945	602782	-	112,582
	NSF FELLOWHSIP S GIBSON	47.rd	GR0002049	602912	-	43,324
	NSF HRD0331446 MOD# 9 & 10	47.rd	GR0002347	603390	-	467,768
	NSF HRD0331446	47.rd	GR0002470	603557	-	310,580
	Total NSF Direct				810,563	8,518,951
Pass Through NSF						
California State University	CSU S-3337-NMSU FULLERTON COLLABOF	47.076	GR0002931	604264	-	10,758
Claremont Graduate University	CLAREMONT GRAD UNVI 08-002	47.RD	GRP001089	603653	-	23,466
Colorado State University	CRC G-3189-1	47.049	GR0002106	602985	-	59,109
Invertix Corporation	INVERTIX CORP ANTENNA STRUCTURES	47.041	GR0002370	603429	-	(963)
Massachusetts Institute of Technology	MIT 5710001970	47.070	GR0001768	602474	-	7,438
Texas A&M University	TERMED GRANT	47.rd	GR0001937	602771	-	(120)
University of Michigan	UofM 3000615888	47.050	GR0002088	602964	-	15,285
University of New Mexico	EPS 0447691 UNM	47.076	GR0000340	600959	-	99,070
University of New Mexico	UNM 048805-8745 SEVILLETA	47.074	GR0002571	603715	-	(1,269)
University of New Mexico	UNM SUBAWARD 06013-8745	47.077	GR0002942	604278	-	282,708
University of Texas	UTEP/NSF 26-1006-9261	47.070	GR0001825	602586	-	61,163
University of Texas	UTEP 26-1007-49-63	47.070	GR0002971	604320	-	19,176
University of Washington	UNIV OF WASHINGTON #235964	47.070	GR0002206	603124	-	11,386
	Total NSF Pass Through				-	587,207
	TOTAL NSF				810,563	9,106,158
DEPARTMENT OF AGRICULTURE (USDA)						
	2001-36201-11449USDA	10.224	GR0000615	600639	-	(2,743)
	2004-34387-14452USDA	10.200	GR0000616	602036	-	1,146
	2003-34253-13434USDA	10.200	GR0000632	600656	-	1
	2003-34358-13129USDA	10.200	GR0000633	600657	-	(65)
	2004-38415-14556USDA	10.200	GR0000634	602038	-	50
	2003-34410-13096USDA	10.200	GR0000819	600843	-	(37,196)
	2003-38415-13979USDA	10.200	GR0000922	601225	-	50
	58-6235-3-010 USDA	10.001	GR0000695	600719	-	5,246
	58-6606-0-201 USDA	10.001	GR0000824	600852	-	266
	59-5428-1-327 USDA	10.001	GR0000838	600870	-	8
	USDA/REGNL BDGT CNTR	10.200	GREVEN006	600012	-	59
	QLTY RESRCH/HATCH	10.200	GRODD0001	600001	-	64,959
	USDA/REGNL BDGT CNTR	10.200	GRODD0006	600011	-	831
	58-6235-5-0022 USDA-ARS	10.001	GR0000390	650277	-	136,503
	20053425315623 USDA CSREES	10.200	GR0000396	601298	-	31,984
	2005-34410-15637 USDA	10.200	GR0000406	601545	-	350
	HATCH FED APPROPRIATIONS	10.203	GR0000447	601715	-	968
	03PA11030802033 USDA	10.652	GR0000661	600685	-	(4,000)
	9/21/01 USDA/CCC	10.001	GR0000844	600878	-	(4)
	58-6606-5-246 USDA	10.001	GR0000966	650266	-	140,755
	2005-38422-15960 CSREES-NRI	10.223	GR0001004	601548	20,095	38,722
	2005-35102-16346 CSREES	10.206	GR0001007	601551	-	107,022
	2005-35100-16268 USDA	10.206	GR0001052	601653	1,732	37,129
	58-6235-5-0024 USDA-ARS	10.001	GR0001090	650279	-	82,452
	43-3AEK-5-80075 USDA	10.475	GR0001133	601682	-	(1,189)
	2005-38415-16506 USDACSREES	10.200	GR0001139	601686	46,589	63,227
	05IE08310214 USDA FCIC RISK MNGMNT	10.450	GR0001374	601848	-	41,234
	CSREES 2006-34387-16885	10.200	GR0001836	602599	-	482
	TWO STREAM SYSTEMS	10.652	GR0001841	602606	-	26,402
	USDA/CSREES 2006-34381-16959	10.200	GR0001878	602657	-	48,347

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RESEARCH AND DEVELOPMENT CLUSTER						
USDA-ARS 58-6235-6-029		10.001	GR0001884	602666	-	56,988
USDA/CRESS 2006-34186-16976		10.200	GR0001885	602667	(2,245)	(2,387)
OIL RESOURCES		10.200	GR0001887	602669	-	(8)
PATHWAYS TO SUCCESS USDA 2006-3842		10.223	GR0001902	602699	78,000	113,940
NEMATODE RESISTANCE 2006-34250-1717		10.200	GR0001907	602713	-	(167)
RANGELAND USDA 2006-34410-17411		10.200	GR0001914	602720	-	8,511
USDA/SCREES 2006-38422-17071		10.223	GR0001915	602721	24,438	93,655
LM USDA ARS 59 5428 6 342		10.001	GR0001952	602790	-	148,200
USDA ERS 58300060049		10.250	GR0001972	650360	-	904
USDA 06-JV-11221617-229		10.652	GR0002013	602872	-	7,634
ANIMAL HEALTH FED APPN USDA		10.200	GR0002014	602873	-	1,001
HATCH FED APPROP FY 07 USDA		10.203	GR0002015	602874	-	(169)
MULTI STATE FED APPROP FY07		10.200	GR0002017	602876	-	(20,560)
CSREES 2006-38415-17701		10.200	GR0002054	602918	262,266	347,740
USDA 58-6235-7-031		10.001	GR0002071	602952	-	25
59-3620-7-607 USDA		10.206	GR0002220	603149	-	46,434
USDA 58-6235-7-041		10.001	GR0002297	603310	-	(359)
USDA/CSREES 2007-35101-18134 IRRIG		10.206	GR0002321	603359	-	53,135
USDA/CSREES 2007-35102-18120 WATER		10.206	GR0002322	603360	6,605	120,078
CSREES/USDA 2007-38422-18027		10.223	GR0002333	603374	13,438	35,123
2007-55204-18259		10.206	GR0002341	603382	10,367	136,989
USDA/CSREES 2007-34103-18312		10.200	GR0002358	603412	-	14,396
ANIMAL HEALTH FED APPN USDA		10.207	GR0002406	603473	-	30,335
HATCH FED APPROP FY 08 USDA		10.203	GR0002407	603474	-	362,281
MCINTIRRE STENNIS FED APPROP		10.200	GR0002408	603475	-	156,152
MULTI STATE FED APPROP FY08		10.200	GR0002409	603476	-	210,726
USDA AMS#12-25-G-0560 MKTG ANALYSIS		10.156	GR0002427	650425	-	23,567
SCS FY08 68 8C30-7-974		10.903	GR0002435	603507	-	64,458
USDA/CSREES 2007-35318-18483		10.206	GR0002442	603515	-	136,418
USDA/CSREES 2008-35320-18684		10.206	GR0002511	603629	-	71,527
USDA/CSREES 2008-35205-18751		10.206	GR0002518	603636	-	291,888
00-JV-11221606-163		10.rd	GR0000681	600705	-	29
MULTI-STATE FEDERAL APPROPRIATIONS		10.rd	GR0001163	601717	-	(289)
USDA/CSREES 2008-55215-18837		10.206	GR0002574	603720	97,006	149,664
APHIS/PPQ 08-8100-1140-CA		10.025	GR0002603	603784	-	74,209
USDA/ARS 58-6235-8-044 RANGELND MGT		10.001	GR0002616	603801	-	970,792
USDA 08-8580-1148-CA		10.025	GR0002654	603865	-	18,800
USDA/ARS/SPA 58-6235-8-045		10.001	GR0002659	603875	-	336,640
USDA 58-6235-8-046		10.001	GR0002660	603876	-	13,439
USDA 2008-34358-19164		10.200	GR0002666	603891	-	38,251
USDA CSREES 2008-34331-19122 OIL RE		10.200	GR0002675	603892	-	175,351
USDA CSREES 2008-34624-19311 SOIL-B		10.200	GR0002676	603893	-	95,142
USDA CSREES #2008-34250-19274		10.200	GR0002682	603900	-	175,999
USDA CSREES #2008-55101-19208		10.206	GR0002688	603907	-	150,956
USDA/CSREES 2008-34186-19307 SWC 09		10.200	GR0002703	603930	109,476	166,742
USDA 2008-34604-19434		10.200	GR0002723	603961	-	85,933
FY09 68 8C30-7-974 SCS		10.903	GR0002779	604036	-	96,681
ANIMAL HEALTH FED APPN USDA		10.200	GR0002790	604048	-	9,485
HATCH FED APPROP FY 09 USDA		10.203	GR0002791	604049	-	857,126
MCINTIRRE STENNIS FED APPR FY09		10.200	GR0002792	604050	-	200,379
MULTI STATE FED APPROP FY09		10.200	GR0002793	604051	-	269,050
USDA NRCS 69-8C30-08-0008		10.912	GR0002847	650515	-	13,192
CSREES 2009-55618-05094 IMPROV ECO		10.206	GR0002889	604202	-	25,341
USDA/ARS/MWA 59-3655-9-739		10.001	GR0002943	650529	-	28,657
USDA APHIS PPQ 07-8100-1140-CA		10.rd	GR0002258	603234	-	(1,792)
USDA 69-8C30-7-0016		10.rd	GR0002410	650423	-	49,163
USDA 58-6209-7-040		10.rd	GR0002446	650428	-	26,964
USDA 58-5348-7-610		10.rd	GR0002479	650438	-	840
USDA FS 08-JV-11051670-022		10.rd	GR0002570	603714	-	101,534
USDA/APHIS09-8100-1140-CA PEST RISK		10.rd	GR0002990	604356	-	20,845
Total USDA Direct					667,767	7,440,574
Pass Through USDA						
Hatch Valley Public Schools	QLTY RESRCH/HATCH	10.200	GR0000054	600006	-	(62,860)

