

**EASTERN NEW  
MEXICO  
UNIVERSITY  
FOUNDATION**

**(A COMPONENT UNIT OF  
EASTERN NEW MEXICO  
UNIVERSITY)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2008**

Moss Adams LLP  
6100 Uptown Blvd NE Suite 400  
Albuquerque, New Mexico  
(505) 830-6200

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### EASTERN NEW MEXICO UNIVERSITY FOUNDATION

(A Component Unit of Eastern New Mexico University)

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**STATE OF NEW MEXICO**  
**EASTERN NEW MEXICO UNIVERSITY FOUNDATION**  
**(A Component Unit of Eastern New Mexico University)**

**Official Roster**

**June 30, 2008**

**Executive Committee**

Mr. Stephen Doerr	President	Portales, New Mexico
Mr. Lee Black	Vice President	Albuquerque, New Mexico
Dr. Renee Neely	Secretary	Portales, New Mexico
Dr. Buck Wilson	Treasurer	Portales, New Mexico
Ms. Noelle Bartl	Executive Director	Portales, New Mexico
Dr. Albert Bettina	Director	Portales, New Mexico
Ms. Ruth Blankenship	Director/Alumni President	El Paso, Texas
Mr. Charles Britton	Regent Representative	Portales, New Mexico
Dr. Jo Nell Brooks	Director	Portales, New Mexico
Dr. Patrice Caldwell	Director	Portales, New Mexico
Ms. Julie Canon	Director	Lubbock, Texas
Mr. Larry Combs	Director	Portales, New Mexico
Ms. Anna Crook	Director	Clovis, New Mexico
Ms. Dora Dominguez	Director	Las Cruces, New Mexico
Dr. Thurman Elder	Director	Portales, New Mexico
Mr. Ray Hammond	Director	Albuquerque, New Mexico
Ms. Niki Harmon	Director	Clovis, New Mexico
Ms. Janie Moberly	Director	Clovis, New Mexico
Mr. Duane Ryan	Director	Portales, New Mexico
Dr. Gene Walker	Director	Clovis, New Mexico
Ms. Melveta Walker	Director	Portales, New Mexico
Ms. Paige Ware	Director	Amarillo, Texas
Mr. Jerry Wright	Director	El Paso, Texas
Dr. Steven Gamble	Ex-Officio	Portales, New Mexico
Mr. Scott Smart	Ex-Officio	Portales, New Mexico

## Independent Auditors' Report

T 505-830-6200  
F 505-830-6282

Board of Directors  
Eastern New Mexico University Foundation and  
Mr. Hector Balderas  
New Mexico State Auditor

We have audited the accompanying statement of financial position of Eastern New Mexico University Foundation (Foundation) (a component unit of Eastern New Mexico University) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Foundation'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. An audit also includes 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2008 and 2007, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2008 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

*Moss Adams LLP*

Albuquerque, New Mexico  
November 15, 2008

**EASTERN NEW MEXICO UNIVERSITY FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2008 and 2007**

	2008	2007
<b>ASSETS</b>		
Assets		
Cash and cash equivalents	\$ 598,200	579,895
Other assets	68,367	58,271
Investments	6,572,637	7,127,650
Investments held in charitable gift annuity agreements	572,892	350,000
	<u>7,812,096</u>	<u>8,115,816</u>
<b>Total assets</b>		
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ -	7,296
Gift annuities payable	312,546	-
	<u>312,546</u>	<u>7,296</u>
Net Assets		
Unrestricted	766,409	1,413,286
Temporarily restricted	1,400,883	1,651,792
Permanently restricted	5,332,258	5,043,442
	<u>7,499,550</u>	<u>8,108,520</u>
<b>Total net assets</b>		
<b>Total liabilities and net assets</b>	<u>\$ 7,812,096</u>	<u>8,115,816</u>

