



Annual
FINANCIAL
Report
June 30, 2010



**STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
FINANCIAL STATEMENTS AND REQUIRED
SUPPLEMENTARY INFORMATION
WITH ACCOMPANYING AUDITORS' REPORTS
YEAR ENDED JUNE 30, 2010**

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY**

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Historical and Functional Synopsis

Eastern New Mexico University (the "University") was established in 1927 by the Constitution of the State of New Mexico. In 1929, the legislature of New Mexico enacted legislation providing for the opening of the University. The University's main campus encompasses over 400 acres in Portales. The University also operates branch campuses in Roswell and Ruidoso. The University is organized into the College of Business, the College of Fine Arts, the College of Education and Technology, the College of Liberal Arts and Sciences, and the Graduate School.

The University is accredited by the Higher Learning Commission and is a member of the North Central Association of Colleges and Schools. In addition, specific programs within the University hold accreditation by the following: the American Speech Language and Hearing Association, the National Council for Accreditation of Teacher Education, and the Association of Collegiate Business Schools and Programs. The University is an accredited institutional member of the National Association of Schools of Music. The chemistry program is approved by the American Chemical Society. The geology program is recognized by the American Institute of Professional Geologists. The Bachelor of Science in Nursing Completion Program is accredited by the National League for Nursing Accrediting Commission, Inc.

Off-campus programs are offered at Clovis, Ruidoso, Roswell, Artesia and Cannon Air Force Base.

ENMU-Roswell was established as a branch of Eastern New Mexico University on April 1, 1958. ENMU-Roswell offers two-year associate degrees, one-year certificates and short-term certificates of occupational training in a variety of academic transfer and career/technical programs. The campus also offers a unique training program for students with disabilities and the only FAA approved aviation maintenance technology program in the state. Area residents can also earn a number of bachelor and master degrees on the ENMU-Roswell campus through instructional television, online classes, and on-site instruction. ENMU-Roswell is accredited as an operationally separate campus by the Higher Learning Commission and a member of the North Central Association of Colleges and Schools. Extended degree courses offered on the Roswell campus are accredited through the main campus in Portales.

Established in the fall of 1991, the ENMU-Ruidoso Branch Community College is a comprehensive two-year college offering Certificates of Completion, Associates of Science, Associates of Arts, and Associates of Applied Science degrees. ENMU-Ruidoso offers community education classes, customized training workshops, adult basic education courses, and operates a One-Stop Career Center providing free employment services.

**STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY**

Official Roster
June 30, 2010

Board of Regents

Ex-Officio Members

The Honorable Bill Richardson

Governor of the State of New Mexico

Appointed Members

Term Expires

Mr. Marshall Stinnett	2012	President
Mr. Robert "Chad" Lydick	2014	Vice President
Mr. Robert Wachter	2010	Secretary
Ms. Pauline Ponce	2010	Member
Mr. Randy Harris	2014	Member

University Officials

Dr. Steven Gamble	President
Dr. Jamie Laurenz	Vice President for Academic Affairs
Dr. John Madden	President - Roswell Campus
Dr. Clayton Alred	President - Ruidoso Campus
Dr. Judith Haislett	Vice President for Student Affairs
Ms. Ronnie Birdsong	Vice President for University Relations and Enrollment Services
Mr. Scott Smart	Vice President for Business Affairs

FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

Independent Auditors' Report

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Regents
Eastern New Mexico University
Portales, New Mexico

We have audited the accompanying basic financial statements of the business-type activities and the discretely presented component units of Eastern New Mexico University (the University) as of and for the year ended June 30, 2010 as listed in the table of contents. We also have audited the budgetary comparisons presented as supplementary information in the accompanying Schedules I, II, III, IV, and V for the year ended June 30, 2010 as listed in the table of contents. These financial statements are the responsibility of Eastern New Mexico University's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. 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 audit provides a reasonable basis for our opinions.

As discussed in Note 2 to the financial statements, the financial statements of Eastern New Mexico University are intended to present the financial position, and the change 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 Eastern New Mexico University. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2010, or the changes in its financial position or its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the 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 units of Eastern New Mexico University, as of June 30, 2010, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budgetary comparisons referred to above present fairly, in all material respects, the budgetary comparisons of the University as of June 30, 2010, 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 10, 2010 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 3 through 13 is not a required part of the basic 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements of the University, its discretely presented component units, and the budgetary comparisons presented as supplementary information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The accompanying financial information listed as supporting Schedule VIII in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the 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. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Accounting + Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
November 10, 2010

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Management's Discussion and Analysis
For the Year Ended June 30, 2010

This section of the financial report presents our discussion and analysis of Eastern New Mexico University's (the "University") financial performance during the year ended June 30, 2010. Please read it in conjunction with the University's financial statements, which follow this section.

Financial Highlights

- As of June 30, 2010, the University's total assets increased to \$178 million, \$9 million over the 2009 level of \$169 million.
- Operating revenues totaled \$57 million in 2010, an increase of \$5 million from 2009 while operating expenses totaled \$104 million, a decrease of \$2 from 2009. Net non-operating revenues totaled \$60 million while non-operating expenditures were \$581,636; state appropriations of \$46.5 million is the main component of non-operating revenues. Net non-operating revenues for 2009 totaled \$55 million while non-operating expenditures were \$866,983. State appropriations comprised \$50 million of non-operating revenues.
- Headcount enrollment at the Portales campus continues to increase. Our Fall 2009 headcount was approximately 9% larger than the previous Fall semester and totaled 4,685. Since Fall 2000 our headcount enrollment has increased by 31%.

Overview of Financial Statements

This annual report consists of the following:

- Management's discussion and analysis (this section)
- The basic financial statements
- Required supplementary information - budgetary comparison schedule—current and plant funds
- Other supplementary schedules
- Single audit reports

The University's Basic Financial Statements

The basic financial statements include:

- 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. The net operating expense amount represents activity in what was previously referred to as the University's "current" or operating funds, with the exception of state appropriations revenue which is displayed as non-operating revenues. The line item entitled "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 that have been traditionally considered to be a part of public university operations. A "non-exchange transaction" is one in which the University receives value or benefit from a third party without directly providing equal value in exchange, such as in receipt of a donation.
- The statement of cash flows provides a summary of the sources and uses of cash within the University during the 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 Vice President of Business Affairs, Scott W. Smart, at (575) 562-2611.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Management's Discussion and Analysis
For the Year Ended June 30, 2010

Financial Analysis of the University as a Whole

Net Assets. The University's total net assets increased to \$144 million from \$131.9 million in 2009. The gain is due primarily to the increase in capital assets and turnaround of the stock market which created unrealized gains in 2010.

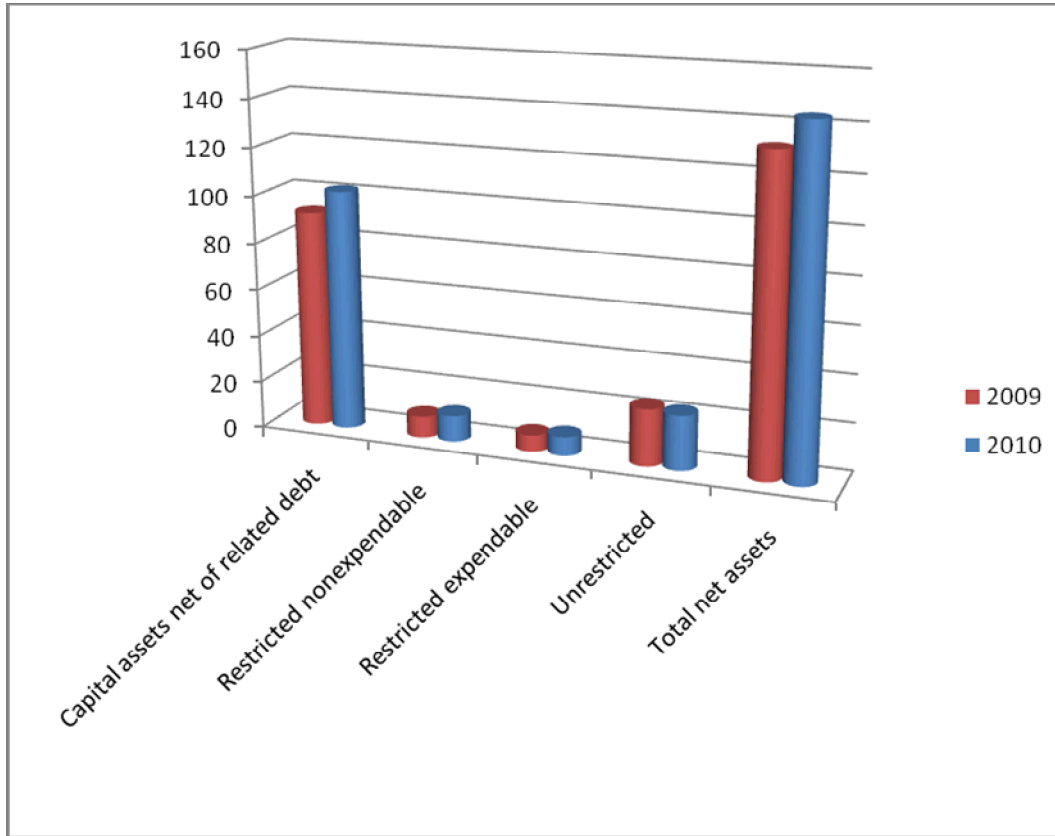
Table 1 summarizes the University's net assets:

Table 1
Eastern New Mexico University's Net Assets
As of June 30, 2010 and 2009
(in millions of dollars)

	<u>2010</u>	<u>2009</u>
Current assets	\$ 29	\$ 31
Noncurrent assets other than capital assets	34	30
Capital assets, net	<u>115</u>	<u>108</u>
Total assets	<u>\$ 178</u>	<u>\$ 169</u>
Current liabilities	\$ 15	\$ 16
Noncurrent liabilities	<u>19</u>	<u>21</u>
Total liabilities	<u>\$ 34</u>	<u>\$ 37</u>
Capital assets, net of related debt	\$ 102	\$ 92
Restricted nonexpendable	11	9
Restricted expendable	8	7
Unrestricted	<u>23</u>	<u>24</u>
Total net assets	<u>\$ 144</u>	<u>\$ 132</u>

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
 Management's Discussion and Analysis
 For the Year Ended June 30, 2010

Net Assets 2010 & 2009



Changes in Net Assets. Total operating revenues for the years ended June 30, 2010 and 2009, were \$57 and \$52 million respectively. Operating expenses were \$104 for 2010 a decrease of \$2 million from 2009. Non-operating revenues were \$60 million while non-operating expenses were \$581,636 for 2010 and non-operating revenues were \$56 million while non-operating expenses were \$866,983 for 2009. Table 2 summarizes the University's changes in net assets.

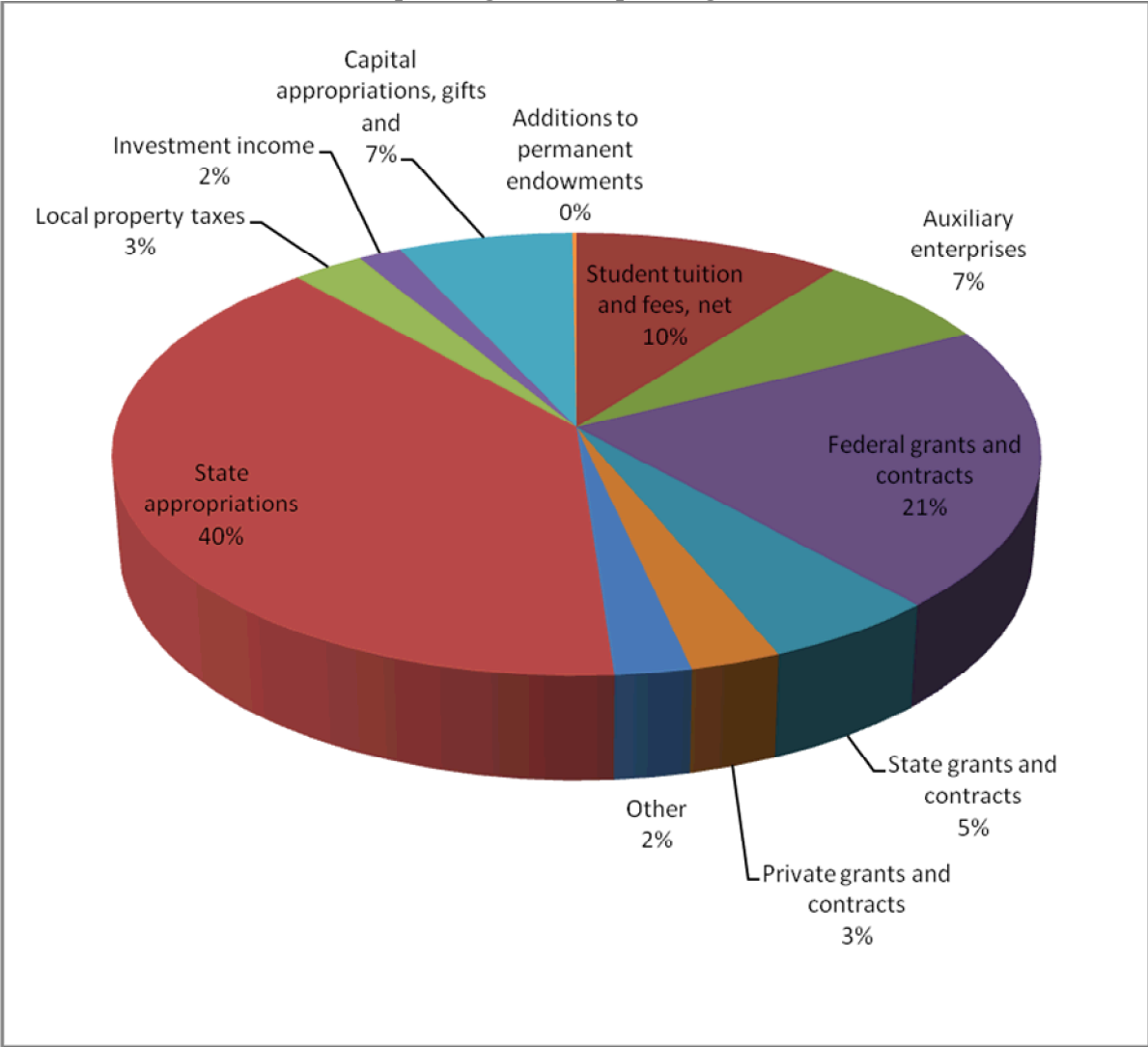
STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Management's Discussion and Analysis
For the Year Ended June 30, 2010

Table 2
Changes in Eastern New Mexico University's Net Assets
For the Year Ended June 30, 2010 and 2009
(in millions of dollars)