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RESEARCH AND DEVELOPMENT CLUSTER						
La Jicarita Enterprise Community	LA JICARITA UPPER MORA H2OSHED	10.679	GR0002084	602960	-	11,968
La Jicarita Enterprise Community	MORA WTRSHD 2002-01	10.652	GR0000738	600762	-	246
State of Arizona	UoA Y602653 FIRE IN CHIHUAH GRASSLA	10.200	GR0002915	604241	-	7,215
State of Arizona	UNIV OF ARIZ Y483314 ECOSYSTEM	10.206	GR0002743	603987	-	47,345
State of Arizona	U OF A Y452456	10.rd	GR0002085	602961	-	24,078
Texas A&M University	TAMU 451022	10.200	GR0002913	604235	-	7,079
Texas A&M University	570262 TAES	10.500	GR0001015	601572	-	8,558
Texas A&M University	TAMU AGRILIFE 570461	10.200	GR0002592	603768	-	24,699
Texas A&M University	TAMU AGRILIFE #450039 CANOLA PROD	10.200	GR0002600	603781	-	41,566
Texas A&M University	TAMU 57485 EFFICIENT IRRIGATION FY9	10.200	GR0002822	604096	-	186,078
Texas A&M University	TAMU AGRILIFE 570506 CTR F AMERICAN	10.200	GR0002837	604122	-	35,358
Texas A&M University	570179 TEXAS A&M	10.200	GR0000729	600753	-	(57,159)
Texas A&M University	570176 TX AG EXP STN	10.200	GR0000821	600845	-	(3,932)
Texas A&M University	TAMU TAEX 570346	10.200	GR0002004	602863	-	29,380
University Of California	UCSB KK6123	10.206	GR0001818	602577	-	1,591
University Of California	UC DAVIS 06002102-01	10.200	GR0002029	602888	-	(147)
University Of California	UNIV OF CALIF 016758-02	10.200	GR0002267	603263	-	805
University Of California	UC DAVIS 07-001988-06	10.500	GR0002364	603418	-	2,490
University Of California	UC DAVIS SUB0700264	10.200	GR0002424	603495	-	14,718
University Of California	UCDAVIS 08-001766-NEWM1 LEGUME PIPE	10.500	GR0002774	604030	-	11,054
University Of California	UC-D 08-003512-NMSU SENSING&CONTRO	10.309	GR0002964	650531	-	17,391
University of Connecticut	UNIV OF CONNECT #5828 AGRI FIELD EM	10.206	GR0002294	603307	-	98,915
Utah State University	USU 051687045	10.200	GR0002635	603836	-	6,800
	Total USDA Pass Through				-	453,236
			TOTAL USDA		667,767	7,893,810
DEPARTMENT OF ENERGY (DOE)						
	91683 001 04 8C LANL	81.rd	GR0000119	602156	-	59,383
	SNL FELWSHP TILLERY	81.rd	GR0000171	603599	-	3,897
	PO 212432 SNL	81.rd	GR0000412	600436	-	36,936
	DE-FC0401AL67403NMSU	81.104	GR0000855	600939	8,863	226,027
	LANL 73068-001-09	93.859	GR0002935	604269	-	7,807
	SNL 905051	00.000	GR0002950	604287	-	15,719
	DE-FG29-91AL74167	81.041	GR0000858	600984	-	1,455,642
	9XP1442E1	81.rd	GR0000864	604363	-	8,572
	97102-001-04 3P LANL	81.rd	GR0001475	600851	-	351,910
	P0380387 SNL	81.rd	GR0001527	601040	-	(41)
	DEFC3605GO15149 DOE	81.087	GR0001588	602762	-	780,671
	CHIP PERFORMANCE MODEL	81.rd	GR0001679	602317	-	426
	DOEnergy DE-FG02-94ER40847	81.049	GR0001783	602489	-	301,228
	SNL PO 614849 SURP	81.rd	GR0001978	602825	-	(52)
	LANG 43517 001 06	81.rd	GR0001994	602849	-	4,223
	LANL 41982-001-07	81.rd	GR0002058	602924	-	6,557
	658420 SANDIA NATL	81.rd	GR0002144	603039	-	(420)
	LANL 51636-REQ-07	81.rd	GR0002227	603159	-	4,697
	SNL 727140 PO 536578	81.rd	GR0002386	603447	-	27,852
	SNL 734668 PO536578	81.rd	GR0002415	603484	-	3,868
	SNL 734646 PO536578	81.rd	GR0002416	603485	-	4,499
	US DOE DE-FC36-07GO17034	81.117	GR0002420	603490	747,510	890,840
	SNL PO 747067	81.rd	GR0002433	603505	-	(37)
	SNL DOC# 739570	81.rd	GR0002436	603509	-	23,237
	SNL 739569 PO 536578	81.rd	GR0002438	603510	-	9,462
	SNL PO#739571	81.rd	GR0002445	603518	-	20,253
	LANL/LANSCE 57248-001-07	81.rd	GR0002452	603530	-	15,782
	SNL #757194 PO#536578	81.rd	GR0002471	603560	-	293
	LANL 56155-001-08	81.rd	GR0002489	603583	-	147,409
	SNL #768080 PO#536578	81.rd	GR0002498	603610	-	38,238
	SNL 783004 PO 536578	81.rd	GR0002540	603671	-	45,255
	SANDIA PO 798225	81.rd	GR0002609	603790	-	5,887
	SNL 825188	81.rd	GR0002626	603828	-	37,219
	90 day wvr DE-FG02-96ER40965DOE	81.049	GR0002647	603851	-	129,429

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RESEARCH AND DEVELOPMENT CLUSTER						
	LANL-BNL 65514-001-08	81.rd	GR0002674	603890	-	9,854
	JSA 08-P1539 MOD#001 BURKARDT	81.rd	GR0002709	603942	-	11,596
	DOE DE-FG36-08GO88008 CASCADE SOLR	81.087	GR0002710	650497	337,377	546,507
	SNL PO 847834	81.122	GR0002730	603970	-	20,820
	BROOKHAVEN 136348	81.123	GR0002737	603981	-	29,562
	LANL #67658-001-08 GLOVEBOX GLOVE	81.rd	GR0002749	603996	-	18,989
	SNL PO#846661	81.rd	GR0002769	604022	-	27,977
	SNL PO#846442	81.rd	GR0002770	604023	-	24,072
	SNL PO#853194	81.rd	GR0002804	604062	-	121,250
	DOE DE-FG02-08ER15996 N-H BOND FORM	81.049	GR0002808	604066	-	86,873
	SNL 854325 PO 536578	81.rd	GR0002831	604105	-	27,804
	SNL PO 871801 HEALTH MONITOR SYS	81.rd	GR0002848	604139	-	14,583
	JSA 09-P0208 BURKARDT	81.rd	GR0002849	604140	-	44,571
	SNL PO 898047	81.122	GR0002933	604266	-	7,756
	SNL 890081 PO 536578 LAMMERS	81.rd	GR0002940	604274	-	2,171
	LANL 72286-001-09 KIRCHNER	81.rd	GR0002949	604286	-	3,329
	LANL RSG-002-07SUB#73265-001-09 IAS	81.rd	GR0002957	604298	-	32,041
	DOE STUDIES OF QUARK-GLUON - Waiver	81.049	GR0002958	604301	-	157,517
	LANL 71178-001-09	84.041	GR0002972	604322	-	29,105
	LANL 3754400106	81.rd	GRP000562	800471	-	(1,293)
	SNL 768288 PO#536578	81.rd	GRP001096	801419	-	684
			Total DOE Direct		1,093,750	5,878,436
Pass Through DOE						
Carnegie Institution of Washington	CARNEGIE 4-3327-42	81.rd	GR0001826	602588	-	564
KSL Services JV	KSL #08-PS019 OMEGA BRIDGE INSPECT	81.rd	GR0002686	603905	-	36,555
Los Alamos National Security LLC	LANSLLC/IAS/NSO	81.rd	GR0002217	603145	-	(2,966)
National Renewable Energy Laboratory	NREL - WIND DISTRIBUTION	81.rd	GR0001727	602425	-	4
SM Stoller Corporation	STOLLER CORP P3166	81.rd	GR0001992	602846	-	1,226
University of New Mexico	UNM 798131-8745 SUB 2-17028	81.041	GR0002667	603883	-	9,978
University of New Mexico	UNM 798130-8745 SUB 2-16994	84.041	GR0002669	603885	-	9,978
University of New Mexico	UNM/DOE-EPSCoR NAKOTTE	81.rd	GR0002874	604180	-	97,778
Washington Tru Solutions Llc	SCIENTIFIC & TECHNICAL SUPPORT	81.rd	GR0001962	602808	-	(2,075)
Washington Tru Solutions Llc	CONSTRUCTION OF VOC LAB WTS 405959	81.rd	GR0001963	602809	-	75,139
Washington Tru Solutions Llc	WIPP1-PO408094	81.rd	GR0002369	603428	-	(6,594)
Washington Tru Solutions Llc	WTS WIPP - MTO 408664	81.rd	GR0002593	603770	-	371,594
Water Research Foundation	#03068AWWA RSRCH FND	81.049	GR0000057	602227	-	291,563
			Total DOE Pass Through		-	882,744
			TOTAL DOE		1,093,750	6,761,180
DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)						
	GM08136-31 NIH	93.375	GR0000205	600629	-	8,265
	DC003292-06 NIH	93.173	GR0000886	600270	-	75,704
	1P20NRO8352-01 HHS	93.361	GR0000947	601335	-	(10,146)
	1 K22 AI064193-01 NIH	93.856	GR0001001	601546	-	9,384
	1HOCMS300043/01 HHS	93.779	GR0001309	601822	-	2,969
	2-P20-RR016480-04HHS	93.389	GR0000046	800000	-	(1,912)
	GM08136-32 NIH SCORE	93.375	GR0001794	602505	-	(29)
	5U56CA096286-05 NIH NCI	93.397	GR0001857	602627	-	(49)
	NIH BRE RR016480-06	93.389	GR0001919	602736	-	(164)
	GM08136-32S2 NIH SCORE	93.859	GR0001948	602786	-	(245)
	NIH BRE 5-P20 RR016480-07	93.389	GR0002234	603335	(18,051)	(18,051)
	2S06GM008136-34	93.375	GR0002259	603235	14,095	430,248
	DHHS 5U01FD001941-08	93.103	GR0002450	603528	-	536
	5U54CA132383-01 NCI ADV CANCER RESE	93.397	GR0002491	603590	-	235,091
	NIH BRE 5-P20 RR016480-08	93.389	GR0002581	603745	2,077,598	2,761,802
	HHS NIH SCORE INST DEVELOPT	93.859	GR0002614	603797	-	(9)
	HHS NIH SCORE 1SC3GM084613-01	93.859	GR0002615	603798	-	107,174
	NIH 1SC1GM083693-01	93.859	GR0002638	603839	-	195,894
	NIH SCORE 1SC2A1081526-01	93.855	GR0002644	603846	-	138,081

