

Eastern New Mexico University

Annual Financial Report

June 30, 2014



STATE OF NEW MEXICO
EASTERN NEW MEXICO UNIVERSITY
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014

INTRODUCTORY SECTION

STATE OF NEW MEXICO
Eastern New Mexico University
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June 30, 2014

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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 and the Bachelor of Science degree in Chemistry/Biochemistry is certified by the American Chemical Society. The Bachelor of Science in Nursing Completion Program is accredited by the National League for Nursing Accrediting Commission, Inc.

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 a media site, 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, 2014

Board of Regents

Ex-Officio Members

The Honorable Susana Martinez

Governor of the State of New Mexico

Appointed Members

Term Expires

Mr. Brett Leach	2016	President
Ms. Jane Christensen	2018	Vice President
Mr. Chase Sturdevant	2014	Secretary
Mr. Robert "Chad" Lydick	2014	Member
Mr. Randy Harris	2014	Member

University Officials

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

FINANCIAL SECTION

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Eastern New Mexico University (the "University") as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise Eastern New Mexico University's basic financial statements as listed in the table of contents. We have also audited the budgetary comparisons presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2014 as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Eastern New Mexico University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Eastern New Mexico University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 aggregate discretely presented component units of Eastern New Mexico University, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the budgetary comparisons as of June 30, 2014 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 11 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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, 2014, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Eastern New Mexico University's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards (Schedule VI) is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2014 on our consideration of Eastern New Mexico 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* in considering Eastern New Mexico University's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
October 31, 2014

STATE OF NEW MEXICO
Eastern New Mexico University
Management's Discussion and Analysis
For the Year Ended June 30, 2014

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, 2014. Please read it in conjunction with the University's financial statements, which follow this section.

Financial Highlights

- As of June 30, 2014, the University's total assets increased to \$235 million, \$13 million more than the 2013 level of \$222 million.
- Operating revenues totaled \$45.5 million in 2014, a decrease of \$2 million from 2013 while operating expenses totaled \$105.6 million, no significant change from 2013.
- Net non-operating revenues totaled \$72 million while non-operating expenditures were \$1.4 million; state appropriations of \$44 million and Pell grant revenue of \$12 million are the primary components of non-operating revenues.
- Since 2005 our headcount enrollment has increased from 4,052 to 5,856. This is an increase of 44.5%. During the same time period our freshman enrollment has increased from 558 to 628, an increase of 13%. Our student retention rate has improved from 52% to 59.3% during this period.

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 schedules—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 position 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 position.
- The statement of revenues, expenses and changes in net position 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, 2014

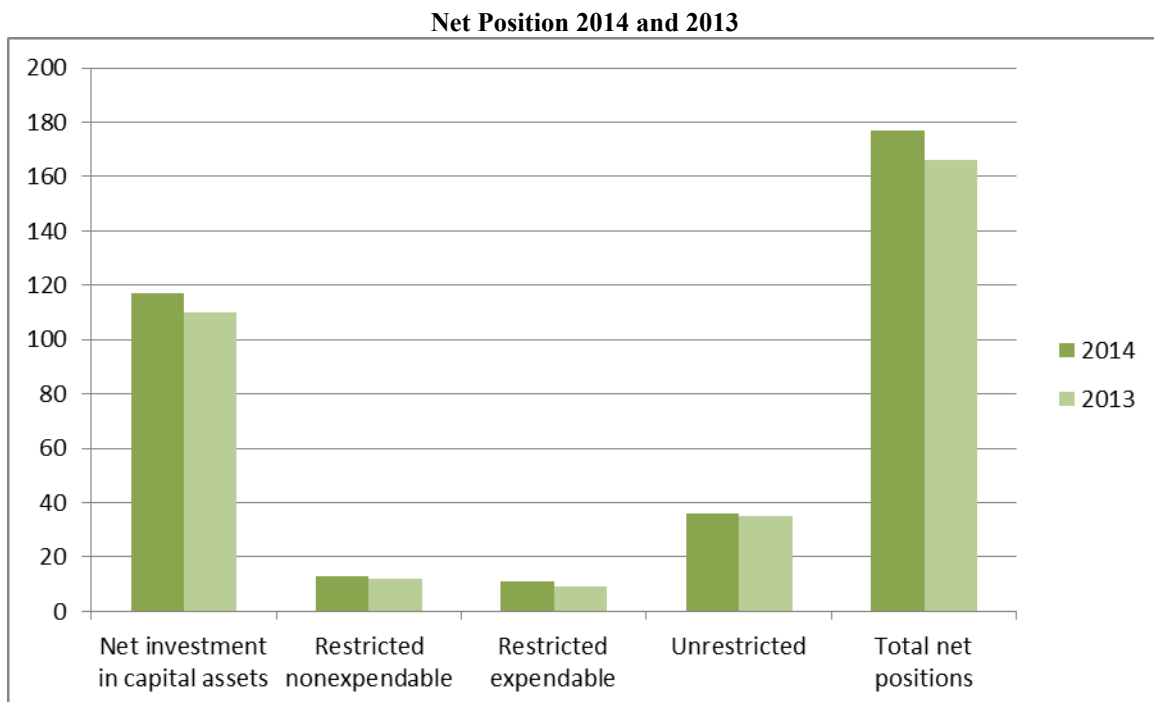
Financial Analysis of the University as a Whole