	<u>2010</u>	<u>2009</u>
Operating revenues		
Student tuition and fees, net	\$ 12.3	\$ 12.0
Auxiliary enterprises	8.3	7.5
Federal grants and contracts	24.3	18.8
State grants and contracts	6.3	6.5
Private grants and contracts	3.3	3.2
Other	2.7	4.1
Total operating revenues	<u>\$ 57.2</u>	<u>\$ 52.1</u>
Operating expenses		
Instruction	\$ 33.7	\$ 34.3
Research	0.4	0.5
Public service	9.9	10.6
Academic support	4.0	4.2
Student services	9.3	8.5
Institutional support	9.8	9.0
Operation and maintenance of plant	6.9	7.2
Depreciation	6.3	6.9
Student aid	15.0	12.1
Auxiliary enterprises	7.6	8.0
Other	1.3	4.7
Total operating expenses	<u>\$ 104.2</u>	<u>\$ 106.0</u>
Non-operating revenues (expenses)		
State appropriations	\$ 46.5	\$ 50.0
Local property taxes	3.3	3.2
Investment income	2.0	(3.9)
Interest on debt	(0.6)	(0.9)
Additions to permanent endowments	0.2	-
Additions to plant assets	0.1	-
Total non-operating revenues (expenses)	<u>\$ 51.5</u>	<u>\$ 48.4</u>
Capital appropriations, gifts and additions to permanent endowments	\$ 8.0	\$ 6.5

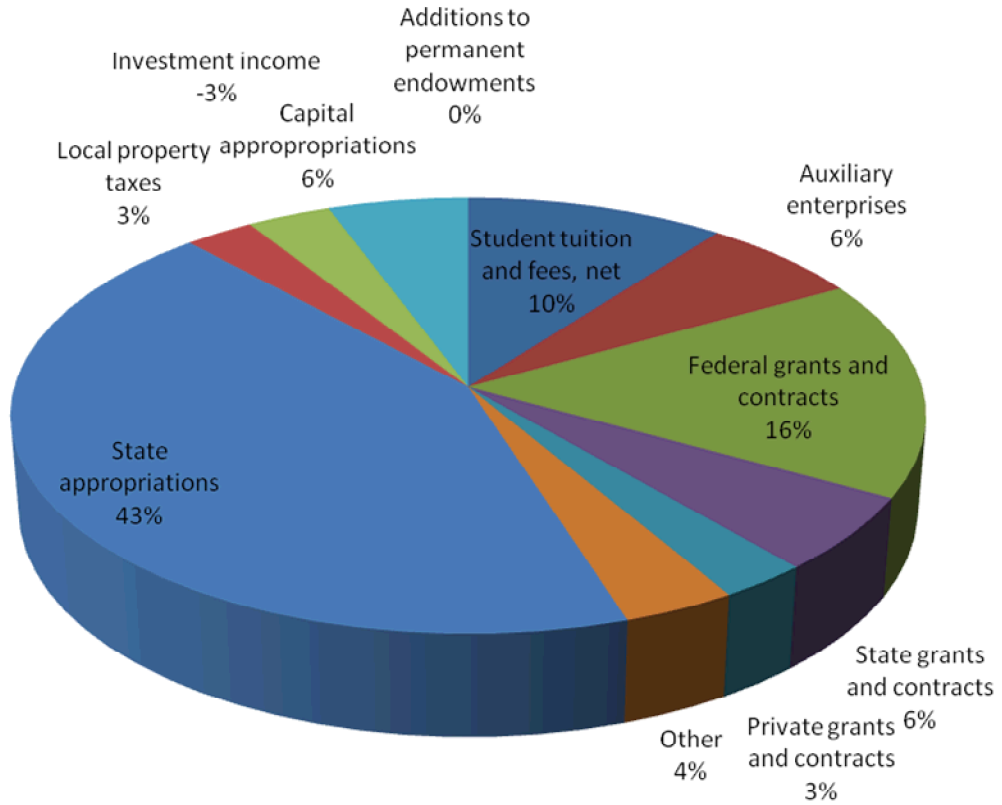
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EASTERN NEW MEXICO UNIVERSITY
Management's Discussion and Analysis
For the Year Ended June 30, 2010

2010 Operating & Non-Operating Revenues



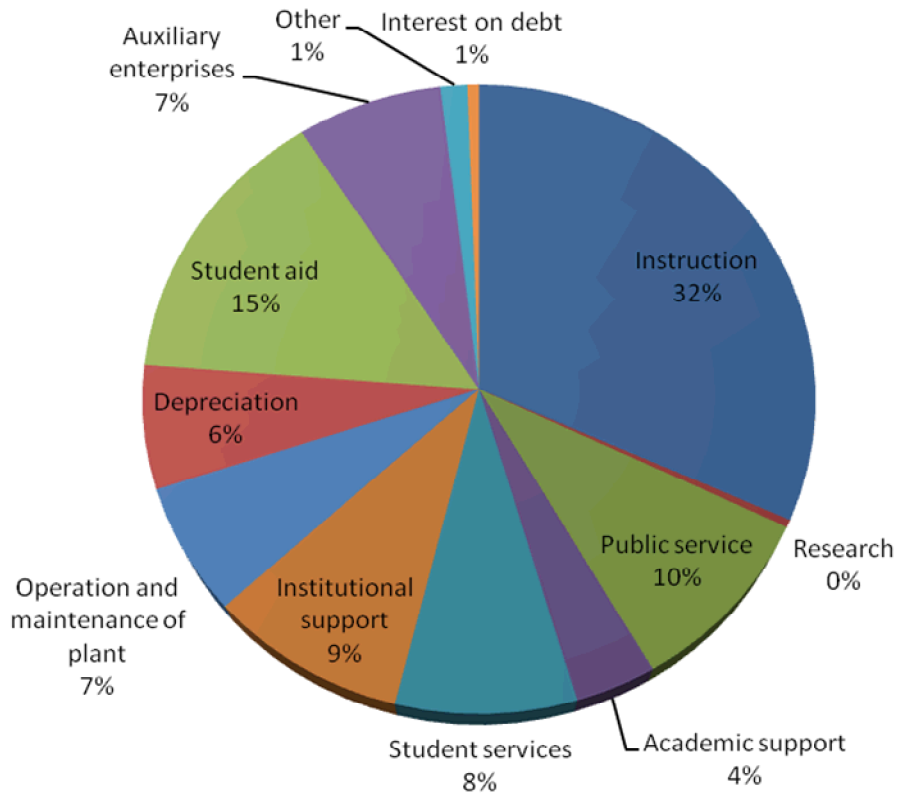
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EASTERN NEW MEXICO UNIVERSITY
Management's Discussion and Analysis
For the Year Ended June 30, 2010

2009 Operating & Non-operating Revenues



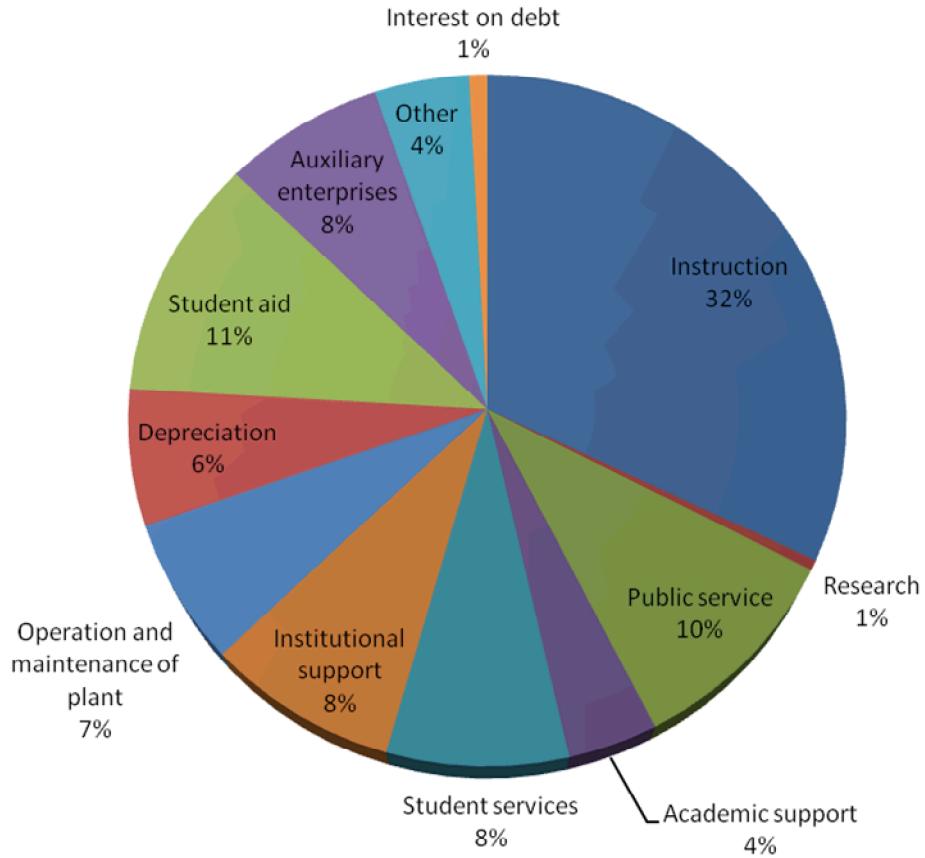
STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Management's Discussion and Analysis
For the Year Ended June 30, 2010

2010 Operating & Non-operating Expense



STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Management's Discussion and Analysis
For the Year Ended June 30, 2010

2009 Operating & Non-operating Expense



STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Management's Discussion and Analysis
For the Year Ended June 30, 2010

Budgetary Highlights

The Board of Regents approves the operating budget of the University. The budget is reviewed and amended as needed due to changing circumstances. The budget is prepared using the basis of accounting prior to implementation of GASB Statement No.'s 34 and 35. Accordingly, budgets are adopted for unrestricted current funds, restricted current funds and plant funds. During the year, expenditure budgets were amended as follows (in millions):

Increase (Decrease)

	<u>2010</u>	<u>2009</u>
Current funds		
Unrestricted	0.3	0.7
Restricted	7.1	0.0
Plant funds	6.4	4.0

The budget adjustment to restricted expenditures in 2010 was the result of anticipated increases in grant federal and state student aid. Capital outlay budgets increased to include additional construction projects.

Capital Asset and Debt Administration

Capital Assets—As of June 30, 2010 and 2009, the University had \$115.6 and \$108.2 million respectively, invested in various capital assets, including buildings, equipment and construction.

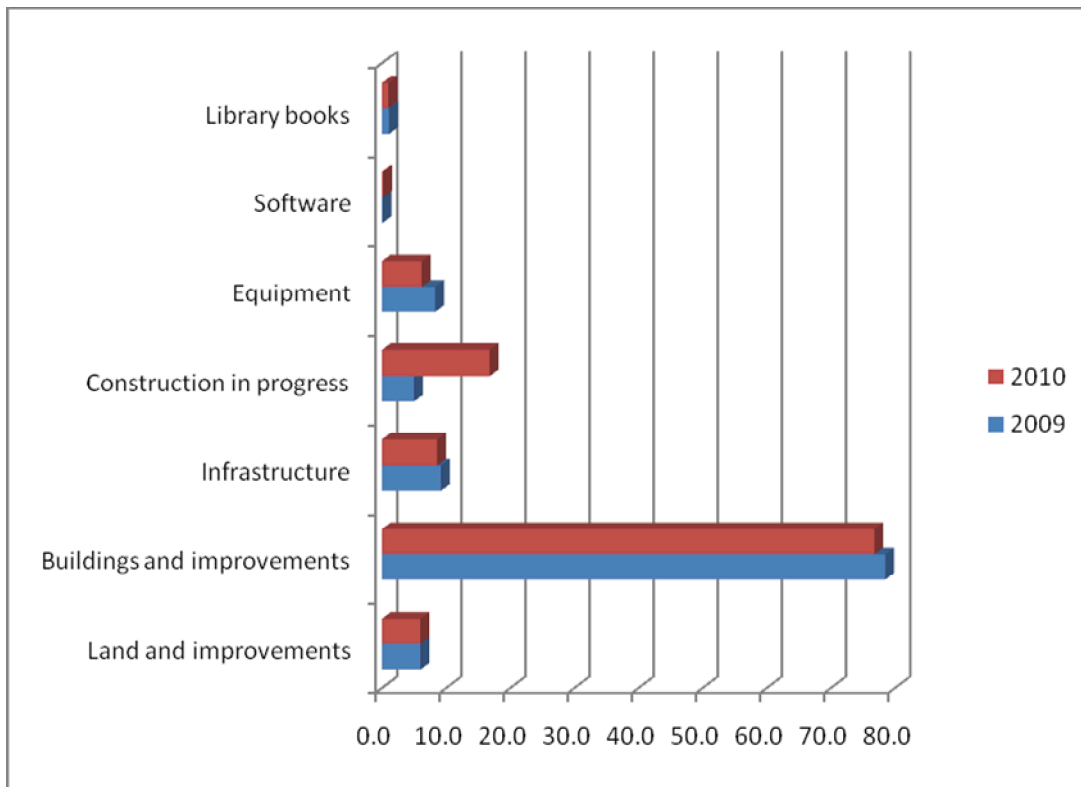
Table 3 shows the University's capital assets at year-end:

Table 3
Capital Assets at June 30, 2010 and 2009
Net of Depreciation (in millions)

	<u>2010</u>	<u>2009</u>
Land and improvements	\$ 6.0	\$ 6.0
Buildings and improvements	76.8	78.5
Infrastructure	8.6	9.2
Construction in progress	16.8	5.0
Equipment	6.2	8.3
Software	0.2	0.1
Library books	1.0	1.1
Total	<u>\$ 115.6</u>	<u>\$ 108.2</u>

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
 Management's Discussion and Analysis
 For the Year Ended June 30, 2010

Capital Assets 2010 & 2009



During the 2009-2010 fiscal year the Portales campus completed the renovation/expansion of the Music building at a cost of \$9.5 million. The Portales campus also commenced a renovation/expansion of the former Technology building. The estimated cost of this project is \$9.0 million and is expected to be completed in the fall of 2011.

The Roswell campus has begun the construction of a new Dental Health Science facility at an estimated cost of \$5.8 million. It is anticipated that this project will be completed in the Fall of 2010.

Debt Administration—As of June 30, 2010 and 2009 the University had \$13.0 and \$14.6 million of bonds outstanding, respectively. Other long-term debt includes capital leases of \$.9 million, compensated absences of \$1.6 million, and liabilities for the federal share of the student loan program of \$6.4 million. For 2009, other long-term debt included capital leases of \$1.2 million, compensated absences of \$1.6 million and liabilities for the federal share of the student loan program of \$6.4 million.

Economic Concerns

The State of New Mexico lags behind the rest of the country in terms of economic recovery. It is likely that this will continue to impact state funding to higher education through the 2012-2013 fiscal year. To date the budget reduction to the Portales campus since the 2007-2008 fiscal year are nearly \$5.8 million. We anticipate further reductions in the development of the 2011-2012 fiscal year budget.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Management's Discussion and Analysis
For the Year Ended June 30, 2010

Contacting the University's Financial Management

The financial report is designed to provide the public, customers, and creditors with a general overview of the University's finances and demonstrate the University's accountability for the money it receives. If you have any questions about this report contact the University's Controller at the University Offices:

Board of Regents
Eastern New Mexico University
Business Affairs Station #4
Portales, NM 88130

Component Units

Complete financial statements for the Eastern New Mexico University Foundation can be obtained from the controller at the University's office at the address above.