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RESEARCH AND DEVELOPMENT CLUSTER						
	DHHS SCORE ISC1AI081425-01	93.856	GR0002662	603878	-	275,952
	NIH SCORE 1SC3GM084809-01 CHELATOR	93.859	GR0002700	603927	-	116,636
	NIH 1SCHDO60887-1 INFANT	93.859	GR0002701	603928	-	198,190
	NIH SCORE - 1SC1AI081659-01	93.856	GR0002708	603941	-	213,920
	DHHS 5U01FD001941-09	93.103	GR0002771	604024	-	29,150
	NIH 5U54CA132383-02 NCI ADV CANCER	93.397	GR0002811	604069	5,000	816,937
	NIH BRE 2P20 RR016480-09	93.389	GR0002974	604325	-	145,299
	NIH IR21AI082399-01	93.701	GR0003000	604381	-	12,122
	Total HSS Direct				2,078,642	5,742,749
Pass Through HHS						
California State La University Auxillary Services Inc	NMSU SLOVACEK 230060 YEAR 2	93.859	GR0001395	601857	-	(1)
California State La University Auxillary Services Inc	CSU LA - NMSU-SLOVACEK-230060	93.859	GR0002447	603520	-	31,101
California State La University Auxillary Services Inc	NMSU-SLOVACEK-230060	93.859	GR0002099	602976	-	(482)
Massachusetts Institute of Technology	MIT #5710002497 SYS BIOLOGY F CELL	93.859	GR0002868	604169	-	24,741
State of New Mexico	CYFD 08-690-5457	93.596	GR0002383	603444	-	50
State of New Mexico	SNM/HSD 08-630-9000-0001	93.rd	GR0002308	603325	-	10,037
University of New Mexicc	UNM/NIMH 326T0/01/NMSU/JA	93.242	GR0001600	604170	-	100,567
University of New Mexico	UNM 3R73Y DEVELOPT OF GPR30-LIGAND	93.395	GR0002826	604100	-	43,343
University of Texas	UT SUBAWARD 09-013	93.855	GR0002896	604213	-	10,493
	Total HHS Pass Through				-	219,849
	TOTAL HSS				2,078,642	5,962,598
DEPARTMENT OF INTERIOR (DOI)						
	J717005A001 NPS	15.921	GR0000148	600108	-	98,913
	GDA030020 BLM/DOI	15.rd	GR0000370	650131	-	9,655
	GDA030009 TSK#1 BLM	15.rd	GR0000391	600415	-	(6,598)
	01HQURU1572 RWO48/DOI	15.808	GR0000613	600637	-	(5,423)
	01HQURU1572 RWO51/DOI	15.rd	GR0000636	602041	-	(19,511)
	03-FG-40-2077 USDO1/BOR	15.rd	GR0000701	650172	14,150	19,007
	J1242050305 DOI NPS	15.rd	GR0000735	601434	-	1,166
	05-FG-40-2276 BOR/DOI	15.252	GR0000829	600091	-	469
	04-FG-40-2186 DOIBOR	15.252	GR0000833	650179	-	(2,397)
	GDA 050012 BLM/DOI	15.225	GR0001006	601550	-	1,552
	CA-1248-00-002 NPS	15.rd	GR0001051	601602	-	1,725
	05-FC-40-243 CA9-FG-81-0143 BOR/DOI	15.805	GR0001054	601604	-	91,866
	01HQURU1572 RWO 52 USGS	15.808	GR0001128	601667	-	17,912
	201814J863 DOI/USFG	15.rd	GR0001335	600495	-	(1,955)
	USDOI BOR 06-FG-40-2450	15.252	GR0001407	601869	-	4,693
	04-CS-40-8082 DOI	15.rd	GR0001443	600715	-	35,795
	201814J887 DOI 05/09	15.rd	GR0001466	600814	-	89,865
	J2115040016 DOI/NPS	15.rd	GR0001580	601231	-	(20,540)
	USGS 06HQGR0101	15.805	GR0001731	602430	-	91,431
	SW REGIONAL GAP DOI 06HQAG0132	15.811	GR0001894	602684	-	315
	NCGP 2006 NMT	15.805	GR0001950	602789	29,308	29,308
	USDI MMS 0106CT39790	15.rd	GR0001974	602821	-	6,041
	USGS 1434-01HQURU1572	15.812	GR0002056	602922	-	105,530
	USDOI/NPS J124070015	15.912	GR0002249	603222	-	16,028
	NPS J2124070023	15.rd	GR0002334	603375	-	4,009
	NPS H1200050003	15.rd	GR0002380	603441	-	1,211
	USGS 1434-01HQURU1572 RWO#057	15.812	GR0002421	603491	-	183,262
	USDOI/USGS 08HQAG01117	15.805	GR0002587	603760	-	50,254
	DOI/USGS 1434-01HQURU1572 WO#059	15.812	GR0002754	604004	-	40,499
	NPS/DOI J2124080045	15.912	GR0002776	604032	-	16,901
	US FWS 201818J807/201818J865	15.608	GR0002813	604081	-	3,500
	NPS J7127080144	15.921	GR0002824	604098	-	21,547
	DOI/USGS 08HQAG0146	15.805	GR0002840	604126	205,319	212,819
	US DOI/BOR 08-FC-81-1454-BOR	15.504	GR0002841	604127	-	102,753

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RESEARCH AND DEVELOPMENT CLUSTER						
	USFWS 201819J806	15.650	GR0002900	604223	-	26,639
	USGS G09AC00033 EFFECTS OF THERMAL	15.812	GR0002902	604225	-	14,035
		Total DOI Direct			248,777	1,242,276
Pass Through DOI						
America View, Inc.	AMERVIEW AV08-NM01 STATE VIEW PROG	15.809	GR0002927	604299	-	1,105
Montana State University	MSU G294-06-W1033	15.608	GR0001910	602716	-	9,583
Oregon State University	OSU L0117A-B	15.rd	GR0002119	603004	-	2,863
		Total DOI Pass Through			-	13,551
		TOTAL DOI			248,777	1,255,827
DEPARTMENT OF TRANSPORTATION (DOT)						
	DTFH61-04-H-00004DOT	20.rd	GR0000243	602217	-	5,991
	DOT/FAA 07-G-002	20.108	GR0002159	603062	8,631	25,934
		Total DOT Direct			8,631	31,925
Pass Through DOT						
Embry-Riddle Aeronautical University	ERAU 61049-NMSU	20.109	GRP000567	800504	-	(20,751)
State of New Mexico	NMDOT M00657	20.801	GR0002172	603080	-	34,686
State of New Mexico	NM DOT M00669 - STP-5910(1)	20.rd	GR0002270	603266	-	115,642
State of New Mexico	M00455 WEIGH IN MOTION NMDOT	20.rd	GRP000530	800388	(26,141)	(37,741)
Texas A&M University	TEXAS A&M #570435 SWEET SORGHUM	10.200	GR0002535	603661	-	4,130
Texas Transportation Institute	TTI PO# P760030	20.700	GR0002245	603189	-	17,761
Washington State University	WSU #108634_G002243	20.700	GR0002464	603550	-	9,557
		Total DOT Pass Through			(26,141)	123,284
		TOTAL DOT			(17,510)	155,209
DEPARTMENT OF EDUCATION (EDUC)						
	EDUC P120A060058 - MESH	84.120	GR0002165	603069	-	252,501
	OHIO REGENTS MATRIX	84.203	GRP001091	801421	-	81,540
		Total EDUC Direct			-	334,041
Pass Through EDUC						
Las Cruces Public Schools	PEP LCPS/NMSU SUB	84.215	GR0001463	600798	-	(3,177)
State of Arizona	UOA PO#Y202594	84.116	GR0002867	604167	-	15,298
		Total EDUC Pass Through			-	12,121
		TOTAL EDUC			-	346,162
ENVIRONMENTAL PROTECTION AGENCY (EPA)						
	EPA FELLOWSHIP MA 91670701-0	66.513	GR0001984	602829	-	9,683
	EPA X8-96643001-0	66.716	GR0002205	603122	-	6,246
	EPA NP-96673901-0	66.708	GR0002830	604104	-	41,195
		Total EPA Direct			-	57,124
Pass Through EPA						
Arizona State University	05-591	66.001	GR0000377	601096	-	33,991
City of Las Cruces	03/28/05 CITY OF LC -	66.606	GR0000109	600231	-	(38,881)
New Mexico Highlands University	NMHU/MBT P0082232	66.rd	GR0002642	603844	-	16,702
San Diego State University	SDSU 55573A-7803 E0006425 SCERP 09	66.202	GR0002843	604130	-	90,443
Shaw Environmental & Infrastructure Inc	SHAW ENVIRONMENTAL INC 419988 MTBE	66.rd	GR0002768	604019	-	66,386
State of New Mexico	JPA #3827	66.708	GR0002131	603022	-	(740)
State of New Mexico	NMED (2) JPA 08 667 POLLUTION PREV	66.708	GR0002493	603598	-	6,606
Tetra Tech Inc.	TETRA TECH #1029077	66.rd	GR0002548	603683	-	22,993
		Total EPA Pass Through			-	197,500
		TOTAL EPA			-	254,624

New Mexico State University
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Schedule 7

NAME OF PROGRAM/ AGENCY NAME	Award Number	CFDA Number	Grant Code	Fund Number	Subrecipient Expenditures	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER						
DEPARTMENT OF HOMELAND SECURITY (DHS)						
	FAA S&T 06-G-030	97.069	GR0002080	602955	-	334,301
		Total DHS Direct			-	334,301
Pass Through DHS						
University of Minnesota	UNIV OF MINNESOTA FOOD PROTECTN/DE	97.104	GR0002744	603988	-	57,617
University of Rhode Island	UORI#112108/0001865 SAMPLG F EXPLOS	97.061	GR0002888	604200	-	62,123
State of Arizona	UoA Y503220 CENTER OF EXCELLENCE	97.061	GR0002922	604251	-	50,514
		Total DHS Pass Through			-	170,254
		TOTAL DHS			-	504,555
NUCLEAR REGULATORY COMMISSION (NRC)						
	NRC-38-07-373 NUCLEAR EDUCATION	77.006	GR0002307	603324	-	91,092
		Total NRC Direct			-	91,092
		TOTAL NRC			-	91,092
AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)						
Pass Through USAID						
University of Georgia	UOG RC710-025/3842048	98.012	GR0002690	603910	-	37,486
		Total USAID Pass Through			-	37,486
		TOTAL USAID			-	37,486
DEPARTMENT OF COMMERCE (DOC)						
Pass Through DOC						
Texas A&M University	TEXAS A&M #09-002 HEIGHT MODERNIZAT	11.400	GR0002810	604068	-	20,771
		Total DOC Pass Through			-	20,771
		TOTAL DOC			-	20,771
US TRADE DEVELOPMENT AGENCY (AID)						
Pass Through AID						
Winrock International Institute Of Agricultural Development	5464-03-01 WINROCK	11.110	GR0000367	602541	-	619
		Total AID Pass Through			-	619
		TOTAL AID			-	619
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)						
Pass Through HUD						
Johns Hopkins University	892300 JH UNIVERSITY	43.002	GRP000992	800138	-	261
		Total HUD Pass Through			-	261
		TOTAL HUD			-	261
		TOTAL RESEARCH AND DEVELOPMENT CLUSTER			\$ 19,567,221	\$ 89,445,226