*See Notes to Financial Statements.*

EASTERN NEW MEXICO UNIVERSITY FOUNDATION  
 STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue and Other				
Contributions	\$ 126,629	452,288	288,816	867,733
Interest and dividends	45,429	133,299	-	178,728
Net realized and unrealized losses on investments	(103,524)	(425,284)	-	(528,808)
Other income	26,030	-	-	26,030
Net assets released from restrictions Satisfaction of program restrictions	411,212	(411,212)	-	-
<b>Total support, revenue and other</b>	<b>505,776</b>	<b>(250,909)</b>	<b>288,816</b>	<b>543,683</b>
Expenses				
Program services	611,212	-	-	611,212
Scholarships	352,537	-	-	352,537
Institutional support	19,650	-	-	19,650
Legislative	110,297	-	-	110,297
General and administrative	52,592	-	-	52,592
Fundraising	6,365	-	-	6,365
Investment fees				
<b>Total expenses</b>	<b>1,152,653</b>	<b>-</b>	<b>-</b>	<b>1,152,653</b>
<b>Change in net assets</b>	<b>(646,877)</b>	<b>(250,909)</b>	<b>288,816</b>	<b>(608,970)</b>
Net assets, beginning of year	1,413,286	1,651,792	5,043,442	8,108,520
<b>Net assets, end of year</b>	<b>\$ 766,409</b>	<b>1,400,883</b>	<b>5,332,258</b>	<b>7,499,550</b>

See Notes to Financial Statements.

EASTERN NEW MEXICO UNIVERSITY FOUNDATION  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue and Other				
Contributions	\$ 311,944	518,038	631,848	1,461,830
Interest and dividends	48,610	207,296	-	255,906
Net realized and unrealized gains on investments	145,655	692,586	-	838,241
Other income	28,075	-	-	28,075
Net assets released from restrictions Satisfaction of program restrictions	233,473	(233,473)	-	-
<b>Total support, revenue and other</b>	<b>767,757</b>	<b>1,184,447</b>	<b>631,848</b>	<b>2,584,052</b>
Expenses				
Program services				
Scholarships	233,473	-	-	233,473
Institutional support	241,220	-	-	241,220
Legislative	3,382	-	-	3,382
General and administrative	98,415	-	-	98,415
Fundraising	35,619	-	-	35,619
Investment fees	10,696	-	-	10,696
<b>Total expenses</b>	<b>622,805</b>	<b>-</b>	<b>-</b>	<b>622,805</b>
<b>Change in net assets</b>	<b>144,952</b>	<b>1,184,447</b>	<b>631,848</b>	<b>1,961,247</b>
Net assets, beginning of year	1,268,334	467,345	4,411,594	6,147,273
<b>Net assets, end of year</b>	<b>\$ 1,413,286</b>	<b>1,651,792</b>	<b>5,043,442</b>	<b>8,108,520</b>

See Notes to Financial Statements.

**EASTERN NEW MEXICO UNIVERSITY FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2008 and 2007**

	2008	2007
Cash Flows From Operating Activities		
Change in net assets	\$ (608,970)	1,961,247
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Net realized and unrealized loss (gain) on investments	528,808	(838,241)
Change in other assets	(10,096)	9,965
Change in accounts payable	(7,296)	1,956
Change in charitable gift annuities	312,546	-
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>214,992</b>	<b>1,134,927</b>
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Proceeds from sale of investments	4,552,572	3,085,587
Purchase of investments	(4,749,259)	(3,868,792)
	<hr/>	<hr/>
<b>Net cash used by investing activities</b>	<b>(196,687)</b>	<b>(783,205)</b>
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>18,305</b>	<b>351,722</b>
Cash and cash equivalents at beginning of year	579,895	228,173
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 598,200</b>	<b>579,895</b>
	<hr/> <hr/>	<hr/> <hr/>

*See Notes to Financial Statements.*



EASTERN NEW MEXICO UNIVERSITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Eastern New Mexico University Foundation (Foundation) is operated exclusively for the benefit of charitable, educational and scientific research at Eastern New Mexico University (University) located in Portales, New Mexico. The Foundation's programs pay scholarships, provide support to University departments (institutional support) and pay for certain other programs and events for the University. The Foundation's support comes primarily from individual and corporate donor contributions.

For accounting presentation purposes, the Foundation is reported in the financial statements of the University as a component unit in accordance with the requirements of Governmental Accounting Standards Board Pronouncement No. 39, *Determining whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*.