The ENMU-R Foundation does not issue separate financial statements.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY

Statements of Net Assets

June 30, 2010

	Component Units		
	Eastern New Mexico University	ENMU Foundation	ENMU-R Foundation
ASSETS			
Current:			
Cash and cash equivalents	\$ 19,148,608	\$ 291,772	\$ 10,857
Receivables, net	8,057,346	6,552	-
Inventories	1,066,297	-	-
Other current assets	689,414	66,776	-
Total Current Assets	<u>28,961,665</u>	<u>365,100</u>	<u>10,857</u>
Noncurrent:			
Notes receivable	7,826,709	-	-
Restricted cash	373,463	-	437,974
Investments	25,530,072	7,361,662	3,185,633
Capital assets, net	115,646,433	-	-
Total Noncurrent Assets	<u>149,376,677</u>	<u>7,361,662</u>	<u>3,623,607</u>
Total Assets	<u>\$ 178,338,342</u>	<u>\$ 7,726,762</u>	<u>\$ 3,634,464</u>
LIABILITIES			
Current:			
Accounts payable	\$ 2,248,441	\$ 208,735	\$ -
Gift annuities payable	-	256,939	-
Accrued expenses and other liabilities	5,197,994	-	-
Deferred revenue	4,206,079	-	-
Deposits held for others	496,775	-	-
Bonds payable, current portion	1,685,000	-	-
Leases payable, current portion	390,325	-	-
Accrued compensated absences, current portion	1,097,584	-	-
Total Current Liabilities	<u>15,322,198</u>	<u>465,674</u>	<u>-</u>
Noncurrent:			
Bonds payable	11,345,000	-	-
Leases payable	462,729	-	-
Accrued compensated absences	485,452	-	-
Student loan program	6,389,314	-	-
Total Noncurrent Liabilities	<u>18,682,495</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>34,004,693</u>	<u>465,674</u>	<u>-</u>
NET ASSETS			
Invested in capital assets, net of related debt	101,763,377	-	-
Restricted:			
Nonexpendable:			
Endowments	10,695,162	6,248,420	719,878
Expendable:			
Scholarships and fellowship	-	881,336	2,099,560
Student loans	1,660,054	-	-
Quasi endowment and endowment interest	3,132,207	-	-
Debt service	3,262,732	-	-
Unrestricted	23,820,117	131,332	815,026
Total Net Assets	<u>144,333,649</u>	<u>7,261,088</u>	<u>3,634,464</u>
Total Liabilities and Net Assets	<u>\$ 178,338,342</u>	<u>\$ 7,726,762</u>	<u>\$ 3,634,464</u>

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Statements of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2010

	Eastern New Mexico University	Component Units	
		ENMU Foundation	ENMU-R Foundation
Operating Revenues:			
Student tuition and fees (net of scholarship allowance of \$6,295,392)	\$ 12,290,799	\$ -	\$ -
Auxiliary enterprise revenue	8,289,776	-	-
Federal grants and contracts	24,284,765	-	-
State and local grants and contracts	6,286,137	-	-
Private gifts, grants and contracts	3,350,495	1,797,980	393,510
Sales and services of educational departments	863,560	-	-
Investment income/(loss)	-	82,641	240,735
Other operating revenues	1,845,643	-	-
Total Operating Revenues	<u>57,211,175</u>	<u>1,880,621</u>	<u>634,245</u>
Operating Expenses:			
Education and general			
Instruction	33,734,153	-	-
Research	362,650	-	-
Public service	9,927,732	-	-
Academic support	4,044,775	-	-
Student services	9,269,571	-	-
Institutional support	9,876,962	615,046	3,901
Operations and maintenance of plant	6,866,163	-	-
Depreciation expense	6,281,334	-	-
Student aid, grants and stipends	15,040,342	-	-
Auxiliary enterprises	7,579,836	-	-
Administration and collection	-	155,524	-
Expended for scholarships	-	297,128	97,627
Other	1,278,836	12,240	37,653
Total Operating Expenses	<u>104,262,354</u>	<u>1,079,938</u>	<u>139,181</u>
Operating Income/(Loss)	<u>(47,051,179)</u>	<u>800,683</u>	<u>495,064</u>
Non-operating Revenues/(Expenses)			
State appropriations	46,538,301	-	-
Local property taxes	3,324,091	-	-
Interest expense	(614,478)	-	-
Investment income/(loss)	1,959,496	-	-
Additions to permanent endowments	175,000	-	-
Additions to plant assets	93,214	-	-
Total Non-operating Revenues/(Expenses)	<u>51,475,624</u>	<u>-</u>	<u>-</u>
Income/(Loss) before Other Revenues and Expenses	4,424,445	800,683	495,064
Other Revenues/(Expenses)			
Capital Appropriations	8,043,660	-	-
Total Other Revenues/(Expenses)	<u>8,043,660</u>	<u>-</u>	<u>-</u>
Increase in Net Assets	12,468,105	800,683	495,064
Net assets - Beginning of Year	<u>131,865,544</u>	<u>6,460,405</u>	<u>3,139,400</u>
Net Assets, End of Year	<u>\$ 144,333,649</u>	<u>\$ 7,261,088</u>	<u>\$ 3,634,464</u>

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY

Statement of Cash Flows
For the Year Ended June 30, 2010

Cash Flows from Operating Activities	
Tuition and fees	\$ 12,821,277
Grants and contracts	33,059,358
Payments to suppliers	(54,278,723)
Payments to employees	(44,170,737)
Auxiliary enterprise charges	8,289,776
Sales and services of educational activities	863,560
Other receipts	1,999,275
Net Cash Provided/(Used) by Operating Activities	<u>(41,416,214)</u>
Cash Flows from Non-Capital Financing Activities	
State appropriations	46,538,301
Local property taxes	3,324,091
Other receipts	(92,464)
Net Cash Provided/(Used) by Non-Capital Financing Activities	<u>49,769,928</u>
Cash Flows from Capital and Related Financing Activities	
Capital appropriations	9,275,826
Other	268,214
Purchases of capital assets	(13,673,919)
Principal paid on capital debt and leases	(1,968,155)
Interest paid on capital debt and leases	(633,697)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(6,731,731)</u>
Cash Flows from Investing Activities	
Purchase of investments	(1,837,118)
Interest on investments	(32,597)
Net Cash Provided/(Used) by Investing Activities	<u>(1,869,715)</u>
Increase (Decrease) in Cash, Restricted Cash, and Cash Equivalents	(247,732)
Cash, Restricted Cash, and Cash Equivalents - Beginning of Year	<u>19,769,803</u>
Cash, Restricted Cash, and Cash Equivalents - End of Year	<u>\$ 19,522,071</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Used by Operating Activities	
Operating income/(loss)	\$ (47,051,179)
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operations:	
Depreciation	6,281,334
Change in assets and liabilities:	
Receivables, net	(14,444)
Inventories	(18,575)
Other assets	103,610
Accounts payable and accrued expenses	(1,030,362)
Other liabilities	4,891
Deferred revenue	370,758
Compensated absences	(62,247)
Net Cash Provided/(Used) by Operating Activities	<u>\$ (41,416,214)</u>

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY

Notes to the Financial Statements

June 30, 2010

NOTE 1: NATURE OF ACTIVITIES

Eastern New Mexico University (the “University”) was established in 1927 by the Constitution of the State of New Mexico. In 1929, the Legislature of New Mexico enacted legislation providing for the opening of the University. The University’s main campus encompasses over 400 acres in Portales. The University also operates a branch campus in Roswell and an instructional center in Ruidoso. The University is organized in the College of Business, the College of Fine Arts, the College of Education and Technology, the College of Liberal Arts and Sciences, and the Graduate School.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Component units are legally separate organizations for which the primary organization is financially accountable. Component units can also be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entities’ financial statements to be misleading or incomplete. In addition, component units can be organizations that raise and hold economic resources for the direct benefit of a primary unit. Because of the closeness of their relationships with the primary organization, some component units are blended as though they are part of the primary organization. The Eastern New Mexico University Foundation and the ENMU-R Foundation are reported in the University’s financial statements as discretely presented component units under *Government Accounting Standards Board (GASB) Statements No. 14 and 39*. The University does not have any blended component units.

Separate audited financial statements of the Eastern New Mexico University Foundation may be obtained by contacting the Executive Director, Eastern New Mexico University Foundation, 1500 S. Ave. K, Portales, NM 88130. The ENMU-R Foundation does not prepare separate issued financial statements.

The University is a part of the primary government of the State of New Mexico; however, these basic financial statements are intended to present the net assets, changes in net assets and cash flows, where applicable, of only that portion of the State of New Mexico that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the net assets of the State of New Mexico as of June 30, 2010, and changes in its net assets and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The University’s financial statements are prepared in accordance to accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants’ *Audits of Colleges and Universities*, and New Mexico Commission on Higher Education’s *Financial Reporting for Public Institutions in New Mexico*.

B. Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measure-

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting (continued)

ment focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-entity transactions have been eliminated. The University has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected not to apply FASB pronouncements issued after November 30, 1989.

C. Cash and Cash Equivalents

The University considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Both unrestricted and restricted cash are included in the statement of cash flows.

D. Inventories

The University reports inventory at cost, which is determined by purchase price. An annual inventory count is completed at year end and obsolete inventory, if any, is written down.

E. Investments

Investments are stated at estimated fair value. Income, gains and losses on investments are reported as a component of investment income on the Statement of Revenues, Expenses, and Changes in Net Assets. The University's investment policy requires that endowment and similar funds only be invested with the State Investment Council, State Treasurer's Local Government Investment Pool and with government-insured financial institutions with offices in New Mexico.

Donor Restricted endowment disbursements of the net appreciation of investments are permitted in accordance with the Uniform Prudent Management of Institutional Funds Act [46-9A-1 to 46-9A-12 NMSA], except where a donor has specified otherwise. The investment committee of the Foundation and the University's management review the investment earnings designed to support distributions from the pool and to protect the purchasing power of the endowment principal. Distributions from the pool are made available to the University, which benefits from each individual endowment. The annual spending distribution is computed at the end of the year based on the interest received during the year. The Investment Committee of the Foundation and University management sets the annual distribution, which must be in accordance with agreement with endowment donors.

F. Budgetary Process

Operating budgets are submitted for approval to the University's Board of Regents, the State of New Mexico Higher Education Department and the State Budget Division of the Department of Finance and Administration. To amend the budget, the University requires the following order of approval: 1) University President, 2) University Board of Regents, 3) Commission on Higher Education, and 4) State

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgetary Process (continued)

Budget Division of the Department of Finance and Administration. According to the State of New Mexico General Appropriations Act of 2003 (Chapter 76, Laws at 2003), unexpended state appropriations to the University do not revert at the end of the fiscal year. None of the current appropriations received are subject to reversion.

G. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 estimates.

H. Capital Assets

Capital assets are recorded at original cost, or fair market value if donated. The University's capitalization policy for moveable equipment, including software, includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is calculated using the straight-line method. Land and land improvements are not depreciated. Estimated useful lives for major asset classes is as follows:

Buildings	50 years
Infrastructure	20 years
Library books	5 years
Equipment	3 to 15 years
Software	10 years

I. Net Assets

The University's net assets are classified as follows:

Invested in capital assets, net of related debt represent the University's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

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 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 principle is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income. The income generated from the principal may be expended or added to principal.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Net Assets (continued)

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 Units represent resources that may be used at the discretion of the governing board of the Component Units 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 use restricted resources, and then use unrestricted resources.

J. Revenues

Revenues are classified as operating or non-operating according to the following criteria:

Operating revenues include activities that have the characteristics of an exchange transaction, such as a) student tuition and fees, net of scholarship discounts and allowances; b) student services; c) sales and services; and d) contracts and grants.

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as a) appropriations; b) gifts; c) mill levy; and d) investment income.

Student tuition and fee revenue and auxiliary enterprises revenue from students, are reported net of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship 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 student's behalf. To the extent Pell grants and other federal or state grants are used to satisfy tuition and fees, other student charges, and auxiliary enterprises charges, the University has recorded a scholarship allowance.

Deferred revenue consists primarily of advances from contracts and grants. Revenue is recognized to the extent expenses are incurred.

Contract and grant revenues are recognized when the underlying exchange transaction has occurred – when all eligibility requirements have been met. State appropriations are recognized as revenue in the first year for which they are appropriated. District mill levies attach as an unsubordinated enforceable lien on property as of January 1 of the assessment year. Current year taxes are levied on November 1 and are due in equal semiannual installments on November 10 and April 10 of the next year. Taxes become delinquent 30 days after the due date unless the original levy date has been formally extended. The mill levy is collected by the respective County Treasurers and is remitted to the University. The revenue on the mill levy is recognized at the date the mill is levied.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Expenses

Expenses are classified as operating or non-operating according to the following criteria:

Operating expenses include activities that have the characteristics of an exchange transaction, such as a) employee salaries, benefits, and related expenses; b) scholarships and fellowships, net of scholarship discounts and allowances; c) utilities, supplies, and other services; d) professional fees; and e) depreciation expenses related to University capital assets.

Non-operating expenses include activities that have the characteristics of non-exchange transactions, such as interest on capital assets-related debt and bond expenses that are defined as non-operating expenses by GASB Statement No. 9 - *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34.

L. Non-exchange Transactions

For government-mandated and voluntary non-exchange transactions, the University recognizes receivables (or a decrease in liabilities) and revenues (net of estimated uncollectible amounts) when all applicable requirements, including time requirements are met. Resources received before the eligibility requirements are met are reported as deferred revenues, except for certain resources received in advance, such as permanently nonexpendable additions to endowments and other trusts; term endowments; and contributions of works of art, historical treasures, and similar assets to capitalized collections. For these kinds of transactions, the University recognizes revenues when the resources are received, provided that all eligibility requirements have been met.

M. Tax Status

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 Foundations are exempt from federal income taxes under Internal Revenue Code section 501(c)(3).

N. Collections

The University has various collections of art and books that are not capitalized because they are subject to the University's policy to a) maintain them for public exhibition, education, or research; b) protect, keep unencumbered, care for, and preserve them; and c) require the proceeds from their sale to be used to acquire other collection items.

O. Eliminating Internal Activities

The effects of assets due from the liabilities due to the individual campuses are eliminated in the Statement of Net Assets.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 3: DEPOSITS AND INVESTMENTS

State statutes authorize the investment of funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts and United States Government obligations. Management of the University is not aware of any investments that did not properly follow State investment requirements as of June 30, 2010.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the University. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the University's deposits may not be returned to it. As of June 30, 2010, \$7,376,721 of the University's bank balances of \$19,027,552 was exposed to custodial credit risk. \$7,376,721 was uninsured and collateralized by securities held by the pledging financial institution's trust department or agent, but not in the University's name and \$0 was uninsured and uncollateralized.

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. However, on October 14, 2008, the FDIC announced a new Transaction Account Guarantee (TAG) Program, that provide depositors' with unlimited coverage through December 31, 2010, for insured depository institutions (IDIs) currently participating in the TAG program, with the possibility of an additional extension of up to 12 months without additional rulemaking, upon a determination by the FDIC's Board of Directors that continuing economic difficulties warrant further extension. With regards to this Transaction Guarantee Program, noninterest-bearing checking accounts include Demand Deposit Accounts (DDA's) and any other transaction accounts that has unlimited withdrawals and that cannot earn interest. Also included in this program, are low-interest NOW accounts that cannot earn more than 0.5% interest.