**New Mexico State University
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NAME OF PROGRAM/ AGENCY NAME	Award Number	CFDA Number	Grant Code	Fund Number	Subrecipient Expenditures	Total Expenditures
STUDENT FINANCIAL AID CLUSTER						
DEPARTMENT OF EDUCATION (EDUC)						
WS FED APP		84.033	GR0000870	601012	-	1,036,974
FEDERAL ACG GRANT FY08		84.063	GRB000032	340093	-	5,643
FEDERAL PELL FY08		84.063	GRB000036	240094	-	(17,553)
FEDERAL SEOG FY09		84.063	GRB000043	240105	-	768,409
FEDERAL PELL FY09		84.063	GRB000044	240106	-	34,435,171
FEDERAL ACG GRANT FY09		84.063	GRB000046	603727	-	314,574
FEDERAL SMART FY 09		84.063	GRB000047	603728	-	486,374
FEDERAL TEACH GRANT FY08		84.063	GRB000051	603731	-	46,107
PERKINS REPAY		84.037	-	-	-	284,049
		Total EDUC Direct			-	37,359,748
DEPARTMENT OF VETERANS ADMINISTRATION (VA)						
REPORTING OF VETERANS		64.xxx			-	2,321
		Total VA Direct			-	2,321
TOTAL STUDENT FINANCIAL AID					-	37,362,069

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INDIVIDUAL AWARDS - OTHER						
DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS)						
U10_CCU619259-04 HHS		93.065	GR0000186	600210	-	204,106
D09HP02743-01-00 HHS		93.178	GR0000212	602193	-	(9,859)
1D65HP03147-01-00HHS		93.359	GR0000215	602194	-	6,527
1D40HP02593-01-00HHS		93.191	GR0000235	602209	-	(5,539)
WVR-1 D11 HP 00440-01HHS		93.359	GR0000240	600264	-	467,805
90EV0351/01 DHHS		93.592	GR0001293	601810	-	27,021
NIH MARC GM07667-29		93.859	GR0001817	602572	-	(472)
NURSING TRAINEESHIPS		93.358	GR0001903	602700	-	(10)
NIGMS 5 R25 GM061222-06 RISE		93.859	GR0001931	602756	-	(217)
NIH MARC GM07667		93.859	GR0002247	603210	-	(40,121)
NMSU RISE 5R25GM061222-07		93.859	GR0002367	603422	-	158,118
DHHS 1D40HP0259300HHS		93.191	GR0002527	603648	-	145,866
NIH 5R25 GM048998-09		93.859	GR0002541	603672	-	126,503
NMSU RISE 5R25GM061222-08		93.859	GR0002697	603921	-	841,678
NMSU RISE 3R25GM061222-08S1		93.859	GR0002740	603984	-	27,955
NMSU RISE 3R25GM061222-08S2		93.859	GR0002741	603985	-	68,692
NIH 5R25 GM048998-10		93.859	GR0002929	604261	-	92,648
06CH0224/23 2006HEAD START		93.600	GR0001452	601900	-	(197)
HHS 90FR0057/01		93.086	GR0002062	602932	-	(3,378)
DHHS 90FE0135/01		93.086	GR0002068	602940	-	(40,800)
HHS US ADMIN CHLDNR FAMILIES		93.600	GR0002097	602973	-	(6,063)
DHHS 90YP0030/04		93.600	GR0002478	603572	-	56,885
HHS 90FR0057/02		93.086	GR0002497	603605	-	74,623
HHS US ACF #06CH0224/25 WVR		93.600	GR0002502	603618	-	688,776
DHHS 90FE0135/02		93.086	GR0002545	603678	-	80,573
NIH MARC 5T34GM007667-31		93.859	GR0002629	603821	-	603,601
HHS 90FR0057/03		93.086	GR0002752	604002	-	168,778
DHHS 90YP0030/05		93.600	GR0002765	604015	-	88,141
DHHS 90FE0135/03		93.086	GR0002820	604093	-	352,009
HHS 90EV0398/01 FAMILY VIOLENCE PRE		93.592	GR0002834	604119	125,108	185,853
HHS US ACF #06CH0224/25		93.600	GR0002853	604147	-	1,077,197
NIH MARC 5T34GM07667-32		93.859	GR0002993	604364	-	52,926
		Total HHS Direct			125,108	5,489,625
Pass Through HHS						
CCDF Cluster						
New Mexico State Department of Education	03-690-7027-03 CYFD	93.575	GR0000730	602206	-	162
Children Youth And Families Dept	06-690-7000-7055	93.575	GR0000503	601345	-	98
		CCDF Cluster Total			-	260
OTHER HHS PASS THROUGH						
Camino De Vida Center For Hiv Services	BBCMP041007010 CDV	93.105	GR0001560	601114	-	(4)
Eastern Area Workforce Development Board	T06-07/NMSU -LC	93.558	GR0001874	602653	-	167
Eastern Area Workforce Development Board	EAWDB TC07-08/NMSU -LC TANF ALAMO	93.558	GR0002319	603355	-	1,243
Eastern Area Workforce Development Board	EAWDB TC07-08/NMSU -LC E&T ALAMO	93.558	GR0002320	603357	-	41
Eastern Area Workforce Development Board	TC08/09-NMSU-A ALAMOGORDO	93.558	GR0020033	240114	-	147,853
Eastern Area Workforce Development Board	TANF T06-07/NMSU-C EAWDB	93.558	GR0030018	340072	-	(2,419)
Eastern Area Workforce Development Board	TANF T06-07/NMSU-C EAWDB	93.558	GR0030022	340088	-	292

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INDIVIDUAL AWARDS - OTHER						
Eastern Area Workforce Development Board	EAWDB T07-08/NMSU-C TANF	93.558	GR0030025	340100	-	355
Eastern Area Workforce Development Board	EAWDB T08-09/NMSU-C E&T	93.558	GR0030036	340123	-	404,175
McFarland & Associates Inc	MCFARLAND & ASSOCIATE INC. YR02	93.xxx	GR0002495	603601	-	(14,912)
State of New Mexico	NMCYFD 08-690-5177TITLE IV-E	93.658	GR0002310	603327	-	5,983
State of New Mexico	NMCYFD 08-690-5147TITLE IV-B	93.556	GR0002323	603363	-	712
State of New Mexico	NMCYFD 09-690-8270 TITLE IV-E	93.658	GR0002778	650503	-	1,438,106
State of New Mexico	TITLE IV-E NM CYFD 06-07 0978	93.658	GR0001861	602634	-	19
State of New Mexico	SNM/HSD 08-630-9000-0001	93.xx	GR0002308	603325	-	(6,814)
State of New Mexico	NMCYFD 08-690-5414	93.xx	GR0002393	603521	-	722,902
State of New Mexico	NM CYFD 08-690-7057 CAREER LATTICE	93.600	GR0002590	603765	-	(4,884)
State of New Mexico	GSA 06-630-900-0001 TANF 05-06 LC	93.558	GR0000650	601398	-	(3,663)
State of New Mexico	GSA076309000-0005 E&T FP	93.558	GR0001870	602931	-	(15,876)
State of New Mexico	GSA-07-630-9000-0005	93.558	GR0001891	602680	(68,338)	(161,522)
State of New Mexico	NM HSS GSA 07-630-9000-0008	93.558	GR0002147	603043	-	(512)
State of New Mexico	NMHSD GSA-08-630-9000-0005 TANF	93.558	GR0002316	603336	21,983	440,964
State of New Mexico	NMHSD GSA-08-630-9000-0005 FSP/E&T	93.558	GR0002317	603342	7,123	53,874
State of New Mexico	NM CYFD 08-690-5095	93.674	GR0002365	603419	-	31,069
State of New Mexico	NM CYFD 08-690-5211	93.669	GR0002396	603461	-	356
State of New Mexico	GSA 09-630-9000-0013	93.558	GR0002653	603861	604,627	10,688,837
State of New Mexico	NM CYFD 09-690-8035	93.556	GR0002716	603953	-	92,457
State of New Mexico	NMHSD GSA 09-630-9000-0001	93.558	GR0002742	603986	-	599,748
State of New Mexico	GSA 05-0008 NM WORKS	93.558	GR0000754	602367	-	(151,384)
State of New Mexico	GSA 09-630-9000-0013	93.558	GR0002799	440231	-	12,993
State of New Mexico	CYFD 09-690-8831 TITLE IV-B MULTICU	93.556	GR0002846	604135	-	80,733
State of New Mexico	CYFD 09-690-9092 CAPTA CHILD&FAMILY	93.669	GR0002906	604228	-	28,785
State of New Mexico	4-31311 UNM	93.969	GR0001439	601655	-	106
Children Youth And Families Dept	NMDOH	93.28	GR0001756	602462	-	5,768
State of New Mexico	UNMHSC GERIATRIC EDUC CENTER	93.969	GR0002504	603621	-	658
University of New Mexico	FEDERAL AHEC 3R471	93.107	GR0001672	604171	-	60,026
University of New Mexico	UNM 3R885/38854	93.996	GR0002458	603543	-	11,877
University of New Mexico	UNM 3R47G/347G1	93.262	GR0002537	603668	-	54,649
University of New Mexico	3R518 FY05 BHETC UNM	93.189	GR0000308	600699	-	(10,400)
University of New Mexico	3R471 FY2005 UNMHSC	93.107	GR0001441	600702	-	(11,185)
University of New Mexico	UNM 3R60X	93.969	GR0002952	604290	-	4,945
University of New Mexico	UNM 3R47G/347G2	93.262	GR0002984	604342	-	63,522
Total HHS Pass Through					565,395	14,569,900
TOTAL HHS					690,503	20,059,525
DEPARTMENT OF EDUCATION (EDUC)						
TRIO CLUSTER						
	PO42A060738 DEPT OF EDUC	84.042	GR0002052	602916	-	289,693
	EDUC P044A060889	84.044	GR0001976	602823	-	230,900
	P217A030217 EDUC	84.217	GR0000930	601245	-	762
	P047A030840 EDUC	84.047	GR0000465	600489	-	13
	P047A070631	84.047	GR0002331	603371	-	401,972
TRIO Cluster Total					-	923,340
OTHER EDUC DIRECT						
	EDUC H325K060537 TRNG SCHOOL PSYCH	84.325	GR0002121	603006	-	168,545
	P031S040005 DEV EDUC	84.031	GR0020058	240066	-	572,746
	P031S040005ADMN EDUC	84.031	GR0020059	240067	-	35,001
	P031S040040 EDUC.	84.031	GR0030058	240044	-	732,662
	US EDUC U215K080249 PROG TO TRANSIT	84.215	GR0040093	440228	-	60,944
	P031S020014 EDUC	84.031	GR0050004	540007	-	1,572
	EDUC P031C080067 PRIMOS	84.031	GR0002835	440234	52,220	463,892