The accompanying financial statements present only the financial position, results of operations and cash flows of the Foundation and are not intended to present fairly the financial position of the University and results of its operations and cash flows of its proprietary fund types. The Foundation does not have a legally adopted budget and therefore does not present budgets in its financial statements. The Foundation has no component units or operating affiliates and associates.

*Basis of Accounting.* The Foundation's financial statements have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The Foundation follows the accounting standards issued under the Financial Accounting Standards Board (FASB) as opposed to the standards issued under the Governmental Accounting Standards Board (GASB). The Foundation does not meet any of the following three criteria in its relationship with the University that would require the Foundation to be considered a government for accounting purposes: All of the officers, board directors, and board members are independent of the University, there is no potential for unilateral dissolution by the University with the net assets of the Foundation reverting to the University, and the Foundation does not have the ability to enforce and enact a tax levy.

*Public Support and Revenue.* Annual contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Total contributions for the year amounted to \$1,180,279 and were reduced by the charitable gift annuity payable of \$312,546.

EASTERN NEW MEXICO UNIVERSITY FOUNDATION  
(A COMPONENT UNIT OF EASTERN NEW MEXICO UNIVERSITY)  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported in the statement of activities as net assets released from restrictions.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings used for distributions are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded as general and administrative expenses in the accompanying financial statements. A number of volunteers have also donated significant amounts of their time in the Foundation's activities. Their donated time has not been recorded in the accompanying financial statements as it does not meet the criteria for revenue recognition.

*Cash Equivalents.* For purposes of the statement of cash flows, debt instruments with an original maturity of three months or less are considered cash equivalents, except for those instruments, including cash, restricted by donors.

The Foundation maintains its cash balances in several financial institutions and investment company accounts, which are not federally insured or which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

*Investments Held in Charitable Gift Annuity Agreements.* The Foundation has established several charitable gift annuity agreements. Under the terms of these agreements, donors make gifts to the Foundation of assets, normally cash or marketable securities. In return the donor and/or another designated beneficiary receive, from the Foundation, periodic payments for the life of the beneficiary. Upon the death of the beneficiary, assets remaining in the charitable gift annuity are used in accordance with the donor's wishes. The Foundation records the assets held in charitable gift annuities at their fair value. A liability equal to the estimated present value of the future required distributions to the beneficiary is recorded and readjusted annually

**EASTERN NEW MEXICO UNIVERSITY FOUNDATION  
(A COMPONENT UNIT OF EASTERN NEW MEXICO UNIVERSITY)  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

*Investments.* Investments are carried at fair value. Net realized and unrealized gains and losses are reflected in the statement of activities. Interest, dividends and gains and losses from permanently restricted net assets are recorded as temporarily restricted for use as stipulated by the donor.

*Charitable Gift Annuities Payable.* Charitable gift annuities payable in the accompanying statements of financial position represent the net present value of periodic annuity payments over the estimated remaining lives of the income beneficiaries computed using the applicable IRS discount rates.

*Tax Exempt Status.* The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been determined to be an organization, which is not a private foundation.

*Use of Estimates.* Financial statement preparation in conformity with accounting principles generally accepted in the United States of America required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the financial statement date, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2. INVESTMENTS**

The composition of investments is as follows as of June 30, 2008:

	Cost	Market
Investments		
Certificate of deposits	\$ 2,000,000	1,997,914
Mutual funds	<u>5,454,862</u>	<u>5,147,615</u>
<b>Total investments</b>	<u>\$ 7,454,682</u>	<u>7,145,529</u>

The composition of investments is as follows as of June 30, 2007:

	Cost	Market
Investments		
Certificate of deposits	\$ 100,000	99,980
Mutual funds	<u>6,539,409</u>	<u>7,377,670</u>
<b>Total investments</b>	<u>\$ 6,639,409</u>	<u>7,477,650</u>

EASTERN NEW MEXICO UNIVERSITY FOUNDATION  
(A COMPONENT UNIT OF EASTERN NEW MEXICO UNIVERSITY)  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 2. INVESTMENTS (CONTINUED)**

Investment income (loss) is comprised of the following for the year ended June 30, 2008:

Interest and dividends	\$ 178,728
Net realized gains	123,974
Net unrealized losses	<u>(652,782)</u>
<b>Total investment loss</b>	<b><u>\$ (350,080)</u></b>

Investment income (loss) is comprised of the following for the year ended June 30, 2007:

Interest and dividends	\$ 255,906
Net realized losses	(10,141)
Net unrealized gains	<u>848,382</u>
<b>Total investment income</b>	<b><u>\$ 1,094,147</u></b>

**NOTE 3. DETAIL OF DEPOSIT AND INVESTMENT ACCOUNTS**

The following is the detail of the deposit and investment accounts at June 30, 2008:

Name of Bank/Broker	Account Type	Balance per Bank Statement	Reconciled Balance per Books
<b>Deposit Accounts</b>			
Wells Fargo	Deposit	\$ 11,229	11,229
Edward Jones	Deposit	357,989	357,989
Portales National Bank	Deposit	820,692	228,982
		<u>\$ 1,219,910</u>	<u>598,200</u>
<b>Investment Accounts</b>			
State Investment Council	Mutual Fund	\$ 2,316,213	2,316,213
Wells Fargo	Certificate of Deposit	100,243	100,243
Edward Jones	Certificates of Deposit	1,897,671	1,897,671
Edward Jones	Mutual Fund	2,831,402	2,831,402
		<u>\$ 7,145,529</u>	<u>7,145,529</u>

The difference between the Balance per Bank Statement and the Balance per Books for the Portales National Bank account is \$591,710, of which the entire amount is due to outstanding checks that have been written by the Foundation and not yet cleared the Bank.

**EASTERN NEW MEXICO UNIVERSITY FOUNDATION  
(A COMPONENT UNIT OF EASTERN NEW MEXICO UNIVERSITY)  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 4. OTHER ASSETS**

Other assets include real estate, jewelry and art work and are recorded at cost.

**NOTE 5. SERVICES FROM THE UNIVERSITY**

Donated services are not recorded since no objective basis is available to measure the value of such services, even though a number of volunteers have donated significant amounts of their time in the Foundation's administration and fund raising activities.

During the years ended June 30, 2008 and 2007, the University paid the salaries and benefits for the Foundation's full-time executive director, administrative and accounting services valued at approximately \$191,000 and \$181,000, respectively.

Also, during the years ended June 30, 2008 and 2007, the University contributed the Foundation's printing, postage, utilities, travel, and data processing costs valued at approximately \$19,000 and \$14,000, respectively.

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

Board of Directors  
Eastern New Mexico University Foundation and  
Mr. Hector Balderas  
New Mexico State Auditor

We have audited the financial statements of the Eastern New Mexico University Foundation (Foundation), a component unit of Eastern New Mexico University (University), as of and for the year ended June 30, 2008 and have issued our report thereon dated November 15, 2008. 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 Foundation'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 Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 accounting principles generally accepted in the United States of America, 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 entity's internal control.

Board of Directors  
Eastern New Mexico University Foundation and  
Mr. Hector Balderas  
New Mexico State Auditor

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 Foundation's internal control.

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 Foundation'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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, Management, the New Mexico State Auditor, 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 15, 2008

**EASTERN NEW MEXICO UNIVERSITY FOUNDATION  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2008**

**Prior Year Audit Findings**

None

**Current Year Audit Findings**

None



**EASTERN NEW MEXICO UNIVERSITY FOUNDATION  
EXIT CONFERENCE  
Year Ended June 30, 2008**

An exit conference was held on November 12, 2008, with the following in attendance:

**For Eastern New Mexico University Foundation:**

Stephen Doerr, ENMU Foundation President  
Buck Wilson, ENMU Foundation Treasurer  
Renee Neely, ENMU Foundation Board Member  
Lee Black, ENMU Foundation Board Member  
Noelle Bartl, ENMU Foundation Executive Director and ENMU Development Director  
Steven Gamble, ENMU President  
Kenny Prince, ENMU Accountant

**For Moss Adams LLP**

Scott Eliason, Partner  
Marlena Torres, Manager

The financial statements were prepared with the assistance of Moss Adams LLP.