Net Position. The University's total net position increased to \$177 million from \$166 million in 2012. The gain is due primarily to the increase in capital assets and cash equivalents in 2014.

Table 1 summarizes the University's net position:

Table 1
Eastern New Mexico University's Net Position
As of June 30, 2014 and 2013
(in millions of dollars)

	<u>2014</u>	<u>2013</u>
Current assets	\$ 46	\$ 36
Noncurrent assets other than capital assets	38	40
Capital assets, net	<u>151</u>	<u>146</u>
Total assets	<u>\$ 235</u>	<u>\$ 222</u>
Current liabilities	\$ 18	\$ 15
Noncurrent liabilities	39	41
Total liabilities	<u>\$ 57</u>	<u>\$ 56</u>
Deferred inflows of resources	\$ 0.02	\$ 0.2
Total deferred inflows of resources	<u>\$ 0.02</u>	<u>\$ 0.2</u>
Net investment in capital assets	\$ 117	\$ 110
Restricted nonexpendable	13	12
Restricted expendable	11	9
Unrestricted	<u>36</u>	<u>35</u>
Total net position	<u>\$ 177</u>	<u>\$ 166</u>



STATE OF NEW MEXICO
Eastern New Mexico University
Management's Discussion and Analysis
For the Year Ended June 30, 2014

Changes in Net Position. Total operating revenues for the years ended June 30, 2014 and 2013, were \$45 and \$48 million respectively. Operating expenses were \$106 for 2013, no change from 2013. Non-operating revenues were \$72 million while non-operating expenses were \$1.4 million for 2013 and non-operating revenues were \$64 million while non-operating expenses were \$1.4 million for 2013.