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INDIVIDUAL AWARDS - OTHER						
	PERKINS III REDIST	84.048	GR0030062	340131	-	19,225
	S149A020006 EDUC	84.149	GR0000076	600100	-	(15)
	USDE S149A070006	84.149	GR0002387	604020	-	460,591
	US DEPT OF ED H325K080309	84.325	GR0002762	604012	-	126,956
	US DOE U215K080093	84.215	GR0002821	604094	-	59,936
	EDUC P031C080038 STAIRWAY TO STEM	84.031	GR0030063	340132	-	293,042
	Total EDUC Direct				52,220	3,918,437
Pass Through to EDUC						
Alamogordo Public Schools	APS PROJECT 1776	84.215	GR0002437	603508	-	(1,856)
Alamogordo Public Schools	APS PROJECT 1776-09	84.215	GR0002966	604315	-	67,858
Las Cruces Public Schools	MOU MC2 LCPS	84.283	GR0000768	603409	-	(7,228)
National Council for Economic Education	NCEE TT-05-5033	84.215	GR0001718	602408	-	(7)
National Council for Economic Education	NCEE GR-0700754	84.215	GR0002534	650461	-	22,383
National Council for Economic Education	NCEE INT ED SHOWCASE 08/09	84.215	GR0002893	650521	-	1,945
National Writing Project	03-NM05 NWP CORP	84.033	GR0000275	650094	-	53,402
Ohio Board of Regents	OHIO REGENTS MATRIX	84.203	GRP001091	603742	-	164,140
Ohio Board of Regents	OHIO REGENTS MATRIX #U203G050022	84.203	GR0001319	601829	-	(4,251)
State of New Mexico	OTEC 05/06	84.367	GR0001808	602542	-	(1,983)
State of New Mexico	MOU 2007	84.367	GR0002248	603221	-	39,099
State of New Mexico	NM HED MOU 2008 OTEC PHASE III	84.367	GR0002617	603802	-	74,412
State of New Mexico	ABE FY07 HED	84.002	GR0020028	240078	-	(17,302)
State of New Mexico	EL CIVICS NMHED FY08	84.002	GR0020063	240098	-	(593)
State of New Mexico	SNM ABE2008-2009 EL/CIVIC ALAMO CC	84.002	GR0020068	240119	-	4,011
State of New Mexico	07-08 CARL PERKINS CARLSBAD	84.002	GR0030032	340109	-	2,815
State of New Mexico	08-09 CARL PERKINS CARLSBAD	84.002	GR0030065	340136	-	43,349
State of New Mexico	NMPED CPERKINS FY07	84.002	GR0040033	440075	-	2,670
State of New Mexico	NM HED ABE FY 08	84.002	GR0040051	440147	-	6,013
State of New Mexico	NMPED CPERKINS FY08	84.002	GR0040052	440156	-	8,592
State of New Mexico	NMPED CPERKINS FY09	84.002	GR0040082	440212	-	529,462
State of New Mexico	NM HED ELC 08-09	84.002	GR0040083	440214	-	61,043
State of New Mexico	NM PED SIGNED 6/25/08	84.002	GR0040089	440218	-	101,847
State of New Mexico	NM HED ABE 07/08	84.002	GR0050017	540059	-	(159)
State of New Mexico	NMHED ABE FY08/09 ALAMO CC	84.002	GRF020069	240120	-	65,756
State of New Mexico	NM HED ABE 07/08 FEDERAL	84.002	GRF030030	340106	-	(375)
State of New Mexico	NM HED ABE 08/09 FEDERAL	84.002	GRF030061	340128	-	92,568
State of New Mexico	NM HED ABE 08/09 FED	84.002	GRF040090	440223	-	277,123
State of New Mexico	NM HED ABE 08/09 FEDERAL	84.002	GRF050021	540083	-	48,110
State of New Mexico	ABE04-05 FED	84.002	GR0030045	340059	-	(12,608)
State of New Mexico	CPERKINS VOCATIONAL	84.xx	GR0020025	240047	-	(1,007)
State of New Mexico	TIA - RETA 05/06	84.048	GR0001674	602295	-	(32,672)
State of New Mexico	JPA #07-924-P527-0096	84.366	GR0002252	603225	97,119	34,502
State of New Mexico	NM PED IGA 08-924-0252 MC2	84.366	GR0002586	603758	294,342	1,534,053
State of New Mexico	NM PED CARL PERKINS 07/08	84.002	GR0020066	240103	-	(95)
State of New Mexico	04-924-P52700159SNM	84.300	GR0000102	602204	-	(1,103)
State of New Mexico	NM PED CARL PERKINS 08-09	84.002	GR0020070	240122	-	87,470
State of New Mexico	NMPED CARL PERKINS III REDISTRIBUTN	84.048	GR0020031	240112	-	21,653
University of Central Arkansas	UCA 420314---210509	84.116	GR0002507	603624	-	2,216
	Total EDUC Pass Through				391,461	3,265,253
	TOTAL EDUC				443,681	7,183,690
DEPARTMENT OF AGRICULTURE (USDA)						
	STATE OPS/SL-3B	10.500	GR0000002	600002	-	(13,407)

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INDIVIDUAL AWARDS - OTHER						
CSREES IMPROV ANIMAL		10.207	GR0000003	600017	-	(25,613)
SMITH-LEVER EFNEP		10.500	GR0000007	600030	-	790
SMITH-LEVER 3(B)&(C)		10.500	GR0000078	600022	-	64,901
05JV 11221615 163 USFS		10.652	GR0000504	601353	-	91,137
68-8C30-03-901 USDA		10.xx	GR0000601	600625	746,418	387,225
2003-51200-01686USDA		10.443	GR0000749	600773	-	(23,957)
01-JV-11221615-233FS		10.652	GR0000751	600775	-	50
2003-51110-01718USDA		10.303	GR0000783	600807	6,041	61,617
USDA FAS 58-3148-4-005		10.960	GR0000805	600829	-	85,280
58-3148-3-087 USDA		10.960	GR0000809	600833	-	51,267
2002-41580-01357USDA		10.500	GR0000812	600836	-	(4,840)
FMHA AG MEDIAT. FY97		10.435	GR0000836	600868	-	55,283
2004-45040-03005USDA		10.500	GR0000859	600240	-	73,751
2005-38422-15934 USDA		10.223	GR0000877	601475	(20)	42,407
58-3148-4-003USDAFAS		10.96	GR0000803	600827	-	(10,184)
58-3148-6-001 USDA FAS		10.960	GR0001129	601681	-	206,943
58-3148-6-004 USDA		10.960	GR0001295	601812	-	69
04JV11221615266 USDA		10.652	GR0001330	600491	-	78,527
STATE OPS/SL-3B		10.500	GR0001339	601836	-	6,431
CIVIL SERVICE RETIREMENT		10.207	GR0001340	601837	-	106,556
USDA STATE EFNEP YOUTH SERVICES BY		10.500	GR0001344	601841	-	30
USDA SPECIAL NEEDS		10.500	GR0001351	601843	-	(2,600)
58-3148-5-008 USDA		10.960	GR0001577	601226	-	194,926
58-3148-5-11 USDA		10.960	GR0001620	601287	-	197,888
05/06 USDA CSF SURVEILLANCE		10.025	GR0001648	602172	-	(74)
IMPROVING DIABETES CARE		10.500	GR0001729	602427	-	31,158
JUST BE IT!		10.500	GR0001803	650325	-	115,841
CSREES 2006-41581-02410		10.500	GR0001838	602602	-	93,815
USDA NRCS68-3A75-6-158		10.912	GR0002007	602866	-	9,089
STATE OPERATION FED SMITH LEVR 3B&C		10.500	GR0002018	602877	-	(39,045)
CSR AGENCY CONT FED APPROP FY07		10.207	GR0002019	602878	-	(80,942)
STATE EFNEP FY 07 FED APPROP		10.500	GR0002020	602879	-	5,107
IPM SMITH LEVER FY07		10.500	GR0002023	602882	-	1,176
RENEWAL RESOURCES RREA FY07 FED A		10.200	GR0002025	602884	-	(30,741)
USDA 12-25-G-0485		10.156	GR0002030	602889	-	(1)
CSREES 2005-37620-16393		10.304	GR0002138	603031	-	48,769
USDA/AMS 12-25-G-0534 07/08		10.156	GR0002260	603254	-	453
USDA CSREES 2007-41580-03786		10.500	GR0002282	603286	-	57,340
USDA/CSREES 2007-51200-03800		10.443	GR0002304	603319	-	188,967
USDA/CSREES 2007-51110-03813		10.303	GR0002338	603380	31,234	31,874
USDA/APHIS 07/08 07-9419-0094-CA		10.025	GR0002356	603410	-	10,721
STATE OPERATION FED SMITH LEVR 3B&C		10.500	GR0002397	603464	-	682,463
STATE EFNEP FY 08 FED APPROP		10.500	GR0002399	603466	-	120,339
FARM SAFETY FY08 FED APPROP		10.200	GR0002400	603467	-	4,224
SPCL NEEDS SMITH LVR 3B FED AP FY08		10.500	GR0002401	603468	-	(48,495)
IPM SMITH LEVER FY08		10.500	GR0002402	603469	-	54,986
RENEWAL RESOURCES RREA FY08 FED A		10.200	GR0002404	603471	-	52,307
PSEP FY08 FED APPROP SMITH LEVER		10.200	GR0002405	603472	-	12,464
USDA ERS 58-3000-7-0093		10.250	GR0002423	650424	-	7,751
USDA 58-3148-7-183		10.962	GR0002444	603517	-	46
USDA-NRCS #67-8C30-7-0017		10.912	GR0002467	650450	(746,418)	(251,891)
USDA 12-25-G-0559		10.156	GR0002474	650437	-	8,716
USDA FAS 58-3148-8-024		10.960	GR0002515	603633	-	190,566
USDA 12-25-A-4877		10.163	GR0002529	603650	-	35,146
USDA-APHIS 08-8580-0814-CA		10.025	GR0002583	650464	-	9,692
USDA/APHIS/PPQ 08-8580-0609-CA CORE		10.025	GR0002584	603756	-	49,230
USDA/APHIS/PPQ 08-8580-1100-CA		10.025	GR0002589	650467	-	9,425
USDA CSREES 2008-45040-04326		10.500	GR0002643	603845	-	205,205