Section 6-10-17, NMSA 1978, requires that all depositories provide collateral equal to at least one-half of the amount of public monies on deposit. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico. All depositories had collateral exceeding the amount required by law as shown in Schedule VI.

**STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY**

Notes to the Financial Statements

June 30, 2010

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

The sources of the component unit cash do not meet the definition of public monies. Therefore, the component units are not required to follow State Statutes and no collateralization is required. As of June 30, 2010, \$0 of the component unit's bank balance of \$744,711 was exposed to uncollateralized and uninsured amounts.

Investments

At June 30, 2010, investments of the University are summarized as follows:

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
State Investment Council (pooled funds)	Not Rated	\$ 7,900,296	Less than 90 days
State Investment Council (land grant)	Not Rated	7,590,335	Less than 90 days
<i>New MexiGROW</i> LGIP	AAAm	4,975,121	50 days
Reserve Contingency Fund	Unrated	38,992	Does not earn interest
Mutual Funds	Not Rated	28,469	Less than 90 days
Gabelli Equity Trust	AAA	51,040	Less than 90 days
General Electric Capital Company	AA2	51,000	Less than 90 days
JP Morgan Chase & Co	BAA1	53,260	Less than 90 days
Tennessee Valley Authority Power	AAA	53,900	Less than 90 days
Wachovia Capital Trust	BAA2	51,120	Less than 90 days
Wells Fargo Capital	BAA2	54,520	Less than 90 days
		<u>\$ 20,848,053</u>	

The New MexiGrow Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The pool does not have unit shares. Per section 6-10-10(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. As of June 30, 2010, the University's investment in the State Treasurer Local Government Investment Pool was rated AAAM by Standard & Poor's.

Interest Rate Risk. The University and its component units do not have a formal investment policy that limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Interest Rate Risk - State Investment Council Investments. The State Investment Council does not have a policy for interest rate risk management, but its practice is to address interest risk through the management of debt investment duration.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

Credit Risk. The University has an investment policy that requires an allocation percentage of 75% of the funds will be invested in equities and 25% in fixed income securities.

Concentration of Credit Risk. The University places no limit on the amount it may invest in any one issuer.

NOTE 4: RECEIVABLES, NET

Receivables, net at June 30, 2010 for the University, consists of the following:

Student tuition and fees	\$ 3,866,754
Federal, state and private grants	5,256,620
Other	<u>867,713</u>
	9,991,087
Allowance for uncollectible accounts	<u>(1,933,741)</u>
	<u><u>\$ 8,057,346</u></u>

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010, is summarized as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated				
Land and improvements	\$ 6,047,167	\$ -	\$ -	\$ 6,047,167
Construction in progress	4,971,980	12,053,703	247,100	16,778,583
Total capital assets not being depreciated	<u>11,019,147</u>	<u>12,053,703</u>	<u>247,100</u>	<u>22,825,750</u>
Capital assets being depreciated				
Buildings and improvements	131,378,410	571,701	-	131,950,111
Infrastructure	16,569,133	-	-	16,569,133
Equipment	37,539,891	806,172	768,840	37,577,223
Software	1,536,503	59,163	-	1,595,666
Library books	14,864,341	523,865	-	15,388,206
Total other capital assets, at cost	<u>201,888,278</u>	<u>1,960,901</u>	<u>768,840</u>	<u>203,080,339</u>
Less accumulated depreciation for				
Buildings and improvements	52,241,943	2,872,743	-	55,114,686
Infrastructure	7,287,644	692,739	-	7,980,383
Equipment	29,980,353	2,135,795	767,719	31,348,429
Software	1,436,400	39,686	-	1,476,086
Library books	13,799,701	540,371	-	14,340,072
Total accumulated depreciation	<u>104,746,041</u>	<u>6,281,334</u>	<u>767,719</u>	<u>110,259,656</u>
Other capital assets, net	<u>\$ 97,142,237</u>	<u>\$ (4,320,433)</u>	<u>\$ 1,121</u>	<u>\$ 92,820,683</u>
Capital asset summary				
Capital assets not being depreciated	\$ 11,019,147	\$ 12,053,703	\$ 247,100	\$ 22,825,750
Other capital assets, at cost	201,888,278	1,960,901	768,840	203,080,339
Total cost of capital assets	<u>212,907,425</u>	<u>14,014,604</u>	<u>1,015,940</u>	<u>225,906,089</u>
Less accumulated depreciation	104,746,041	6,281,334	767,719	110,259,656
Capital assets, net	<u>\$ 108,161,384</u>	<u>\$ 7,733,270</u>	<u>\$ 248,221</u>	<u>\$ 115,646,433</u>

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY

Notes to the Financial Statements

June 30, 2010

NOTE 6: ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued liabilities are summarized as follows:

Accrued payroll	\$ 1,704,684
Accrued payroll taxes and benefits	3,333,547
Other	159,763
	<u>\$ 5,197,994</u>

NOTE 7: LONG-TERM LIABILITIES

Long-term liabilities are summarized as follows:

	Balance			Balance	Amount
	June 30, 2009	Additions	Retirements	June 30, 2010	Due Within
					One Year
Bonds payable	\$ 14,630,000	\$ -	\$ 1,600,000	\$ 13,030,000	\$ 1,685,000
Leases payable	1,221,209	-	368,155	853,054	390,325
Accrued compensated absences	1,578,146	1,171,542	1,166,652	1,583,036	1,097,584
Student loan program	6,389,314	-	-	6,389,314	-
	<u>\$ 23,818,669</u>	<u>\$ 1,171,542</u>	<u>\$ 3,134,807</u>	<u>\$ 21,855,404</u>	<u>\$ 3,172,909</u>

Student loan program liabilities represent the federal share of the Perkins loan program.

NOTE 8: BONDS PAYABLE

Outstanding bonds payable are summarized as follows:

Description	Interest Rate	Balance June 30, 2010	Final Maturity
System Revenue Bond Series 1998	3.55-4.40%	\$ 1,400,000	06/30/13
General Obligation Building Bond Series 2005A	2.35-3.50%	100,000	08/15/10
System Revenue Bond Series 2005	3.25-4.25%	8,005,000	06/30/26
General Obligation Building Bond Series 2005B	3.15-3.95%	3,525,000	08/15/15
		<u>\$ 13,030,000</u>	

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 8: BONDS PAYABLE (continued)

Scheduled maturities of bonds payable are as follows for the years subsequent to June 30, 2010:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998 Revenue Series			
2011	\$ 450,000	\$ 60,918	\$ 510,918
2012	465,000	41,568	506,568
2013	485,000	21,340	506,340
	<u>1,400,000</u>	<u>123,826</u>	<u>1,523,826</u>
2005 GO Series A			
2011	<u>100,000</u>	<u>1,750</u>	<u>101,750</u>
2005 Revenue Series			
2011	360,000	339,008	699,008
2012	370,000	326,408	696,408
2013	385,000	312,533	697,533
2014	405,000	293,283	698,283
2015	425,000	273,033	698,033
2016-2020	2,430,000	1,058,305	3,488,305
2021-2025	2,960,000	523,794	3,483,794
2026-2030	670,000	28,475	698,475
	<u>8,005,000</u>	<u>3,154,839</u>	<u>11,159,839</u>
2005 GO Series B			
2011	775,000	111,456	886,456
2012	750,000	85,538	835,538
2013	600,000	61,800	661,800
2014	625,000	39,750	664,750
2015	650,000	16,719	666,719
2016-2020	125,000	2,469	127,469
	<u>3,525,000</u>	<u>317,732</u>	<u>3,842,732</u>
	<u>\$ 13,030,000</u>	<u>\$ 3,598,147</u>	<u>\$ 16,628,147</u>

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 8: BONDS PAYABLE (continued)

On December 22, 1998, the University issued \$3,535,000 of System Revenue Bonds (Series 1998). The proceeds of the bonds were used to (i) defray the cost of altering, improving, repairing, furnishing and equipping dormitory facilities, the student union building and other auxiliary facilities at and for the use of the University, and (ii) to pay all costs incidental to the foregoing and the issuance of the bonds.

On April 19, 2005, the Roswell Branch Campus issued \$3,625,000 of General Obligation Building Bonds (Series 2005). The proceeds of the bonds were used for the purpose of erecting and furnishing, constructing, purchasing, and equipping a healthcare center for the University.

On June 8, 2005, the University issued \$9,325,000 of System Revenue Bonds (Series 2005). The proceeds of the bonds were used to (i) pay the cost of erecting, altering, improving, repairing, furnishing and equipping existing and new buildings, improvements and facilities for the use of the University, and (ii) to pay all costs incidental to the foregoing and the issuance of the bonds.

All Bonds are secured by an irrevocable first lien on, and a pledge of, the University's revenues which consist of revenues received from all revenue producing facilities of the University, gross proceeds from the collection of student fees, gross income from the State of New Mexico Permanent Fund, certain grants from the United States, and other miscellaneous revenue sources.

Pledged revenues, as further defined in the bond resolutions, are required to be deposited in a separate account to be established on the books of the University entitled the "Revenue Fund". The bond resolutions also provide for the establishment of an interest and sinking fund for the purpose of meeting the interest and principle due on the next due date. The remaining principal and interest to be paid on the bonds totals \$16,628,147. During the current year, pledged revenue was \$28,362,000 compared to the annual debt requirements of \$2,590,998.

NOTE 9: PRIVATIZED STUDENT HOUSING AGREEMENT

On September 19, 2006, the University entered into a ground lease with a legally separate, non-profit corporation that has developed student housing projects on the Portales and Roswell Branch campuses through the use of single-project limited liability corporations. The University manages the premises. In September 2006, the LLCs, through their conduit issuers, issued two taxable and two non-taxable Student Housing Revenue Bonds totaling \$25.9 million (\$25.2 million non-taxable and \$615,000 taxable revenue bonds) to finance the construction of two student housing facilities. The bonds generally have annual principal and semiannual interest provisions. The University has no obligation on the bonds; the obligation for payment of the bonds is based on the revenue generated by the project. Student rental rates are established in order to provide for operating expenses and maintain the required debt service coverage ratios.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 10: CAPITAL LEASES PAYABLE

The University purchased energy saving lighting, heating, and cooling equipment for the Portales branch campus and the Roswell branch campus, at costs of \$3,139,877 and \$315,726, respectively. The equipment can be purchased during the life of the lease for a predetermined amount. Certain revenues of the University are pledged for repayment of the lease. The lessor holds a security interest in the property until the lease is paid in full.

The Roswell branch campus purchased software for \$427,298 to assist in teleconferencing classes to inmates throughout the State of New Mexico. The lessor holds a security interest in the property until the lease is paid in full.

The assets recorded for the capital leases are being depreciated on a straight line basis over the estimated useful lives of the asset. The assets are being depreciated for 3 to 15 years.

At June 30, 2010, the future minimum lease payments required under the lease are as follows:

Year ended June 30,		
	2011	\$ 431,221
	2012	122,770
	2013	83,482
	2014	83,482
	2015	83,482
	2016-2020	<u>166,965</u>
Total minimum lease payments		971,402
Amount representing interest		<u>(118,348)</u>
Present value of future minimum lease payments		<u><u>\$ 853,054</u></u>

NOTE 11: ACCRUED COMPENSATED ABSENCES

Accumulated unpaid vacation is accrued when incurred. Employees entitled to earn vacation pay earn it at various rates based on length of employment. Up to 240 hours of vacation may be accrued and paid out upon termination. Sick leave is not paid out upon termination; accordingly, no liability for sick leave is recorded by the University.

NOTE 12: PENSION PLAN - EDUCATION RETIREMENT BOARD

Plan Description. Substantially all of the University's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article II 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, NM 87502. The report is also available on ERB's website at www.nmerb.org.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 12: PENSION PLAN - EDUCATION RETIREMENT BOARD (continued)

Funding Policy. Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The University was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. 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. The University's contributions to ERB for the years ending June 30, 2010, 2009, and 2008 were \$4,781,744, \$4,641,242 and \$4,512,080, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 13: CONTINGENT LIABILITIES

The University currently is 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 and physical damage insurance for the University. During 2010, the University paid Risk Management \$920,155 in insurance premiums. The University believes that the outcome of all pending and threatened litigation will not have a material adverse effect on the financial position or operations of the University.

Federal grants received by the University are subject to audit by the grantors. In the event of noncompliance with funding requirements, grants may be required to be refunded to the grantor. University management estimates that such refunds, if any, will not be significant.

NOTE 14: POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

Plan Description. The University contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 14: POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN (continued)

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	0.833%
FY12	1.834%	0.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The University's contributions to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$495,583, \$525,400 and \$506,329, respectively, which equal the amount of the required contributions for each year.

NOTE 15: COMMITMENTS

The University entered into agreements with contractors and architects for various construction projects at the Portales and Roswell branch campuses. As of June 30, 2010, the University has an obligation of \$1,540,702 for these contracts.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Financial Statements
June 30, 2010

NOTE 16: SUBSEQUENT EVENTS

The New Mexico State Treasurer's Office invested a portion of the LGIP in the Reserve Primary Fund ("the Fund"), a money market fund, in fiscal years 2006, 2007, 2008, and 2009. On September 15, 2008, the balanced of the LGIP's investment in the Fund was \$381.7 million. On September 16, 2008, the Reserve Primary Fund's net asset value fell below \$1.00 and holdings in the Fund were frozen.