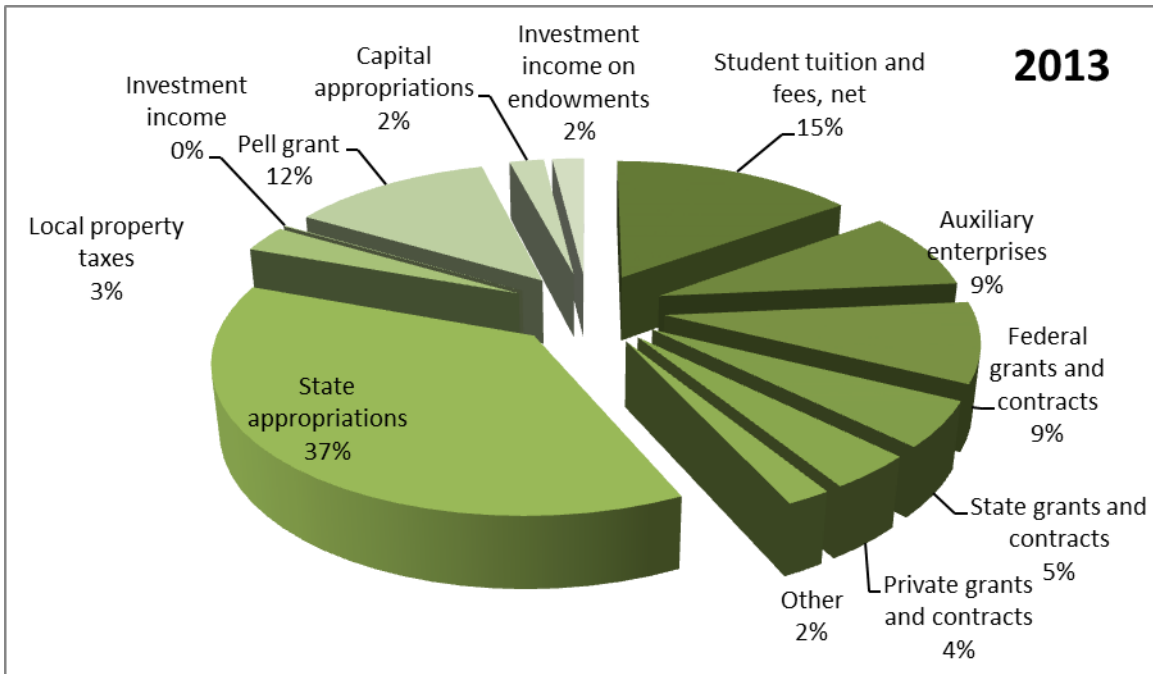
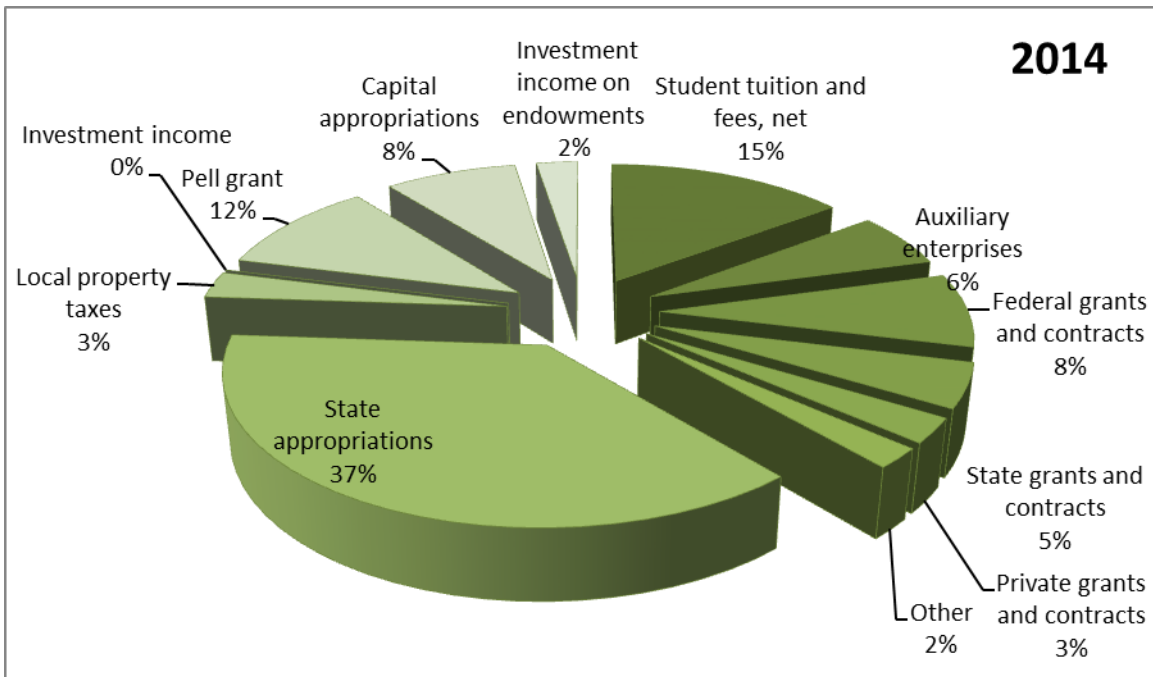
Table 2 summarizes the University's changes in net position:

Table 2
Changes in Eastern New Mexico University's Net Position
For the Year Ended June 30, 2014 and 2013
(in millions of dollars)