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INDIVIDUAL AWARDS - OTHER						
	USDA/CSREES 2008-51200-19292	10.443	GR0002680	603898	-	182,985
	USDA AMS 12-25-B-0660	10.155	GR0002685	603904	-	114,950
	USDA CSREES 2008-38411-19105	10.217	GR0002696	650490	55,288	88,893
	USDA/CSREES 2008-45043-04469 DIABET	10.500	GR0002699	603926	-	43,743
	USDA/APHIS 08-9508-0217-CA SURVEILL	10.025	GR0002727	603967	-	235,835
	USDA 12-24-B-0804	10.155	GR0002759	604008	-	18,664
	STATE OPERATION FED SMITH LEVR 3B&C	10.500	GR0002781	604039	-	1,343,318
	STATE EFNEP FY 09 FED APPROP	10.500	GR0002783	604041	-	301,406
	SPCL NEEDS SMITH LVR 3B FED AP FY09	10.500	GR0002785	604043	-	48,290
	RENEWAL RESOURCES RREA FY09 FED A	10.200	GR0002788	604046	-	37,525
	PSEP FY09 FED APPROP SMITH LEVER	10.200	GR0002789	604047	-	6,483
	USDA/APHIS 08-9419-0094-CA 8/9	10.025	GR0002818	604091	-	2,111
	USDA FSIS-C-15-2008/01 00	10.477	GR0002839	604124	-	13,056
	USDA NRCS 67-8C30-08-0017	10.902	GR0002887	650519	-	1,654
	08/09 USDA 12-25-A-5064	10.163	GR0002890	604203	-	36,843
	USDA-FAS 58-3148-9-009 NATUR RESOUR	10.960	GR0002917	604243	-	275,548
	USDA/APHIS 08-7100-0123-CA	10.028	GR0002920	604246	-	12,000
	USDA/CSREES EXTENSION IPM	10.500	GR0002980	604337	-	2,479
	Total USDA Direct				92,543	5,975,941
Pass Through USDA						
AgForce Inc	AgFORCE Inc. EDUCATION & TRAING PRO	10.455	GR0002560	603701	-	14,730
Auburn University	AUBURN UNIV 08-HHP-37464-0020	10.500	GR0002698	603925	-	5,097
Colorado State University	CSU G-1419-2 COOKING W KIDS:CLASS	10.206	GR0002976	604333	-	4,827
Cornell University	CORNELL UNI#57099-8829 HEALTH CHOIC	10.250	GR0002909	604231	-	10,346
Gila Forest Permittee's Association	GFPA EASTERN GILA FOREST & COMMUN	10.679	GR0002905	650525	-	4,610
Kansas State University	KSU S08061 2008 4-H MILITARY	10.500	GR0002522	603640	-	24,205
National 4-H Council	4-H ATV SAFETY GAME	10.500	GR0002948	604285	-	86,300
North Carolina State University	NCSU 2007-0376-28	10.500	GR0002330	603370	-	4,856
Purdue University	PU 598-0479-01	10.304	GR0002133	603025	38,500	86,379
Regents of the University of California	UC DAVIS 08-001136-NMSU1	10.200	GR0002795	604053	-	59,877
Regents of the University of California	UC SUB 0600105	10.500	GR0002516	603634	-	47,449
State of Arizona	Y542283 U OF ARIZONA	10.500	GR0000815	600839	-	76,828
State of New Mexico	GSA04-17 NMHSD	10.xx	GR0000820	600844	-	(2,201)
State of New Mexico	0463094600417SNM	10.550	GR0000146	600103	-	(902)
State of New Mexico	SNM 04-630-9460-04-17 A-3	10.550	GR0001842	650336	-	884
State of New Mexico	SNM 04-630-9460-04-17 A5	10.550	GR0002468	603555	22,739	19,436
State of New Mexico	GSA09-630-9000-0024 NMHSD	10.550	GR0002630	650478	758,594	2,229,995
State of New Mexico	0169 NMCYFD	10.558	GR0001215	601751	-	22,050
State of New Mexico	NMCYFD #0169 FY09-11	10.558	GR0002857	604153	-	69,505
State of New Mexico	SNM CYFD 3143 SUMMER FOOD PROG 200	10.559	GR0002453	603532	-	(211)
State of New Mexico	NMCYFD 3179	10.559	GR0002618	603806	-	4,146
State of New Mexico	3070 NM CYFD SUMMER FOOD PROG 08	10.559	GR0002620	603809	-	5,647
State of New Mexico	SNM CYFD V77949 SUMMER FOOD 2008	10.559	GR0002736	603979	-	10,696
State of New Mexico	05199000450 SNM	10.664	GR0001203	601743	-	22,419
State of New Mexico	06 199 000456 SNM	10.664	GR0001217	601747	-	63,340
Texas A&M University	TAMU 450010 TX A & M	10.350	GR0000330	600874	-	53,235
Texas A&M University	TAMU AgriLife 628005	10.500	GR0002806	604064	-	147,025
Texas A&M University	628001 TX A M	10.500	GR0001008	601557	-	26,213
Texas A&M University	TCE 620002	10.500	GR0002126	603017	-	4,632
Texas A&M University	TAMU TCE IRAQ-3	10.500	GR0002208	603130	-	157,461
Texas A&M University	TEXAS A&M #650001 EPA SPECIAL TOPIC	10.500	GR0002801	604058	-	39,577
Texas A&M University	TAMU #461005 PHASE II COMMUNICATION	10.960	GR0003003	604385	-	10,167
United Sorghum Checkoff Program Board	USCP R0008-09	10.xx	GR0002963	604308	-	2,539
University of Arkansas at Pine Bluff (UAPB)	UNIV OF ARK 229-430217	10.216	GR0002200	603116	-	9,847
University Of California	USDA-CSREES07-002558-08	10.304	GR0002486	603580	-	34,512
University of Minnesota	Q4299055501 UOF MINN	10.500	GR0000703	602083	-	25,711

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INDIVIDUAL AWARDS - OTHER						
University of Wyoming	UTSTUNV46460NM	10.500	GR0002128	603019	-	1,841
University of Wyoming	UTSTUNV46465NM FY2007	10.500	GR0002434	603506	-	9,135
University of Wyoming	UOW UTSTUNV46466NM IMPLE SARE 2008	10.500	GR0002926	604256	-	4,952
Utah State University	USU 080019038	10.215	GR0002803	604061	-	9,300
Washington State University	WSU G002016 (OGRD #11838)-90	10.500	GR0001892	602683	-	30,182
Washington State University	WSU G002362	10.500	GR0002671	603887	-	51,789
Total USDA Pass Through					819,833	3,488,426
TOTAL USDA					912,376	9,464,367
AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)						
	90DAYWVR USAID 306-A-00-08- AWATT	98.012	GR0002569	603713	1,356,432	3,973,553
Total USAID Direct					1,356,432	3,973,553
Pass Through USAID						
Association Liaison Office	2005 ALO-TIES	98.012	GR0001594	650422	-	1,737
Development Alternatives Inc (DAI)	DAI PO 6586	98.xxx	GR0002555	603692	-	8,273
State of Arizona	Y404192 UNIV ARIZONA	98.001	GR0000728	600752	-	220,621
Winrock International Institute Of Agricultural Development	5517-04-02WNRCK INTL	10.001	GR0000699	602082	-	18,506
Total USAID Pass Through					-	249,137
TOTAL USAID					1,356,432	4,222,690
NATIONAL SCIENCE FOUNDATION (NSF)						
	DUE-0422518 NSF	47.076	GR0000045	600069	-	1,991
	ATM-0404944 NSF	47.050	GR0000271	602233	-	28,151
	DUE-0402572 NSF ATE	47.076	GR0000356	602282	97,306	105,044
	DBI-0451557 NSF	47.074	GR0000869	600121	-	26
	HRD-0331446 **REPLACED GR1939**	47.076	GR0001316	601938	-	12
	NSF EEC-0438715	47.041	GR0001432	601890	(15,350)	(7,567)
	HRD-0436071 NSF	47.076	GR0001478	601064	10,555	10,555
	NSF DUE-0536210 CCLI GRASP	47.076	GR0001759	440141	-	13,996
	REACHING PINNACLE NSF HRD	47.076	GR0001980	440229	-	7,106
	NSF HRD0331446	47.xxx	GR0001995	602850	54,821	221,401
	NSF SBE-0620112	47.075	GR0002117	602998	32,954	173,105
	NSF ESI-0639269	47.076	GR0002177	603088	20,689	269,952
	NSF DBI-0852044	47.074	GR0002954	604294	-	18,828
Total NSF Direct					200,975	842,600
Pass Through NSF						
Brevard Community College	BCC SPACETEC	47.076	GR0040046	440235	-	12,673
Institute For Global Environmental Strategies	IGES 071020 RITESONLINE II	47.050	GR0002285	603296	-	4,377
Institute Of Advanced Study	9900969-05 IAS	47.049	GR0000888	600272	-	4,771
Institute Of Advanced Study	IAS 7445-2307	47.049	GR0002140	603034	-	16,979
Iowa State University	420-40-50 ISU	47.076	GR0001035	601595	-	128,262
University of New Mexico	UNM 048552-8745	47.076	GR0002661	603877	-	40,000