On July 15, 2010, the Reserve announced that it will begin its seventh distribution to Primary Fund shareholders on or about July 16, 2010. The distribution, in the amount of approximately \$215 million, represents approximately 67% of the Fund's remaining asset value of \$323 million as of the close of business on July 9, 2010. Including this seventh distribution, \$50.7 billion of Fund assets as of the close of business on September 15, 2008, will have been returned to investors. There is \$108 million still remaining with the Reserve at this time and the State Treasurer's Office has no information about timing nor amounts of potential future distributions. As a result, the State Treasurer's Office cannot anticipate what the actual loss to the LGIP from the Reserve Primary Fund may be or when the actual loss may be realized. No actual loss has been realized to date.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Unrestricted and Restricted - All Operations
For the Year Ended June 30, 2010

	Portales Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted and Restricted Beginning Net Assets	\$ 8,166,960	\$ 26,779,963	\$ 26,779,963	\$ -
Unrestricted and Restricted - All operations				
Revenues				
State general fund appropriations	31,415,400	30,364,137	30,352,059	(12,078)
Federal revenue sources	12,924,066	19,280,066	11,445,458	(7,834,608)
Tuition and fees	12,379,100	13,363,100	13,694,454	331,354
Tax levies	-	-	-	-
Land and permanent fund	620,000	620,000	671,593	51,593
Endowments and private gifts	2,461,500	2,761,500	1,754,279	(1,007,221)
Other	11,647,434	11,868,542	11,435,106	(433,436)
Total Unrestricted and Restricted Revenues	<u>71,447,500</u>	<u>78,257,345</u>	<u>69,352,949</u>	<u>(8,904,396)</u>
Unrestricted and Restricted Expenditures:				
Instruction	20,800,000	20,650,000	19,190,142	1,459,858
Academic support	4,293,000	4,809,000	3,687,976	1,121,024
Student services	3,332,000	3,437,000	3,027,341	409,659
Institutional support	5,245,000	5,975,000	5,668,273	306,727
Operation and maintenance of plant	4,946,000	5,445,000	4,658,484	786,516
Student social and cultural	939,000	1,200,000	889,697	310,303
Research	1,137,000	1,150,000	382,949	767,051
Public service	7,487,000	7,200,000	4,866,938	2,333,062
Internal service	344,000	450,000	(544,897)	994,897
Student aid	11,144,000	16,500,000	12,964,294	3,535,706
Auxiliary services	4,121,000	4,800,000	4,652,572	147,428
Intercollegiate athletics	3,202,000	3,400,000	3,188,304	211,696
Capital outlay	3,055,000	11,530,000	9,483,122	2,046,878
Building renewal and replacement	3,000,000	900,000	528,479	371,521
Retirement of indebtedness	1,606,000	1,606,000	1,637,553	(31,553)
Total Unrestricted and Restricted Expenditures	<u>74,651,000</u>	<u>89,052,000</u>	<u>74,281,227</u>	<u>14,770,773</u>
Net Transfers	-	100,000	100,000	-
Change in Net Assets (Budgetary Basis)	<u>(3,203,500)</u>	<u>(10,694,655)</u>	<u>(4,828,278)</u>	<u>5,866,377</u>
Ending Net Assets	<u>\$ 4,963,460</u>	<u>\$ 16,085,308</u>	<u>\$ 21,951,685</u>	<u>\$ 5,866,377</u>

Note: The purpose of the Budget Comparison is to reconcile the change in net assets as reported on a budgetary basis to the change in net assets as reported using generally accepted accounting principles. The reporting of actuals (budgetary basis) is a non-GAAP accounting method that excludes depreciation expense and includes the cost of capital equipment purchases. The budgetary basis approximates the fund basis of accounting.

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 plan 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.

Roswell Campus			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 14,095,678	\$ 16,745,826	\$ 16,745,826	\$ -
15,032,800	14,589,910	14,484,110	(105,800)
9,320,121	11,761,758	10,154,479	(1,607,279)
4,089,945	4,124,265	4,201,694	77,429
1,920,000	2,270,000	2,365,000	95,000
-	-	-	-
84,950	766,975	665,840	(101,135)
5,727,929	7,670,119	10,122,413	2,452,294
36,175,745	41,183,027	41,993,536	810,509
15,269,789	13,021,592	11,966,499	1,055,093
897,999	794,180	718,311	75,869
1,649,749	1,510,630	1,383,559	127,071
4,082,991	3,433,096	3,526,571	(93,475)
2,671,038	2,441,339	2,126,703	314,636
178,946	179,025	145,071	33,954
-	-	-	-
3,380,259	5,581,848	5,213,863	367,985
35,000	90,841	(152,072)	242,913
4,727,347	7,831,240	7,032,410	798,830
1,670,100	3,036,589	2,634,237	402,352
-	-	-	-
4,153,742	5,476,275	4,287,238	1,189,037
677,375	677,375	297,253	380,122
1,005,505	1,008,505	953,445	55,060
40,399,840	45,082,535	40,133,088	4,949,447
-	-	-	-
(4,224,095)	(3,899,508)	1,860,448	5,759,956
\$ 9,871,583	\$ 12,846,318	\$ 18,606,274	\$ 5,759,956

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Unrestricted and Restricted - All Operations (Continued)
For the Year Ended June 30, 2010

	Ruidoso Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted and Restricted Beginning Net Assets	\$ 816,027	\$ 1,574,773	\$ 1,574,773	\$ -
Unrestricted and Restricted - All operations				
Revenues				
State general fund appropriations	1,846,000	1,786,100	1,786,150	50
Federal revenue sources	873,885	2,268,485	2,181,265	(87,220)
Tuition and fees	436,340	522,200	554,607	32,407
Tax levies	835,660	900,000	959,091	59,091
Land and permanent fund	-	-	-	-
Endowments and private gifts	-	-	-	-
Other	852,715	1,001,115	899,505	(101,610)
Total Unrestricted and Restricted Revenues	<u>4,844,600</u>	<u>6,477,900</u>	<u>6,380,618</u>	<u>(97,282)</u>
Unrestricted and Restricted Expenditures				
Instruction	2,030,800	2,503,800	2,201,878	301,922
Academic support	302,200	297,800	310,069	(12,269)
Student services	300,000	289,200	302,326	(13,126)
Institutional support	784,800	738,000	688,430	49,570
Operation and maintenance of plant	209,800	200,000	173,812	26,188
Student social and cultural	-	-	-	-
Research	-	-	-	-
Public service	151,200	176,200	104,827	71,373
Internal service	-	-	-	-
Student aid	776,000	1,772,000	1,814,568	(42,568)
Auxiliary services	327,600	350,000	344,263	5,737
Intercollegiate athletics	-	-	-	-
Capital outlay	217,033	246,400	116,316	130,084
Building renewal and replacement	35,000	35,000	11,211	23,789
Retirement of indebtedness	-	-	-	-
Total Unrestricted and Restricted Expenditures	<u>5,134,433</u>	<u>6,608,400</u>	<u>6,067,701</u>	<u>540,699</u>
Net Transfers	-	-	-	-
Change in Net Assets (Budgetary Basis)	<u>(289,833)</u>	<u>(130,500)</u>	<u>312,917</u>	<u>443,417</u>
Ending Net Assets	<u>\$ 526,194</u>	<u>\$ 1,444,273</u>	<u>\$ 1,887,690</u>	<u>\$ 443,417</u>

Total University			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 23,078,665	\$ 45,100,562	\$ 45,100,562	\$ -
48,294,200	46,740,147	46,622,319	(117,828)
23,118,072	33,310,309	23,781,202	(9,529,107)
16,905,385	18,009,565	18,450,755	441,190
2,755,660	3,170,000	3,324,091	154,091
620,000	620,000	671,593	51,593
2,546,450	3,528,475	2,420,119	(1,108,356)
18,228,078	20,539,776	22,457,024	1,917,248
112,467,845	125,918,272	117,727,103	(8,191,169)
38,100,589	36,175,392	33,358,519	2,816,873
5,493,199	5,900,980	4,716,356	1,184,624
5,281,749	5,236,830	4,713,226	523,604
10,112,791	10,146,096	9,883,274	262,822
7,826,838	8,086,339	6,958,999	1,127,340
1,117,946	1,379,025	1,034,768	344,257
1,137,000	1,150,000	382,949	767,051
11,018,459	12,958,048	10,185,628	2,772,420
379,000	540,841	(696,969)	1,237,810
16,647,347	26,103,240	21,811,272	4,291,968
6,118,700	8,186,589	7,631,072	555,517
3,202,000	3,400,000	3,188,304	211,696
7,425,775	17,252,675	13,886,676	3,365,999
3,712,375	1,612,375	836,943	775,432
2,611,505	2,614,505	2,590,998	23,507
120,185,273	140,742,935	120,482,015	20,260,920
-	100,000	100,000	-
(7,717,428)	(14,724,663)	(2,654,912)	12,069,751
\$ 15,361,237	\$ 30,375,899	\$ 42,445,650	\$ 12,069,751

Reconciliation of change in net assets (budgetary basis)

to change in net assets (GAAP basis):

Change in net assets (budgetary basis) \$ (2,654,912)

Adjustment to reconcile budgetary basis to GAAP basis:

Net change in funds not included in budgetary basis

which are included in GAAP basis:

Endowment fund items	1,930,925
Depreciation expense	(6,281,334)
Capital appropriations	3,995,648
Capital outlay expenditures	13,674,291
Loan funds	(106,261)
Bond payments	1,903,385
Other	6,363
Increase in net assets (GAAP basis)	\$ 12,468,105

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Unrestricted Current Funds - Noninstruction and General
For the Year Ended June 30, 2010

	Portales Campus			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	
	Original	Final		
Unrestricted - Noninstruction and General				
Unrestricted Beginning Net Assets	\$ 6,728,794	\$ 25,304,724	\$ 25,304,724	\$ -
Unrestricted Revenues				
Tuition	-	-	-	-
Miscellaneous fees	1,880,100	1,880,100	1,940,103	60,003
Government appropriations - federal	-	-	-	-
Government appropriations - state	3,687,200	3,448,000	3,448,002	2
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	4,000	4,000	9,527	5,527
Government contracts/grants - state	2,219,600	1,952,600	1,915,746	(36,854)
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	255,000	255,000	253,794	(1,206)
Sales and services	3,740,750	4,207,750	4,447,662	239,912
Other	2,300,850	2,222,195	4,052,860	1,830,665
Total Unrestricted Revenues	14,087,500	13,969,645	16,067,694	2,098,049
Unrestricted Expenditures				
Student social and cultural activities	789,000	850,000	837,025	12,975
Research	137,000	150,000	125,133	24,867
Public service	2,187,000	1,900,000	1,893,927	6,073
Internal services	244,000	350,000	(597,903)	947,903
Student aid, grants and stipends	3,119,000	3,500,000	3,491,045	8,955
Auxiliary services	4,021,000	4,600,000	4,572,474	27,526
Intercollegiate athletics	3,027,000	3,050,000	3,001,541	48,459
Independent operations	-	-	-	-
Capital outlay	3,055,000	11,530,000	9,483,122	2,046,878
Building renewal and replacement	3,000,000	900,000	528,479	371,521
Retirement of indebtedness	1,606,000	1,606,000	1,637,553	(31,553)
Total Unrestricted Expenditures	21,185,000	28,436,000	24,972,396	3,463,604
Net Transfers	3,753,767	4,153,767	4,153,767	-
Change in Net Assets (Budgetary Basis)	(3,343,733)	(10,312,588)	(4,750,935)	5,561,653
Ending Net Assets	\$ 3,385,061	\$ 14,992,136	\$ 20,553,789	\$ 5,561,653

Roswell Campus			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 11,142,405	\$ 15,295,953	\$ 15,295,953	\$ -
840,170	536,058	537,037	979
75,000	85,000	120,370	35,370
-	4,000	-	(4,000)
688,942	792,318	4,153,782	3,361,464
1,025,000	1,335,000	1,444,151	109,151
-	-	-	-
-	137,613	383,261	245,648
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,200	47,443	132,186	84,743
1,586,000	2,454,595	2,424,629	(29,966)
365,000	776,517	485,700	(290,817)
4,581,312	6,168,544	9,681,116	3,512,572
151,015	151,094	145,071	6,023
-	-	-	-
997,693	1,347,139	1,407,611	(60,472)
35,000	90,841	(152,072)	242,913
357,614	272,167	309,204	(37,037)
1,670,100	3,036,589	2,634,237	402,352
-	-	-	-
-	-	-	-
4,153,742	5,476,275	4,287,238	1,189,037
677,375	677,375	297,253	380,122
1,005,505	1,008,505	953,445	55,060
9,048,044	12,059,985	9,881,987	2,177,998
1,604,807	2,104,807	2,104,807	-
(2,861,925)	(3,786,634)	1,903,936	5,690,570
\$ 8,280,480	\$ 11,509,319	\$ 17,199,889	\$ 5,690,570

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Unrestricted Current Funds - Noninstruction and General (Continued)
For the Year Ended June 30, 2010

	Ruidoso Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted - Noninstruction and General				
Unrestricted Beginning Net Assets	\$ 281,127	\$ 1,416,617	\$ 1,416,617	\$ -
Unrestricted Revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Government appropriations - federal	-	-	-	-
Government appropriations - state	89,400	83,600	83,600	-
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	-	-	-	-
Government contracts/grants - state	20,000	22,000	24,696	2,696
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	-	-	-	-
Sales and services	320,000	349,500	387,881	38,381
Other	500	500	47,436	46,936
Total Unrestricted Revenues	429,900	455,600	543,613	88,013
Unrestricted Expenditures				
Student social and cultural activities	-	-	-	-
Research	-	-	-	-
Public service	101,200	101,200	63,437	37,763
Internal services	-	-	-	-
Student aid, grants and stipends	50,000	52,000	47,372	4,628
Auxiliary services	327,600	350,000	344,263	5,737
Intercollegiate athletics	-	-	-	-
Independent operations	-	-	-	-
Capital outlay	217,033	246,400	116,316	130,084
Building renewal and replacement	35,000	35,000	11,212	23,788
Retirement of indebtedness	-	-	-	-
Total Unrestricted Expenditures	730,833	784,600	582,600	202,000
Net Transfers	82,058	232,058	232,058	-
Change in Net Assets (Budgetary Basis)	(218,875)	(96,942)	193,071	290,013
Ending Net Assets	\$ 62,252	\$ 1,319,675	\$ 1,609,688	\$ 290,013

Total University			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 18,152,326	\$ 42,017,294	\$ 42,017,294	\$ -
840,170	536,058	537,037	979
1,955,100	1,965,100	2,060,473	95,373
-	4,000	-	(4,000)
4,465,542	4,323,918	7,685,384	3,361,466
1,025,000	1,335,000	1,444,151	109,151
4,000	4,000	9,527	5,527
2,239,600	2,112,213	2,323,703	211,490
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
256,200	302,443	385,980	83,537
5,646,750	7,011,845	7,260,172	248,327
2,666,350	2,999,212	4,585,996	1,586,784
19,098,712	20,593,789	26,292,423	5,698,634
940,015	1,001,094	982,096	18,998
137,000	150,000	125,133	24,867
3,285,893	3,348,339	3,364,975	(16,636)
279,000	440,841	(749,975)	1,190,816
3,526,614	3,824,167	3,847,621	(23,454)
6,018,700	7,986,589	7,550,974	435,615
3,027,000	3,050,000	3,001,541	48,459
-	-	-	-
7,425,775	17,252,675	13,886,676	3,365,999
3,712,375	1,612,375	836,944	775,431
2,611,505	2,614,505	2,590,998	23,507
30,963,877	41,280,585	35,436,983	5,843,602
5,440,632	6,490,632	6,490,632	-
(6,424,533)	(14,196,164)	(2,653,928)	11,542,236
\$ 11,727,793	\$ 27,821,130	\$ 39,363,366	\$ 11,542,236

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Restricted Current Funds - Noninstruction and General
For the Year Ended June 30, 2010

	Portales Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Restricted - Noninstruction and General				
Restricted Beginning Net Assets	\$ -	\$ -	\$ -	\$ -
Restricted Revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Government appropriations - federal	-	-	-	-
Government appropriations - state	-	-	-	-
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	9,840,066	14,815,066	9,696,807	(5,118,259)
Government contracts/grants - state	2,474,917	2,474,917	1,308,173	(1,166,744)
Government contracts/grants - local	-	-	-	-
Private grants/contracts	1,956,500	2,256,500	1,398,171	(858,329)
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	-	-	-	-
Sales and services	-	-	-	-
Other	578,517	753,517	673,464	(80,053)
Total Restricted Revenues	14,850,000	20,300,000	13,076,615	(7,223,385)
Restricted Expenditures				
Student social and cultural activities	150,000	350,000	52,672	297,328
Research	1,000,000	1,000,000	257,816	742,184
Public service	5,300,000	5,300,000	2,973,011	2,326,989
Internal services	100,000	100,000	53,006	46,994
Student aid, grants and stipends	8,025,000	13,000,000	9,473,249	3,526,751
Auxiliary services	100,000	200,000	80,098	119,902
Intercollegiate athletics	175,000	350,000	186,763	163,237
Independent operations	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total Restricted Expenditures	14,850,000	20,300,000	13,076,615	7,223,385
Net Transfers	-	-	-	-
Change in Net Assets (Budgetary Basis)	-	-	-	-
Ending Net Assets	\$ -	\$ -	\$ -	\$ -