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INDIVIDUAL AWARDS - OTHER						
Utah State University	USU 08064802	47.076	GR0002854	604150	-	342
		Total NSF Pass Through			-	207,404
		TOTAL NSF			200,975	1,050,004
DEPARTMENT OF ENERGY (DOE)						
	PO 202165 SANDIA	81.xxx	GR0000064	600478	-	(427)
	SNL FELWSHP TILLERY	81.xxx	GR0000171	603599	-	(51)
	LANL 220293000053C MBA	81.xxx	GR0001970	602836	-	52,924
	DOE/NNSA DE-FG52-07NA28084	81.123	GR0002439	603511	-	534,597
	LANL 56155-001-08	81.xxx	GR0002489	603923	-	2,000
	USDOE DE-NT0004397	81.089	GR0002819	604092	-	187,731
		Total DOE Direct			-	776,774
Pass Through DOE						
Carlsbad Community Development Corporation	CCDC BUILDING TRADES PROG	81.xxx	GR0030031	340108	-	50,298
		Total DOE Pass Through			-	50,298
		TOTAL DOE			-	827,072
ENVIRONMENTAL PROTECTION AGENCY (EPA)						
	U-9162400-0 EPA	66.607	GR0000062	600086	-	677
	05/06 EPA E006653-06-1	66.700	GR0000742	650256	-	(5)
	E-00665307 0607 EPA AWARD	66.700	GR0001958	602799	-	(2,629)
	EPA EP 076000127 ON-SITE WASTEWATER	66.xxx	GR0002345	603386	-	25,158
	EPA E-006653-08-1 07/08 AWARD	66.700	GR0002349	603393	-	99,054
	08/09 EPA AWARD	66.700	GR0002704	603931	-	343,567
	EPA 08/09 BUILDING IPM	66.700	GR0002767	604018	-	27,610
	T-96664101 WASTEWATER 07/08 EPA	66.467	GR0040066	440196	-	7,847
		Total EPA Direct			-	501,279
Pass Through EPA						
State of New Mexico	SNM ENVIR DEPT ITA 3634	66.xxx	GR0002167	603071	-	10,839
State of New Mexico	SNM ENVIR DEPT PSC 08-667-1000-0003	66.xxx	GR0002508	603625	-	39,001
State of New Mexico	05 667 5000 0017 EPA	66.419	GR0040012	440145	-	113,469
		Total EPA Pass Through			-	163,309
		TOTAL EPA			-	664,588
DEPARTMENT OF LABOR (DOL)						
	US DOL CB-17323-08-60-A-35	17.262	GR0030035	340120	-	87,084
	US DOL CS-17348-08-60-A-35	17.262	GR0040068	440206	-	291,794
		Total DOL Direct			-	378,878
Pass Through DOL						
Eastern Area Workforce Development Board	EAWDB OSC 07-08-NMSU-LC WIA	17.260	GR0002318	603354	-	(252)
Eastern Area Workforce Development Board	WIA OSC 06/07 NMSU-C	17.260	GR0030016	340069	-	(3,858)
Eastern Area Workforce Development Board	EAWDB OSC 07/08 NMSU-C WIA	17.260	GR0030028	340102	-	(576)
Eastern Area Workforce Development Board	EAWDB OSC 08/09 NMSU-C WIA	17.260	GR0030037	340126	-	149,765
Eastern Area Workforce Development Board	EAWDB OSC 05-06 NMSU ALAMO	17.260	GR0002003	602862	-	171
Eastern Area Workforce Development Board	WIA OSC 08/09 NMSU-A	17.260	GR0020032	240113	-	87,830
Family And Youth Inc Americorp	DONA ANA/WIA/SWRPY06/Y001/PSADABC	17.259	GR0040049	440143	-	(1,018)

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INDIVIDUAL AWARDS - OTHER						
Family And Youth Inc Americorp	WIA/SWR-PY06-001 EXT2/PSADACC	17.259	GR0040092	440227	-	31,497
		Total DOL Pass Through			-	263,559
		TOTAL DOL			-	642,437
SMALL BUSINESS ADMINISTRATION (SBA)						
	SBAHQ-06-I-0094	59.037	GR0002155	603587	-	380,329
	USSBA SBAHQ-08-I-0065	59.007	GR0002817	604090	-	133,796
		Total SBA Direct			-	514,125
Pass Through SBA						
State of New Mexico	SBDC 07-603001-Z-0032-19	59.037	GR0020065	240101	-	(181)
State of New Mexico	SBDC 07/08	59.037	GR0030030	340105	-	(74)
State of New Mexico	7-603001-Z-0032-19 SNM SBDC FY08	59.037	GR0040055	440179	-	21,549
State of New Mexico	NMSBDC 8-603001-Z-0032-20	59.037	GRF020067	240117	-	17,759
State of New Mexico	NMSBDC 8-603001-Z-0032-20	59.037	GRF030090	340122	-	17,775
State of New Mexico	8-603001-Z-0032-20	59.037	GRF040084	440216	-	17,704
State of New Mexico	NMSBDC 8-603-001-Z-0032-20	59.037	GRF050022	540085	-	17,732
		Total SBA Pass Through			-	92,264
		TOTAL SBA			-	606,389
DEPARTMENT OF HOMELAND SECURITY (DHS)						
	NM-OEM 2005-GE-T5-0012-NMSU	20.215	GR0002236	603177	-	205,731
	NMDHSEM 2004-GE-T4-0005 FY08	97.004	GR0002572	603718	-	62,413
	NMDHSEM 2006-GE-T6-0064 08/09	97.006	GR0002772	604025	-	259,573
		Total DHS Direct			-	527,717
Pass Through DHS						
University of Minnesota	NCFPD LETTER DATED 8/18/08	97.104	GR0002731	603971	-	47,801
		Total DHS Pass Through			-	47,801
		TOTAL DHS			-	575,518
DEPARTMENT OF JUSTICE (DOJ)						
	OJP-DOJ 2007-WR-AX-0084	16.589	GR0002469	603556	-	243,435
	DEAHIDTA US DOJ OVERTIME REIMBURSE	16.592	GR0001323	601830	-	(2,180)
	DEA/HIDTA MK-05-0074 DOJ	16.592	GR0001758	602646	-	4,000
	DEA/HIDTA FY2007 FUNDS RECEIVED	16.592	GR0001947	602784	-	9,773
	DEA FORFEITURE FUNDING FY08/09	16.001	GR0002665	603882	-	27,614
	FY08 HIDTA OT REIMBURSEMENT	16.xxx	GR0002812	604080	-	2,086
	FY09 HIDTA OT REIMBURSEMENT	16.xxx	GR0002836	604121	-	14,359
	FY2004BVP/DOJ	16.001	GR0000800	600181	-	2,510
	2003-JS-FX-0074 DOJ	16.541	GR0000723	602366	-	95,725
	2002-SI-FX-0001 DOJ	16.542	GR0000962	601437	-	2
	DEA FORFEITURE FUNDING FY08	16.001	GR0002344	603385	-	19,812
		Total DOJ Direct			-	417,136
Pass Through DOJ						
State of New Mexico	CYFD 09-690-8333 UNDERAGE DRINK LAW	16.727	GR0002923	604254	-	11,413
		Total DOJ Pass Through			-	11,413
		TOTAL DOJ			-	428,549
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)						
	NNG05GE97H NASA	43.001	GR0000182	450015	-	15,612
	SATOP RTA#1138 NASA	43.xxx	GR0000402	602329	-	2,000

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INDIVIDUAL AWARDS - OTHER						
	SATOP # 2016 AVIATOR HEADSET	43.001	GR0001686	602330	-	(40)
	RTA 2259 SATOP	43.001	GR0001739	602445	-	(408)
	SATOP RTA 2192/NASA	43.001	GR0001747	602453	-	(1)
	NASA GRANT NNJ05JL46G	43.001	GR0001762	602467	-	1,005
	SATOP #2588	43.xxx	GR0002012	602870	-	1,625
	Total NASA Direct				-	19,793
Pass Through NASA						
American Institute of Physics	90DAYWAIVRSPS AIP STUDENT SCHOLAR	43.001	GR0002422	603492	-	6,193
JACOBS TECHNOLOGY INC	JACOBS TECH COOP ED	43.001	GR0040054	440168	-	58,442
Paragon TEC	NAS3-02123-SNM	43.001	GR0000849	600904	-	12,494
Paragon TEC	PARAGON TEC NNC07CB50C SEMAA 08-09	43.001	GR0002712	603946	-	144,857
University of Texas	26-1204-08-A UTEP	43.xxx	GR0000280	600304	-	(102)
	Total NASA Pass Through				-	221,884
	TOTAL NASA				-	241,677
DEPARTMENT OF INTERIOR (DOI)						
	04-FG-40-2188 DOI/BO	15.504	GR0001109	600319	-	6,472
	04-CS-40-8082 DOI	15.xxx	GR0001443	601240	-	(32)
	BIA CMK16080003 WATER RES 07	15.037	GR0002604	603785	-	55,523
	NPS J7810080012	15.915	GR0002714	603948	-	12,194
	DOI NPS J2120070112	15.916	GR0002751	604001	-	18,569
	DOI CMK16090003	15.037	GR0003010	604395	-	3,758
	Total DOI Direct				-	96,484
Pass Through DOI						
America View, Inc.	AMERICA VIEW, INC. 07/08	15.xxx	GR0002371	603430	-	772
	Total DOI Pass Through				-	772
	TOTAL DOI				-	97,256
DEPARTMENT OF COMMERCE (DOC)						
	NOAA NA07OAR4310407	11.431	GR0002372	603432	-	93,005
	Total DOC Direct				-	93,005
	TOTAL DOC				-	93,005
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS)						
Pass Through CNCS						
Colleges	AACC Letter 02_12_08	94.005	GR0002543	603675	-	9,311
College formerly TVI	CNM 2136-8224C	14.248	GR0050013	550007	-	32,813
	Total CNCS Pass Through				-	42,124
	TOTAL CNCS				-	42,124
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)						
	HSIAC-04-NM-18	14.513	GR0040078	440013	-	3,827
	Total HUD Direct				-	3,827
Pass Through for HUD						
National Center for Healthy Housing	NCHH-08-1154	14.906	GR0002692	603912	-	13,000
	Total HUD Pass Through				-	13,000
	TOTAL HUD				-	16,827

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INDIVIDUAL AWARDS - OTHER						
DEPARTMENT OF TRANSPORTATION (DOT)						
	US DOT DDEHSI-08-X-00203A E FELLOWS	20.215	GR0002678	603896	-	7,500
	Total DOT Direct				-	7,500
	TOTAL DOT				-	7,500
NATIONAL ENDOWMENT FOR THE ARTS (NEA)						
	NEH LR-50010-09 SOUL OF A PEOPLE	45.164	GR0002885	604196	-	2,500
	Total NEA Direct				-	2,500
	TOTAL NEA				-	2,500
DEPARTMENT OF DEFENSE (DOD)						
	2005 REAP AAS	12.431	GR0000381	601126	-	(479)
	AFROTC UNIFORM	12.800	GR0000515	600539	-	(6,255)
	Total DOD Direct				-	(6,734)
Pass Through DOD						
Academy of Applied Science	AASc 08-12 REAP 2008	12.431	GR0002607	603788	-	1,718
Academy of Applied Science	AASc 08-13 REAP 2008	12.431	GR0002608	603789	-	1,821
	Total DOD Pass Through				-	3,539
	TOTAL DOD				-	(3,195)
	TOTAL INDIVIDUAL AWARDS - OTHER				3,603,967	46,222,523
	TOTAL EXPENDITURES OF FEDERAL AWARDS				23,171,188	173,029,818

New Mexico State University
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

Schedule 7

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

Federal Awards:	
Federal Appropriations, Grants and Contracts	\$ 157,113,319
Portion of Capital Grants, Gifts and other Income related to Federal Awards	<u>389,738</u>
	157,503,057
Plus reconciling items:	
Indirect cost recovered	15,266,549
Net excess expenditures incurred over revenues recognized	<u>260,212</u>
Federal Expenditures per Schedule 5	<u><u>\$ 173,029,818</u></u>

Notes to Schedule of Expenditures of Federal Awards

- Note A:** Significant Accounting Policies:
The accompanying Schedule of Expenditures of Federal Awards follows the accounting policies presented in Note 2 of the Notes to Financial Statements.
- Note B:** Guaranteed Student Loan Program, CFDA # 84.032. During the fiscal year ending June 30, 2009, the University processed \$77,247,602 in new loans under the Guaranteed Student Loan Program (which includes Stafford Loans and Parents' Plus Loans).
- Note C:** During the fiscal year ending June 30, 2009, the value of federal funds made available in the form of non-cash assistance totaled \$75,684.
- Note D:** Federal Perkins Loan Program, CFDA # 84.038. Perkins loans awarded for the year ending June 30, 2009 totaled \$2,325,300. As of June 30, 2009, the outstanding student loan balances under the Federal Perkins Loan Program was \$14,854,073.

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

To the Board of Regents
New Mexico State University and
Mr. Hector Balderas
New Mexico State Auditor

We have audited the financial statements of the business-type activities and the discretely presented component unit of New Mexico State University ("University") as of and for the year ended June 30, 2009. We have also audited the combining statements of net assets – primary institution as of June 30, 2009, and the combining statements of revenues, expenses and changes in net assets – primary institution for the year then ended, and the budget comparison for the year ended June 30, 2009, and have issued our report thereon dated November 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the University's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the University's internal control.

To the Board of Regents
New Mexico State University and
Mr. Hector Balderas
New Mexico State Auditor

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

We noted certain matters that are required to be reported under section 12-6-5 NMSA 1978 which is described in the accompanying schedule of findings and questioned costs as item 07-04.

The University's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Regents, management, the New Mexico State Auditor, and applicable federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
November 3, 2009

**Report on Compliance With
Requirements Applicable to Each Major Program
And on Internal Control over Compliance in
Accordance with OMB Circular A-133**

To the Board of Regents
New Mexico State University and
Mr. Hector Balderas
New Mexico State Auditor

Compliance

We have audited the compliance of New Mexico State University (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, New Mexico State University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09-01 to 09-03.

Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures

To the Board of Regents
New Mexico State University and
Mr. Hector Balderas
New Mexico State Auditor

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness as defined below. However, as described below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-01 and 09-02 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The University's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Regents, management, the New Mexico State Auditor and applicable federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
November 3, 2009

**NEW MEXICO STATE UNIVERSITY
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

07-02 Lack of Controls over Office of Facilities and Services (OFS)

Current Status: Resolved.

07-04 Budget Overages

Current Status: Revised and repeated.

**NEW MEXICO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

Part I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes None Reported
- Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness(es) Yes None reported

Type of auditors' report issued on compliance for major programs

Unqualified

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

Yes No

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster
98.012	Afghanistan Water, Agriculture, and Tech Transfer

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

\$ 3,000,000

Auditee qualified as low-risk auditee?

Yes No

**NEW MEXICO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

Part II—Financial Statement Findings Section

The audit disclosed no findings required to be reported.

Part III—Federal Award Findings and Questioned Costs Section

09-01 Student Financial Aid – Return to Title IV

Federal program information:

Funding agency: U.S. Department of Education
Title: Student Financial Aid Cluster
CFDA Number: Various

CONDITION

During our testwork of the Student Financial Aid program, we determined that the NMSU did not properly calculate the days for scheduled breaks for Return of Title IV.

This resulted in the percentage of aid earned for both Fall/Spring Return of Title IV students to be improperly calculated.

- Seven of the 25 students tested resulted in an underpayment to the Department of Education.
- One of the 25 students tested was not identified within the required timeframe as being an unofficial withdrawal, which resulted in Title IV funds not being returned within the required timeframe.

CRITERIA

Per 34 CFR section 668.22(e)(2), the amount of earned Title IV grant or loan assistance is calculated by determining the percentage of Title IV grant or loan assistance that has been earned by the student and applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student for the payment period or period of enrollment as of the student's withdrawal date. A student earns 100 percent if his or her withdrawal date is after the completion of more than 60 percent of (1) the calendar days in the payment period or period of enrollment for a program measured in credit hours.

Additionally, per 34 CFR section 668.22(f), the percentage of the payment period completed or period of enrollment completed is determined in the case of a program that is measured in: (1) credit hours, by dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date; (2) clock hours, by dividing the total number of clock hours in the payment period or period of enrollment into the number of clock hours scheduled to be completed as of the student's withdrawal date. The total number of calendar days in a payment or enrollment period includes all days within the period, except that institutionally scheduled breaks of at least 5 consecutive calendar days and days in which the student was on an approved leave of absence are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period.

Per 34 CFR section 668.22(j), an institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the: (1) payment period or period of enrollment, (2) academic year in which the student withdrew, or (3) educational program from which the student withdrew.

**NEW MEXICO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

Lastly, per 34 CFR section 668.173(b), returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers initiated to ED or the appropriate FFEL lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew.

QUESTIONED COSTS

This error resulted in a net underpayment to the Department of Education of \$255. This error was not extrapolated to the entire population since the amount of error is unpredictable.

EFFECT

Improper calculation of days for scheduled breaks could result in incorrect refunding of federal funds. Also, failure to identify unofficial withdrawals could result in underpayment or overpayment to the Department of Education.

CAUSE

NMSU did not properly exclude days for scheduled breaks. Additionally, existing controls failed to identify one unofficial withdrawal.

RECOMMENDATION

We recommend the University ensure that the review process is designed to capture errors in the inclusion and/or exclusion of days for scheduled breaks and all withdrawals.

MANAGEMENT RESPONSE

The documentation for the Banner form which defines break periods states: "All consecutive days (including weekends) must be entered within any vacation period for this feature to function correctly". In accordance with the documentation and our interpretation, the Thanksgiving break was entered as 9 days (M-F + prior and following weekends). The auditor stated the number of days should be 5. We concur with the auditor's findings and as a result the number of days for the spring vacation has been set to 5 days.

09-02 Student Financial Aid – Student Status Changes

Federal program information:

Funding agency: U.S. Department of Education
Title: Student Financial Aid Cluster
CFDA Number: Various

CONDITION

During our testwork of the Student Financial Aid program, we determined that, in nine of 25 students tested, status changes were not reported to the National Student Loan Data System and in one of 25 students tested, the students status change was not reported within the required timeframe.

CRITERIA

Under the FFEL program, an 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

**NEW MEXICO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

electronically through the batch method or the NSLDS web site. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer.

QUESTIONED COSTS

None.

EFFECT

Failure to report student status changes results in non-compliance with federal requirements.

CAUSE

The University places reliance on the National Student Clearinghouse to report changes in student status. There does not appear to be a verification process in place to ensure that all students are reported and that required changes are reported accurately to NSLDS.

RECOMMENDATION

We recommend the University implement procedures ensuring adequate review of data reported to NSLDS to ensure that student status changes are being recorded in accordance with federal requirements.

MANAGEMENT RESPONSE

The Banner process eliminates students from the Clearinghouse file if the student does not have a current, active address. Despite attempts to gather as many addresses as possible (we look for AD, BI, MA, UM, P1, P2 address types), some students do not have a current, active address. We are in agreement with the auditor's findings and therefore have instituted a new LK (last known) address type that is populated when a student has no other current, active address. This satisfies the Banner process, and the student is reported to the Clearinghouse.

09-03 Research and Development Cluster – Period of Availability

Federal Program Information:

Funding Agency: Department of Health and Human Services
Title: Improving Safety of Fresh Fruits and Vegetables
CFDA Number: 93.103

CONDITION

During our tests of Research and Development Cluster Period of Availability, one grant of 25 tested had expenditures outside of the period of availability for the funds. CFDA #93.103, Improving Safety of Fresh Fruits and Vegetables, charged payroll expenses of \$2,430 that were incurred in July 2009, when the period of availability for the grant ended June 30, 2009.

This amount was billed to the Federal agency and subsequently paid by the Federal agency.

CRITERIA

Per 2 CFR Section 215.28, Period of Availability of Funds, "Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency."

**NEW MEXICO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

QUESTIONED COSTS

The error resulted in \$2,430 of costs outside the funding period being paid by the awarding agency.

EFFECT

The University over-billed the Federal granting agency.

CAUSE

It is the responsibility of the fiscal monitor assigned to the grant to ensure that no costs outside the funding period are charged to the grant. In this instance, there was an oversight on the part of the fiscal monitor.

RECOMMENDATION

We recommend that the University ensure that the review process is operating as designed, and consider additional procedures that would prevent charges outside the funding period from being charged to the grant.

MANAGEMENT RESPONSE

Management agrees that the charges were billed in error, and has refunded the overbilled amount. University policy calls for 100% fiscal monitor review of the expenses charged to sponsored accounts. Expenditures are reviewed before being charged, with the exception of Payroll charges resulting from the initial assignment of staff to an award. All transactions which post to the account are manually reviewed and placed on hold preventing unallowable costs or expense outside the period of performance from being billed to the agency.

Part IV—Other Findings and Recommendations

07-04 Budget Overages

CONDITION

The University exceeded its approved budget for "Research" category in the Restricted budget by \$3,934,663.

CRITERIA

Per Title 5 of the New Mexico Administrative Code, Chapter 3, part 4, paragraph 10, total expenditures of certain budgetary totals may not exceed the amount in the approved budget.

CAUSE

Budget Adjustment Reports submitted to the state were based on annualized revenues received through March and late receipt of Research revenues caused more expenses than anticipated.

EFFECT

The University has not complied with budgetary compliance requirements for the "Research" budget categories as presented in the Budget Comparison – Restricted – Non Instruction and General schedule in the financial statements.

RECOMMENDATION

We recommend that budget and actual expenditures be monitored regularly to avoid over expenditures.

**NEW MEXICO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

MANAGEMENT RESPONSE

In accordance with the Higher Education Department (HED) – Institutional Operating Budget Instructions for FY09, budgeted revenues and expenditures were adjusted to approximate estimated actual for submission to HED. The University will ensure estimates are more precise on a functional line item level and that no unfavorable budget variances result in future years.

New Mexico State University
Exit Conference
For the Year Ended June 30, 2009

A closing conference was held on October 21, 2009, to discuss the current audit report and current and prior year auditors' comments. The parties agreed to the factual accuracy of the comments contained herein. In attendance were the following individuals:

Representing the Board of Regents for New Mexico State University

Laura M. Conniff	Secretary-Treasurer
Isaac Pino	Member

Representing New Mexico State University

Manuel T. Pacheco	Interim President
Waded Cruzado	Executive Vice President and Provost
Jennifer Taylor	Senior Vice President for Business, Finance and Human Resources
Angela Throneberry	Associate Vice President for Business, Finance and Human Resources
Lorin Gobble	Controller
Brenda Shannon	Director of Audit Services
Robert N. Franklin	Vice President for University Advancement
Tina Byford	Assistant Vice President for University Advancement
Minerva Rivera	Senior Financial Officer for Vice President of Economic Development
Kevin Boberg	Chief Executive Officer for Arrowhead
Bruce Kite	General Counsel

Representing Moss Adams LLP

Scott Eliason	Partner
Marlena Parker	Manager

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