Roswell Campus			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,745,257	9,769,883	8,790,071	(979,812)
704,973	1,066,048	1,205,733	139,685
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	185,782	185,702	(80)
-	-	-	-
330,000	800,000	347,952	(452,048)
6,780,230	11,821,713	10,529,458	(1,292,255)
27,931	27,931	-	27,931
-	-	-	-
2,382,566	4,234,709	3,806,252	428,457
-	-	-	-
4,369,733	7,559,073	6,723,206	835,867
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
6,780,230	11,821,713	10,529,458	1,292,255
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Restricted Current Funds - Noninstruction and General (Continued)
For the Year Ended June 30, 2010

	Ruidoso Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Restricted - Noninstruction and General				
Restricted Beginning Net Assets	\$ -	\$ -	\$ -	\$ -
Restricted Revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Government appropriations - federal	-	-	-	-
Government appropriations - state	-	-	-	-
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	648,885	1,642,885	1,677,647	34,762
Government contracts/grants - state	115,248	140,248	105,549	(34,699)
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	11,867	11,867	25,390	13,523
Sales and services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	<u>776,000</u>	<u>1,795,000</u>	<u>1,808,586</u>	<u>13,586</u>
Restricted Expenditures				
Student social and cultural activities	-	-	-	-
Research	-	-	-	-
Public service	50,000	75,000	41,390	33,610
Internal services	-	-	-	-
Student aid, grants and stipends	726,000	1,720,000	1,767,196	(47,196)
Auxiliary services	-	-	-	-
Intercollegiate athletics	-	-	-	-
Independent operations	-	-	-	-
Capital outlay	-	-	-	-
Building renewal and replacement	-	-	-	-
Retirement of indebtedness	-	-	-	-
Total Restricted Expenditures	<u>776,000</u>	<u>1,795,000</u>	<u>1,808,586</u>	<u>(13,586)</u>
Net Transfers	-	-	-	-
Change in Net Assets (Budgetary Basis)	-	-	-	-
Ending Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Total University			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
16,234,208	26,227,834	20,164,525	(6,063,309)
3,295,138	3,681,213	2,619,455	(1,061,758)
-	-	-	-
1,956,500	2,256,500	1,398,171	(858,329)
-	-	-	-
-	-	-	-
11,867	197,649	211,092	13,443
-	-	-	-
908,517	1,553,517	1,021,416	(532,101)
22,406,230	33,916,713	25,414,659	(8,502,054)
177,931	377,931	52,672	325,259
1,000,000	1,000,000	257,816	742,184
7,732,566	9,609,709	6,820,653	2,789,056
100,000	100,000	53,006	46,994
13,120,733	22,279,073	17,963,651	4,315,422
100,000	200,000	80,098	119,902
175,000	350,000	186,763	163,237
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
22,406,230	33,916,713	25,414,659	8,502,054
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Unrestricted Current Funds - Instruction and General
For the Year Ended June 30, 2010

	Portales Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted - Instruction and General				
Unrestricted Beginning Net Assets	\$ 1,438,166	\$ 1,475,239	\$ 1,475,239	\$ -
Unrestricted Revenues				
Tuition	9,323,700	10,305,500	10,329,019	23,519
Miscellaneous fees	620,300	622,500	111,911	(510,589)
Government appropriations - federal	-	-	-	-
Government appropriations - state	27,728,200	26,597,200	26,596,900	(300)
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	80,000	80,000	-	(80,000)
Government contracts/grants - state	-	-	-	-
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Tax levies	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	620,000	620,000	671,593	51,593
Private gifts	-	-	-	-
Sales and services	55,500	55,500	55,133	(367)
Other	382,300	307,000	(10,312)	(317,312)
Total Unrestricted Revenues	38,810,000	38,587,700	37,754,244	(833,456)
Unrestricted Expenditures				
Instruction	19,275,000	19,125,000	18,624,708	500,292
Academic support	3,248,000	3,309,000	3,274,533	34,467
Student services	2,507,000	2,537,000	2,515,719	21,281
Institutional support	5,065,000	5,075,000	4,820,059	254,941
Operation and maintenance of plant	4,821,000	4,870,000	4,542,801	327,199
Total Unrestricted Expenditures	34,916,000	34,916,000	33,777,820	1,138,180
Net Transfers	(3,753,767)	(4,053,767)	(4,053,767)	-
Change in Net Assets (Budgetary Basis)	140,233	(382,067)	(77,343)	304,724
Ending Net Assets	\$ 1,578,399	\$ 1,093,172	\$ 1,397,896	\$ 304,724

Roswell Campus			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 2,953,273	\$ 1,449,873	\$ 1,449,873	\$ -
2,767,775	3,003,707	2,926,772	(76,935)
407,000	499,500	617,515	118,015
-	-	-	-
14,732,600	14,260,152	14,267,752	7,600
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
920,000	970,000	974,437	4,437
33,750	33,750	-	(33,750)
-	-	-	-
-	-	-	-
-	-	-	-
460,437	460,437	382,451	(77,986)
19,321,562	19,227,546	19,168,927	(58,619)
9,951,148	9,230,368	9,352,464	(122,096)
851,999	748,180	718,311	29,869
1,584,749	1,445,630	1,383,559	62,071
4,019,991	3,370,096	3,526,571	(156,475)
2,671,038	2,441,339	2,126,703	314,636
19,078,925	17,235,613	17,107,608	128,005
(1,604,807)	(2,104,807)	(2,104,807)	-
(1,362,170)	(112,874)	(43,488)	69,386
\$ 1,591,103	\$ 1,336,999	\$ 1,406,385	\$ 69,386

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Unrestricted Current Funds - Instruction and General (Continued)
For the Year Ended June 30, 2010

	Ruidoso Campus			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final	(Budgetary Basis)	
Unrestricted - Instruction and General				
Unrestricted Beginning Net Assets	\$ 534,900	\$ 158,156	\$ 158,156	\$ -
Unrestricted Revenues				
Tuition	394,840	474,000	494,515	20,515
Miscellaneous fees	41,500	48,200	60,092	11,892
Government appropriations - federal	-	-	-	-
Government appropriations - state	1,756,600	1,702,500	1,702,550	50
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	-	-	-	-
Government contracts/grants - state	-	-	-	-
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Tax levies	835,660	900,000	959,091	59,091
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	-	-	-	-
Sales and services	-	-	-	-
Other	21,900	13,800	(7,531)	(21,331)
Total Unrestricted Revenues	3,050,500	3,138,500	3,208,717	70,217
Unrestricted Expenditures				
Instruction	1,461,800	1,430,000	1,455,118	(25,118)
Academic support	287,800	287,000	291,999	(4,999)
Student services	295,200	285,000	272,878	12,122
Institutional support	784,800	738,000	663,767	74,233
Operation and maintenance of plant	209,800	200,000	173,051	26,949
Total Unrestricted Expenditures	3,039,400	2,940,000	2,856,813	83,187
Net Transfers	(82,058)	(232,058)	(232,058)	-
Change in Net Assets (Budgetary Basis)	(70,958)	(33,558)	119,846	153,404
Ending Net Assets	\$ 463,942	\$ 124,598	\$ 278,002	\$ 153,404

Total University			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 4,926,339	\$ 3,083,268	\$ 3,083,268	\$ -
12,486,315	13,783,207	13,750,306	(32,901)
1,068,800	1,170,200	789,518	(380,682)
-	-	-	-
44,217,400	42,559,852	42,567,202	7,350
-	-	-	-
80,000	80,000	-	(80,000)
-	-	-	-
-	-	-	-
-	-	-	-
1,755,660	1,870,000	1,933,528	63,528
33,750	33,750	-	(33,750)
620,000	620,000	671,593	51,593
-	-	-	-
55,500	55,500	55,133	(367)
864,637	781,237	364,608	(416,629)
61,182,062	60,953,746	60,131,888	(821,858)
30,687,948	29,785,368	29,432,290	353,078
4,387,799	4,344,180	4,284,843	59,337
4,386,949	4,267,630	4,172,156	95,474
9,869,791	9,183,096	9,010,397	172,699
7,701,838	7,511,339	6,842,555	668,784
57,034,325	55,091,613	53,742,241	1,349,372
(5,440,632)	(6,390,632)	(6,390,632)	-
(1,292,895)	(528,499)	(985)	527,514
\$ 3,633,444	\$ 2,554,769	\$ 3,082,283	\$ 527,514

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Restricted Current Funds - Instruction and General
For the Year Ended June 30, 2010

	Portales Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Restricted - Instruction and General				
Restricted Beginning Net Assets	\$ -	\$ -	\$ -	\$ -
Restricted Revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Government appropriations - federal	-	-	-	-
Government appropriations - state	-	318,937	307,157	(11,780)
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	3,000,000	4,381,000	1,739,124	(2,641,876)
Government contracts/grants - state	450,000	450,063	305,801	(144,262)
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	250,000	250,000	102,314	(147,686)
Sales and services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	3,700,000	5,400,000	2,454,396	(2,945,604)
Restricted Expenditures				
Instruction	1,525,000	1,525,000	565,434	959,566
Academic support	1,045,000	1,500,000	413,443	1,086,557
Student services	825,000	900,000	511,622	388,378
Institutional support	180,000	900,000	848,214	51,786
Operation and maintenance of plant	125,000	575,000	115,683	459,317
Total Restricted Expenditures	3,700,000	5,400,000	2,454,396	2,945,604
Net Transfers	-	-	-	-
Change in Net Assets (Budgetary Basis)	-	-	-	-
Ending Net Assets	\$ -	\$ -	\$ -	\$ -

Roswell Campus			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,574,864	1,987,875	1,364,408	(623,467)
1,917,777	1,977,349	1,249,627	(727,722)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,492,641	3,965,224	2,614,035	(1,351,189)
5,318,641	3,791,224	2,614,035	1,177,189
46,000	46,000	-	46,000
65,000	65,000	-	65,000
63,000	63,000	-	63,000
-	-	-	-
5,492,641	3,965,224	2,614,035	1,351,189
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Budgeted and Actual Revenues and Expenditures
Restricted Current Funds - Instruction and General (Continued)
For the Year Ended June 30, 2010

	Ruidoso Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Restricted - Instruction and General				
Restricted Beginning Net Assets	\$ -	\$ -	\$ -	\$ -
Restricted Revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Government appropriations - federal	-	-	-	-
Government appropriations - state	-	-	-	-
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	225,000	625,600	503,618	(121,982)
Government contracts/grants - state	353,200	453,200	271,533	(181,667)
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	10,000	10,000	44,551	34,551
Sales and services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	588,200	1,088,800	819,702	(269,098)
Restricted Expenditures				
Instruction	569,000	1,073,800	746,760	327,040
Academic support	14,400	10,800	18,070	(7,270)
Student services	4,800	4,200	29,448	(25,248)
Institutional support	-	-	24,663	(24,663)
Operation and maintenance of plant	-	-	761	(761)
Total Restricted Expenditures	588,200	1,088,800	819,702	269,098
Net Transfers	-	-	-	-
Change in Net Assets (Budgetary Basis)	-	-	-	-
Ending Net Assets	\$ -	\$ -	\$ -	\$ -

Total University			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	318,937	307,157	(11,780)
-	-	-	-
6,799,864	6,994,475	3,607,150	(3,387,325)
2,720,977	2,880,612	1,826,961	(1,053,651)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
260,000	260,000	146,865	(113,135)
-	-	-	-
-	-	-	-
9,780,841	10,454,024	5,888,133	(4,565,891)
7,412,641	6,390,024	3,926,229	2,463,795
1,105,400	1,556,800	431,513	1,125,287
894,800	969,200	541,070	428,130
243,000	963,000	872,877	90,123
125,000	575,000	116,444	458,556
9,780,841	10,454,024	5,888,133	4,565,891
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Schedule of Budgeted and Actual
Current and Plant Funds – By Campus
June 30, 2010

NOTE 1: BASIS OF PREPARATION

The accompanying Schedule of Budgeted and Actual - Current and Plant Funds - By Campus, for the year ended June 30, 2010, (the Schedule) is prepared on the basis of accounting prescribed by the State of New Mexico, Higher Education Department (the Department). The Department requires budgets for current restricted, current unrestricted and plant fund revenues and expenditures on a basis consistent with the financial reporting model used by the University prior to implementation of GASB Statements No. 34 and 35. Additions to capital assets and debt principal retirements are reported as expenditures on the budget basis, but not on the basis required by generally accepted accounting principles (GAAP). Depreciation expense is reported on a GAAP basis, but not on the budget basis.

Operating budgets are submitted for approval to the University's Board of Regents, the State of New Mexico Higher Education Department and the State Budget Division of the Department of Finance and Administration. To amend the budget, the University requires the following order of approval: 1) University President, 2) University Board of Regents, 3) Higher Education Department, and 4) State Budget Division of the Department of Finance and Administration. In general, unexpended state appropriations to the University do not revert at the end of each fiscal year. None of the current appropriations received are subject to revision.

Budgetary control is exercised over each of the following functions: instruction and general, internal services, student social and cultural development activities, sponsored research, public services, student aid grants and stipends, auxiliary enterprises, intercollegiate athletics, major and minor capital outlay, and each item of transfer between funds and/or functions. Expenses and transfers in each item of budgetary control may not exceed the amount in the final budget.

NOTE 2: OTHER REQUIRED DISCLOSURES

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Excess of actual over budgeted expenditures.

For the fiscal year ended June 30, 2010, expenditures exceeded the budget in the following:

Portales Campus

Unrestricted		
Retirement of indebtedness		\$ 31,553

Roswell Campus

Unrestricted		
Public Service		\$ 60,472
Student aid, grants and stipends		37,037

Ruidoso Campus

Restricted		
Student aid, grants and stipends		\$ 47,196

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Deposit and Investment Accounts - University
June 30, 2010

Account Name	Account Type	Bank of America	Wells Fargo Bank	Wells Fargo Investment
Deposits				
ENMU - Roswell	Checking - operating	\$ 161,805	\$ -	\$ -
ENMU - Roswell	Checking - Title IV	78,335	-	-
ENMU - Roswell	Checking - construction	8,899	-	-
ENMU - Roswell	Checking	-	90,000	-
ENMU - Roswell	Checking	-	162,053	-
ENMU - Roswell	Checking	-	5,548	-
ENMU - Roswell	Money market	-	-	4,247,793
ENMU - Roswell	Certificate of deposit	10,000	-	-
ENMU - Roswell	Certificate of deposit	-	-	-
ENMU - Roswell	Certificate of deposit	-	-	-
ENMU - Roswell	Certificate of deposit	-	-	-
ENMU - Roswell	Certificate of deposit	-	-	-
ENMU - Roswell	Investments sweep	-	-	19,709
ENMU - Ruidoso	Checking	-	35,000	-
ENMU - Ruidoso	Checking - operating	-	-	-
ENMU - Portales	Checking - operating	-	-	-
ENMU - Portales	Checking - payroll	-	-	-
ENMU - Portales	Checking	-	-	-
ENMU - Roswell	Certificate of deposit	-	10,000	-
ENMU - Portales	Certificate of deposit	-	-	-
ENMU - Portales	Certificate of deposit	-	-	-
ENMU - Portales	Sinking Fund	-	-	-
Total amount of deposit in bank		259,039	302,601	4,267,502
Less: Insured/Non-public funds		-	-	4,267,502
Less: FDIC coverage		250,000	285,000	-
Total uninsured public funds		9,039	17,601	-
50% collateral requirements		4,520	8,801	-
Pledged securities		6,444,186	86,978	-
Over/(Under) Collateralized		6,439,667	78,178	-
Bank balance		259,039	302,601	4,267,502
Outstanding items		(386,468)	-	-
Deposits in transit		6,306,543	92,876	-
Book balance		\$ 6,179,114	\$ 395,477	\$ 4,267,502
Investments				
ENMU - Portales	LGIP	\$ -	\$ -	\$ -
ENMU - Portales	LGIP	-	-	-
ENMU - Roswell	LGIP	-	-	-
ENMU - Roswell	Mutual Funds	-	-	28,469
ENMU - Roswell	Preferred Stocks	-	-	314,840
SIC Endowment Institution	Trust	-	-	-
SIC Endowment Fund	Land grant	-	-	-
		\$ -	\$ -	\$ 343,309

Schedule VI

NM State Treasurer and Other	Portales National Bank	First Community Bank	Roswell National Bank	Pioneer Savings and Trust	Compass Bank	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,805
-	-	-	-	-	-	78,335
-	-	-	-	-	-	8,899
-	-	-	-	-	-	90,000
-	-	-	-	-	-	162,053
-	-	-	-	-	-	5,548
-	-	-	-	-	-	4,247,793
-	-	-	-	-	-	10,000
-	-	-	-	2,000	-	2,000
-	-	-	-	5,000	-	5,000
-	-	-	-	3,571	-	3,571
-	-	-	107,005	-	-	107,005
-	-	-	-	-	-	19,709
-	-	-	-	-	-	35,000
-	-	-	-	-	1,868,280	1,868,280
-	-	5,852,958	-	-	-	5,852,958
-	848,897	-	-	-	-	848,897
-	-	100,032	-	-	-	100,032
-	-	-	-	-	-	10,000
-	-	2,506,568	-	-	-	2,506,568
-	-	2,508,760	-	-	-	2,508,760
-	-	395,339	-	-	-	395,339
-	848,897	11,363,657	107,005	10,571	1,868,280	19,027,552
-	-	-	-	-	-	4,267,502
-	250,000	6,348,329	-	-	250,000	7,383,329
-	598,897	5,015,328	107,005	10,571	1,618,280	7,376,721
-	299,449	2,507,664	53,503	5,286	809,140	3,688,361
-	606,778	4,892,384	-	-	1,880,576	13,910,902
-	307,330	2,384,720	(53,503)	(5,286)	1,071,436	10,222,542
-	848,897	11,363,657	107,005	10,571	1,868,280	19,027,552
-	(63,064)	(761,003)	-	-	(49,749)	(1,260,284)
-	-	4,955	-	-	8,448	6,412,822
\$ -	\$ 785,833	\$ 10,607,609	\$ 107,005	\$ 10,571	\$ 1,826,979	\$ 24,180,090
\$ 3,201,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,201,469
11,378	-	-	-	-	-	11,378
1,801,266	-	-	-	-	-	1,801,266
-	-	-	-	-	-	28,469
-	-	-	-	-	-	314,840
7,900,296	-	-	-	-	-	7,900,296
7,590,335	-	-	-	-	-	7,590,335
\$ 20,504,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,848,053
Petty cash						24,000
Deposits and investments per schedule VI						\$ 45,052,143
Cash and restricted cash						19,522,071
Investments						25,530,072
Deposits and investments per Statement of Net Assets						\$ 45,052,143

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Deposit and Investment Accounts - Component Units
For the Year Ended June 30, 2010

Schedule VI
(Continued)

Name of Bank/Broker	Account Type	Balance per Statement	Reconciled Balance per Books
Eastern New Mexico University Foundation			
Deposit Accounts			
Edward Jones	Deposit	\$ 24,979	\$ 24,979
James Polk Stone National Bank	Deposit	270,901	266,793
		<u>\$ 295,880</u>	<u>\$ 291,772</u>
Investment Accounts			
Edward Jones	Certificates of deposit	\$ 7,361,662	\$ 7,361,662
		<u>\$ 7,361,662</u>	<u>\$ 7,361,662</u>
ENMU-R Foundation			
Deposit Accounts			
Pioneer Bank	Deposit	\$ 227,654	\$ 227,654
Bank of America	Certificate of deposit	10,000	10,000
First Federal Bank	Certificate of deposit	211,177	211,177
		<u>\$ 448,831</u>	<u>\$ 448,831</u>
Investment Accounts			
Wells Fargo Advisors	Mutual Fund	\$ 293,913	\$ 293,913
UBS Investments	Mutual Fund	1,169,675	1,169,675
US Trust	Mutual Fund	1,722,045	1,722,045
		<u>\$ 3,185,633</u>	<u>\$ 3,185,633</u>

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Pledged Collateral
For the Year Ended June 30, 2010

Name of Depository	Description	Maturity	CUSIP Number	Fair Market Value	Name and Location of Safe Keeper
Wells Fargo Bank	FNMAP # 867437	05/01/36	31409CV69	\$ 62,617	Wells Fargo, San Francisco, CA
Wells Fargo Bank	FNCL 675139	11/01/32	31391SBG4	24,361	Wells Fargo, San Francisco, CA
				<u>\$ 86,978</u>	
Bank of America	FHLM	06/01/37	3128L3JX5	\$ 5,311,063	Wells Fargo, San Francisco, CA
Bank of America	FHLM	10/01/37	3128LDF90	1,133,123	Wells Fargo, San Francisco, CA
				<u>\$ 6,444,186</u>	
Compass Bank	FNMA #889339	12/01/28	31410KBG8	\$ 138,194	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FNMA #889339	12/01/28	31410KBG8	138,194	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FNMA #889339	12/01/28	31410KBG8	138,194	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FHLMCREMICFHR2553NH	03/15/09	31393JHX9	42,339	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FNMA #888346	09/01/34	31410FSF8	59,790	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FNMA ARM #826620	08/01/35	31407CK97	21,813	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FHLMC ARM #972183	08/01/35	31336CMB3	73,512	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FNMA ARM #886344	07/01/36	31410DWD6	139,795	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FHLMC #183090	09/01/36	3128JNKC8	501,408	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FNR 2006-82 FA	09/25/36	31396KM33	101,054	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FHLMC #782760	11/01/36	31349UB56	154,710	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FHLMC #782760	11/01/36	31349UB56	116,032	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FHLMC #782760	11/01/36	31349UB56	112,165	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FNMA #963892	06/01/38	31414EKD5	130,342	Federal Home Loan Bank, Atlanta, GA
Compass Bank	FNMA #963892	06/01/38	31414EKD5	13,034	Federal Home Loan Bank, Atlanta, GA
				<u>\$ 1,880,576</u>	
Portales National Bank	FHLMC Call Only	08/24/11	3128X9AL4	\$ 100,157	Texas Independent Bank, Dallas, TX
Portales National Bank	FHLMC Call Only	08/24/11	3128X9AL4	100,157	Texas Independent Bank, Dallas, TX
Portales National Bank	Grants Cibola County	09/01/10	388240CA9	251,422	Texas Independent Bank, Dallas, TX
Portales National Bank	Logan SD Noncall FR	07/01/10	541066AT3	155,042	Texas Independent Bank, Dallas, TX
				<u>\$ 606,778</u>	
First Community Bank	GNR 2009-67 GA	01/16/37	38373AQS8	\$ 1,173,079	Federal Home Loan Bank, Dallas, TX
First Community Bank	GNR 2009-61 AP	08/20/39	38376FFN7	3,119,266	Federal Home Loan Bank, Dallas, TX
First Community Bank	RR NM Gross Rec Tax Rev	01/06/11	767169CF0	300,000	Federal Home Loan Bank, Dallas, TX
First Community Bank	GNR 2009-87 CA	01/20/33	38376KNR8	300,039	Federal Home Loan Bank, Dallas, TX
				<u>\$ 4,892,384</u>	
Total Collateral Pledged				<u>\$ 13,910,902</u>	

COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

**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***

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Regents
Eastern New Mexico University
Portales, New Mexico

We have audited the financial statements of the business-type activities and the discretely presented component units of Eastern New Mexico University (the University), as of and for the year ended June 30, 2010. We have also audited the budgetary comparisons presented as supplementary information in the accompanying Schedules I, II, III, IV, and V for the year ended June 30, 2010, and have issued our report thereon dated November 10, 2010. 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 Eastern New Mexico 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 Eastern New Mexico University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Eastern New Mexico University's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting as items 07-01 and 10-03. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eastern New Mexico 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying Schedule of Findings and Questioned Costs as findings 06-04, 10-01 and 10-02.

Eastern New Mexico 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 Eastern New Mexico University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Regents, others within Eastern New Mexico University, the audit committee, the State Auditor, the Higher Education Department, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these parties.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
November 10, 2010



Accounting & Consulting Group, LLP
Certified Public Accountants

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Regents
Eastern New Mexico University
Portales, New Mexico

Compliance

We have audited the compliance of Eastern New Mexico University, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. Eastern New Mexico 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 Eastern New Mexico University's management. Our responsibility is to express an opinion on Eastern New Mexico 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 Eastern New Mexico 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 Eastern New Mexico University's compliance with those requirements.

In our opinion, Eastern New Mexico 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, 2010.

Internal Control Over Compliance

The management of Eastern New Mexico 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 Eastern New Mexico University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures 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 Eastern New Mexico University's internal control over compliance.

A deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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

Eastern New Mexico 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 Eastern New Mexico University's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Regents, others within Eastern New Mexico University, the audit committee, the State Auditor, the Higher Education Department, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these parties.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
November 10, 2010

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Schedule VIII

Location	Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Grantee ID	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
MAJOR PROGRAMS					
<i>Student Financial Aid Cluster</i>					
U.S. Department of Education					
Portales Campus	SEOG	GSEOG	84.007	P007A092641	\$ 313,483
Roswell Campus	SEOG		84.007	P007A092641	111,958
Ruidoso Campus	SEOG		84.007	P007A092641	16,875
Portales Campus	SEOG paid by Federal Work Study Program		84.033	P033A092641	25,218
Portales Campus	College Workstudy Program		84.033	P033A092641	758,192
Roswell Campus	College Workstudy Program		84.033	P033A092641	285,069
Ruidoso Campus	College Workstudy Program		84.033	P033A092641	44,235
Portales Campus	America Reads Work Study Program	GREAD	84.033	P033A092641	8,769
Portales Campus	Pell Grant Program	GPELL	84.063	P063P091823	7,155,471
Roswell Campus	Pell Grant Program		84.063	P063P091823	5,090,972
Ruidoso Campus	Pell Grant Program		84.063	P063P091823	1,651,892
Portales Campus	ACG1		84.375	P375A091823	117,637
Roswell Campus	ACG1		84.375	P375A091823	38,360
Ruidoso Campus	ACG1		84.375	P375A091823	2,063
Portales Campus	ACG2		84.375	P375A091823	42,738
Roswell Campus	ACG2		84.375	P375A091823	4,550
Ruidoso Campus	ACG2		84.375	P375A091823	1,300
Portales Campus	SMART1		84.376	P376S091823	27,963
Portales Campus	SMART2		84.376	P376S091823	49,572
Portales Campus	TEACH Grant		84.379	P376S091823	22,000
Total Student Financial Aid Cluster					15,768,317
GEAR-UP					
U.S. Department of Education					
Roswell Campus	Gear Up 08-09		84.334A	P334A050091-08	123,626
Roswell Campus	Gear Up 09-10		84.334A	P334A050091-09	1,208,383
Total GEAR-UP					1,332,009
TRIO Cluster					
U.S. Department of Education					
Portales Campus	Student Support Services 07-08	GSSS8	84.042A	P042A051082	2,020
Portales Campus	Student Support Services 08-09	GSSS9	84.042A	P042A051082	95,188
Roswell Campus	Student Support Services 08-09		84.042A	P042A050582	35,335
Portales Campus	Student Support Services 09-10	GSSS10	84.042A	P042A051082	302,073
Roswell Campus	Student Support Services 09-10		84.042A	P042A050582	215,700
Portales Campus	Talent Search 07-08	GTAL8	84.042A	P044A060172	34,234
Portales Campus	Talent Search 08-09	GTAL9	84.044A	P044A060172	97,467
Roswell Campus	Talent Search 08-09		84.044A	P044A060145	45,782
Portales Campus	Talent Search 09-10	GTAL10	84.044A	P044A060172	261,665
Roswell Campus	Talent Search 09-10		84.044A	P044A060145	286,509
Portales Campus	Upward Bound 08-09	GUPB9	84.047A	P047A071027	122,897
Roswell Campus	Upward Bound 08-09		84.047A	P047A070175	252,342
Portales Campus	Upward Bound 09-10	GUPB10	84.047A	P047A071027	224,941
Roswell Campus	Upward Bound 09-10		84.047A	P047A070175	71,172
Roswell Campus	EOC 08-09		84.066A	P066A060060	47,546
Roswell Campus	EOC 09-10		84.066A	P066A060060	309,393
Total TRIO Cluster					2,404,264

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2010

Schedule VIII
(Continued)

Location	Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Grantee ID	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
MAJOR PROGRAMS					
<i>TANF</i>					
Passed through the New Mexico					
Human Services Department					
Ruidoso Campus	NM Works (TANF)	TANF9	93.558	N/A	350,305
Roswell Campus	NM Works (TANF)		93.558	TC0809-ENMU-Ro	808,909
Ruidoso Campus	NM Works (E&T)	TTET9	93.558	N/A	7,320
Roswell Campus	NM Works (E&T)		93.558	TC0809-ENMU-Ro	48,074
Ruidoso Campus	NM Works (TANF Transportation)	TTTR9	93.558	N/A	990
Roswell Campus	NM Works WIA/DOL		93.558	OSC0809-ENMU-Ro	254,881
TOTAL MAJOR PROGRAMS					\$ 20,975,069
NON-MAJOR PROGRAMS					
<i>Research and Development Cluster</i>					
U.S. Department of Health and Human Services					
<i>Passed through New Mexico State University</i>					
Portales Campus	INBRE-Lutneskey	GINA10	93.389	Q01235	\$ 21,831
Portales Campus	INBRE-Varela	GINV10	93.389	Q01235	113,637
Portales Campus	INBRE-Lutneskey	GINA11	93.389	Q01235	15,662
Portales Campus	INBRE-Varela	GINV11	93.389	Q01235	29,817
National Science Foundation					
Portales Campus	S-STEM Scholarships 09-10	GSTM10	47.076	DUE-0806472	86,364
U.S. Department of Energy					
<i>Passed through University of New Mexico</i>					
Portales Campus	US DOE-EPSCOR	GDOEY	81.049	DE-PS-08ER08-04	54,506
<i>Passed through Arizona State University</i>					
Portales Campus	WAESO	GWAS10	47.074	KMS019-14-33/SUB	672
Total Research and Development Cluster					322,489
U.S. Department of Education					
Title V: Developing Hispanic Institutions					
Portales Campus	ENMU Academic Prep Activity 1 Yr 1	GEAP10	84.031S	P031S090081	54,608
Portales Campus	ENMU Nursing Pipeline Activity 1 Yr 1	GENP10	84.031S	P031S090081	16,905
Portales Campus	ENMU Project Management Activity 1 Yr 1	GEMP10	84.031S	P031S090081	70,508
Portales Campus	CCC Academic Prep Activity 1 Yr 1	GCAP10	84.031S	P031S090081	16,857
Portales Campus	CCC Nursing Pipeline Activity 1 Yr 1	GCNP10	84.031S	P031S090081	9,759
Roswell Campus	Title V 08-09		84.031S	P031D070015-08	195,446
Roswell Campus	Title V 09-10		84.031S	P031D070015-08	293,764
Total Title V: Developing Hispanic Institutions					657,847
Congressionally Directed Grant					
Portales Campus	Technological Equip Upgrade	GTEQU	84.116Z	P116Z080017	482,078
National Writing Project					
Portales Campus	High Plains Writing Project 08-09	GHPW9	84.928A	92-NM02AMEND21	10,537
Portales Campus	High Plains Writing Project 09-10	GHPW10	84.928A	92-NM02AMEND22	23,422
<i>Passed through the New Mexico</i>					
State Department of Education					
Portales Campus	University Immersion Institute	GIMM4	82.293C	05-924-P527-0152	3,500
Roswell Campus	Carl Perkins		84.048	V048A08031	120,171
Roswell Campus	Carl Perkins Carryover	64	84.048	N/A	6,080

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2010

Schedule VIII
(Continued)

Location	Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Grantee ID	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
NON-MAJOR PROGRAMS					
<i>Passed through the New Mexico</i>					
<i>Higher Education Department</i>					
Portales Campus	American Recovery and Reinvestment Act (ARRA)		84.394-84.397	HED95000ENMU9551	452,900
Ruidoso Campus	American Recovery and Reinvestment Act (ARRA)		84.394-84.397	HED95000ENMU955RU1	47,800
Ruidoso Campus	ABE Federal	TABF10	84.002	N/A	55,166
Roswell Campus	ABE Federal		84.002	N/A	196,004
Roswell Campus	TANF/ABE		84.002A	07-950-910-2000-3G	151,815
Roswell Campus	ABE Textbooks		84.002	49828	20,034
Total U.S. Department of Education					2,227,354
Department of Health and Human Services					
<i>Passed through the New Mexico</i>					
<i>Children, Youth and Families Department</i>					
Portales Campus	Aim High	GCYA10	93.596	10-690-9999-011005	39,999
Portales Campus	Basic Services	GCYF10	93.596	10-690-9999-011005	55,555
Portales Campus	Inclusion	GCYI10	93.596	10-690-9999-011005	14,820
Portales Campus	CYFD-ARRA-Aim High	GCYSTA	93.713	10-690-9999-011005	26,359
Portales Campus	CYFD-ARRA-Basic Services	GCYSTB	93.713	10-690-9999-011005	15,075
<i>University of New Mexico</i>					
Portales Campus	NM Grad. Coal. NM-PHD Bridge	GBRG7	93.960	3R027	15,116
Total Department of Health and Human Services					166,924
Department of Housing and Urban Development					
<i>HUD/Equipment Grants</i>					
Portales Campus	HUD/EDI	GCEDI	14.246	B05SPNM0189	1,946
Department of Agriculture					
Portales Campus	2006 Public TV Digital Transition Grant	GKRUS	10.861	1515	6,420
<i>Passed through the New Mexico</i>					
<i>Children, Youth and Families Department</i>					
Portales Campus	CDC Food Program		10.558	N/A	5,913
Roswell Campus	Food Program Upward Bound		10.559	50531	5,547
Roswell Campus	CDC Food Program		10.558	50531	13,282
Total Department of Agriculture					31,162
Department of State					
Roswell Campus	ILEA 08-09		19.000	S-INLEC-06-CA-0005	82,104
Roswell Campus	ILEA 09-10		19.000	S-INLEC-06-CA-0005	216,296
Total Department of State					298,400
Department of Labor					
Roswell Campus	Community Based Job Training		17.269	CB-18254-09-60	272,514
National Science Foundation					
<i>Passed through New Mexico State University</i>					
Portales Campus	Alliance for Minority Participation	GAMF9	47.076	Q00889	6,130
Portales Campus	Alliance for Minority Participation	GAMF10	47.076	Q00889	5,341
Total National Science Foundation					11,471
Small Business Administration					
Roswell Campus	SBDC		59.037	N/A	314,461

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2010

Schedule VIII
(Continued)

Location	Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Grantee ID	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
NON-MAJOR PROGRAMS					
	U.S. Department of Commerce				
Portales Campus	PTFP-ENMU-Maljamar	GKFMAL	11.550	35-01-N09053	62,114
Portales Campus	PTFP-ENMU-Tucumcari DM	GKFDMT	11.550	35-01-N09053	41,281
<i>U.S. Army Corp of Engineers</i>					
Portales Campus	ACA Transfer Account	GACAM	15.904	W81G6900259490	1,227
Portales Campus	Curation E3194	GE3194	15.904	W81G900259490	1,727
	Total Department of Interior				106,349
TOTAL NON-MAJOR PROGRAMS					\$ 3,753,070
TOTAL FEDERAL AWARDS					\$ 24,728,139

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The period of availability for federal funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H – Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.

NOTE 2: STUDENT LOANS

As of June 30, 2010, outstanding student loan balances under the Federal Perkins Loan Program, CFDA #84.038, were \$7,763,366. Perkins loans awarded for the year ending June 30, 2010 totaled \$200,367. Additionally, the University processed \$15,480,392 in new loans under the Guaranteed Student Loan Program, CFDA #84.032 (which includes Stafford Loans and Parents' Plus Loans). The Schedule of Expenditures of Federal Awards does not include these amounts.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERISTY
 Schedule of Findings and Questioned Costs
 June 30, 2010

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditors' report issued | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | No |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
Various	Student Financial Aid Cluster
84.334	Gear Up
Various	TRIO Cluster
93.558	TANF

- | | |
|--|-----------|
| 5. Dollar threshold to distinguish between Type A and Type B programs: | \$741,844 |
| 6. Auditee qualified as low-risk auditee? | Yes |

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERISTY
Schedule of Findings and Questioned Costs
June 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT

06-04 Budget - All Campuses

Condition

During our testwork of budgets, we noted the following campuses had overspent their budgets in the following functions:

Portales Campus

Unrestricted

Retirement of indebtedness	\$ 31,553
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Roswell Campus

Unrestricted

Public Service	\$ 60,472
Student aid, grants and stipends	37,037

Ruidoso Campus

Restricted

Student aid, grants and stipends	\$ 47,196
----------------------------------	-----------

Criteria

The University is not allowed to exceed their budget in expenditures per the budget compliance requirements of State Statute 6-3-1 to 6-3-25 NMSA 1978.

Effect

The University has not complied with budgetary compliance requirements for the categories referenced above as presented in the Budget Comparison schedules in the financial statements. Non-compliance could have an impact on future funding.

Cause

Expenditures in the last quarter of the fiscal year exceeded projections in some areas. The Budget Adjustment Request (BAR) deadline of May 1st does not allow for the University to complete a BAR for areas exceeding budget.

Recommendation

We recommend that the University ensures that all expenditure functions are not overspent and are in compliance with the state statutes by monitoring budget and actual expenditures regularly to avoid over expenditures.

Agency Response

Management concurs with the recommendation. The University creates budgets to be as close to the anticipated expenditures level as possible. Unforeseen expenditures occurred after the final BAR submission, causing expenditures to exceed the budget. The University will strive to submit a final BAR sufficient to cover expenditures.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERISTY
Schedule of Findings and Questioned Costs
June 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

07-01 Financial Statement Reporting and Control Process

Condition

During our evaluation of the financial reporting and control process we noted that the year-end financial statement reporting function lacks controls to ensure consistency in procedures between the Portales and Roswell campuses.

Criteria

Good internal controls over the financial reporting and control process dictate that an organization with multiple locations should implement centralized oversight, and accounting policies and procedures to ensure consistency and compliance with accounting principles generally accepted in the United States of America in financial reporting.

Effect

Without centralized oversight in the preparation of financial statements, and related accounting policies and procedures, the potential for accounting inconsistencies and errors in financial statement reporting is increased.

Cause

Even though the University has made progress in streamlining the financial statement reporting and control processes, the processes are still completed separately at Portales and Roswell campuses without an intra-University mechanism to ensure that the financial statements are consistent and prepared in accordance with accounting principles generally accepted in the United State of America.

Recommendation

We recommend that the University continue to implement a centralized financial reporting and control, and related accounting polices and procedures, including management review of the composition of combined accounting records, to ensure complete consistency in financial reporting and to expedite preparation of the financial statements.

Agency Response

Although the University understands this comment, the independence of the three campuses makes it difficult to achieve this objective.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERISTY
Schedule of Findings and Questioned Costs
June 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

10-01 Inadequate Bid File Maintenance - Roswell

Condition

For four out of five bids tested, the University's bid files were not sufficient to support the outcome of the bid process.

Criteria

Per NMAC 6.20.2.17, Procurement Code Section 13-1-21, NMSA 1978, bid files should contain documentation that is sufficient to support the bid process and outcome and should be readily available for inspection.

Effect

The University may not always be able to determine why they chose a certain bidder to provide goods or perform services.

Cause

The condition exists due to a lack of monitoring by management.

Recommendation

We recommend that the University include in its bid files all documentation that would support the process and the outcome of the bid activity and ensures the files are reviewed for completeness once a contract is awarded.

Agency Response

We have initiated a new process for the files that includes a check-off list to ensure all documentation is captured in the file. The files will also have a standard documentation order for quick and easy perusal.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERISTY
Schedule of Findings and Questioned Costs
June 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

10-02 Failure to Timely File Five (5) Year Plan with the New Mexico Higher Education Department - Roswell

Condition

It was noted during the entrance conference that the Roswell campus failed to file their five (5) year plan with the New Mexico Higher Education Department by the June 30, 2010 deadline.

Criteria

Per the New Mexico Higher Education Department, five (5) year plans must be submitted by June 30, 2010 for all higher education institutions.

Effect

Without the University's five (5) year plan the New Mexico Higher Education Department is unable to accurately prepare a statewide five (5) year plan and determine appropriate funding levels for the higher education institutions in New Mexico.

Cause

University management did not make submitting the five (5) year plan timely a priority.

Recommendation

We recommend that the University plan in advance to timely prepare and submit the five (5) year plan.

Agency Response

The original schedule called for the five (5) year plan to be approved at the June 26, 2010 Board of Regents meeting in Portales, NM. The plan was ready previous to that date. However, in a misunderstanding of communications between the Portales campus and the Roswell campus, ENMU-R pulled the item from the agenda. It was placed on the July 15, 2010 Board of Regents agenda and approved at that time. Had this miscommunication not taken place, the five (5) year plan would have been submitted in the time frame requested by the State. The Roswell campus will work with the Portales campus to more clearly understand such communication in order to avoid the delay in timely submissions of requested information.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERISTY
Schedule of Findings and Questioned Costs
June 30, 2010

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

10-03 Internal Control Design

Condition

During our audit testwork, we observed the following deficiencies in internal control:

Control Environment

During the review of the minutes of the Board of Regents no discussion of internal control and financial reporting policies and procedures between senior management and those charged with governance was noted.

Risk Assessment

The University does not document their communication with those charged with governance regarding the identification, assessment and monitoring of risk.

Criteria

Effectively designed systems of internal control assist an organization to accurately and efficiently record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. SAS AU 325.02

Effect

The Board of Regents is ultimately responsible for the internal controls at the University. Lack of knowledge about the control environment could adversely affect the control and financial reporting processes. Without documentation of the communication regarding the identification, assessment and monitoring of risk the University's response to and decision on how to address any identified risks cannot be effectively communicated.

Cause

Due to the size of the University it is difficult for a five member Board of Regents to have much influence over the day-to-day control environment and risk assessment procedures. The University Board of Regents relies on management to appropriately manage the internal control environment and to notice any risks as they occur.

Recommendation

We recommend that the University Board of Regents become actively involved in the University's control environment and financial reporting by setting aside time in the Board meetings to specifically address the current control environment at the University and any possible changes in financial reporting requirements. We also recommend that the University begin a documentation process on any meetings between the Board of Regents and the Internal Auditor addressing internal control or risk assessment.

Agency Response

Management agrees with this comment and will take the necessary steps to more proactively involve the Board of Regents in the review of the internal control structure that is in place at the University. We will also insure that proper documentation is developed when the internal auditor discusses internal control issues with the Board of Regents.

STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERISTY
Schedule of Findings and Questioned Costs
June 30, 2010

C. FINDINGS – FEDERAL AWARDS

None

D. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

06-04	Budget – All Campuses	Revised and Repeated
07-01	Financial Statement Reporting and Control Process	Revised and Repeated
08-01	GEAR-UP – Subrecipient Monitoring	Resolved and Not Repeated
08-03	Student Financial Aid – Student Status Changes	Resolved and Not Repeated
09-01	GEAR-UP – Controls over Matching	Resolved and Not Repeated
09-02	Weakness in Internal Controls – Failure to Approve a Requisition Prior to Purchase – Portales	Resolved and Not Repeated
09-03	Weaknesses in Internal Controls – Failure to Follow P-Card Policy as Described in the University’s Policies and Procedures Manual – Roswell	Resolved and Not Repeated

**STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY**

Other Disclosures

June 30, 2010

A. AUDITOR PREPARED FINANCIAL STATEMENTS

The financial statements of Eastern New Mexico University were prepared by Accounting & Consulting Group, LLP from original books and records provided by management.

- B. The contents of this report were discussed at an exit conference held on November 10, 2010. The following individuals were in attendance.

University Officials

Scott Smart, Vice President of Business Affairs
Kathy Knoll, Comptroller – Portales Campus
Marshall Stinnett, President – Board of Regents
Chad Lydick, Vice President – Board of Regents
Karen Franklin, Controller – Roswell Campus
Terri Doerr, Accountant
Joann Martinez, Accountant
Sheila Farquer, Business Affairs Manager – Ruidoso Campus
Carol Fletcher, Budget Analyst
Brent Small, Financial Aid Director
Kenny Prince, Accountant
Marty Clay, Provost – Roswell Campus
Michael Sexton, Director of Budget/Finance – Roswell Campus
Ira Kaye Frashier, Internal Auditor
Dr. John Madden, President – Roswell Campus

Auditors

Jeff McWhorter, Partner
Shelley Olson, In-charge Staff