	<u>2014</u>	<u>2013</u>
Operating revenues		
Student tuition and fees, net	\$ 17.4	\$ 16.9
Auxiliary enterprises	7.1	9.6
Federal grants and contracts	9.5	9.9
State grants and contracts	5.7	5.6
Private grants and contracts	3.1	4.3
Other	2.7	2.2
Total operating revenues	<u><u>\$ 45.5</u></u>	<u><u>\$ 48.5</u></u>
Operating expenses		
Instruction	\$ 33.1	\$ 32.3
Research	0.5	0.5
Public service	8.6	8.4
Academic support	5.9	6.0
Student services	9.5	9.4
Institutional support	11.4	10.5
Operation and maintenance of plant	8.2	7.8
Depreciation and amortization	7.2	7.0
Student aid	12.5	15.1
Auxiliary enterprises	5.7	7.7
Other	2.9	1.3
Total operating expenses	<u><u>\$ 105.5</u></u>	<u><u>\$ 106.0</u></u>
Non-operating revenues (expenses)		
State appropriations	\$ 44.2	\$ 42.1
Local property taxes	3.4	3.3
PELL grant	12.2	14.0
Investment income	-	0.1
Interest on debt	(1.4)	(1.4)
Total non-operating revenues (expenses)	<u><u>\$ 58.4</u></u>	<u><u>\$ 58.1</u></u>
Capital appropriations, gifts, and additions to permanent endowments	\$ 12.6	\$ 4.6

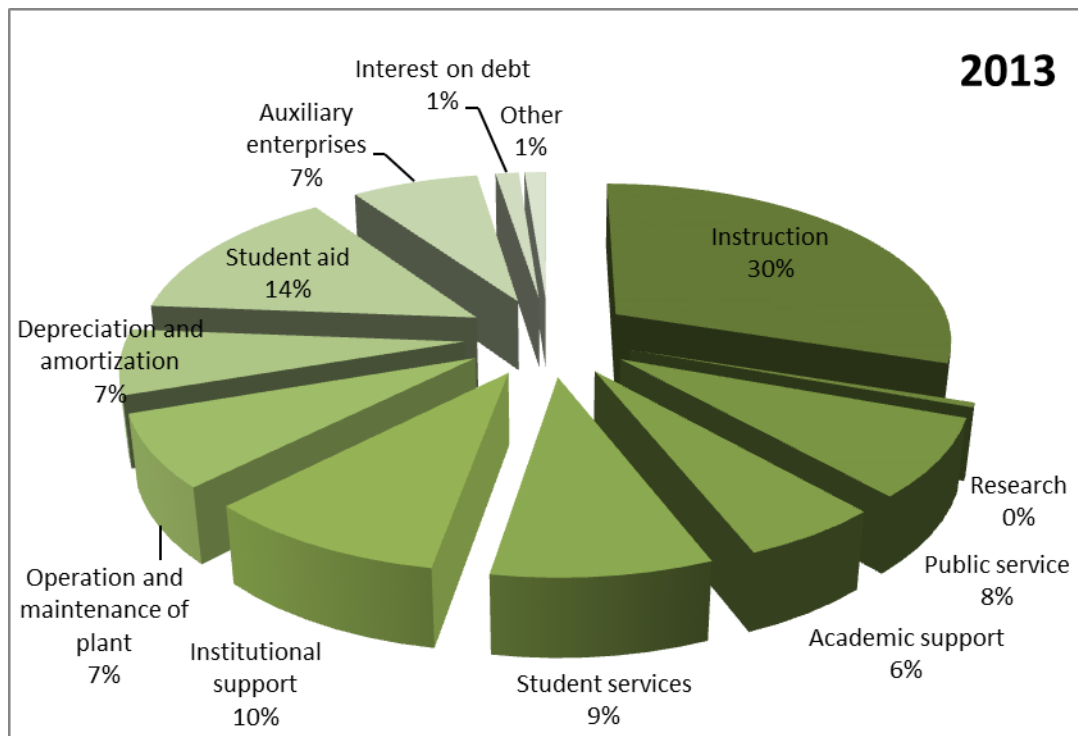
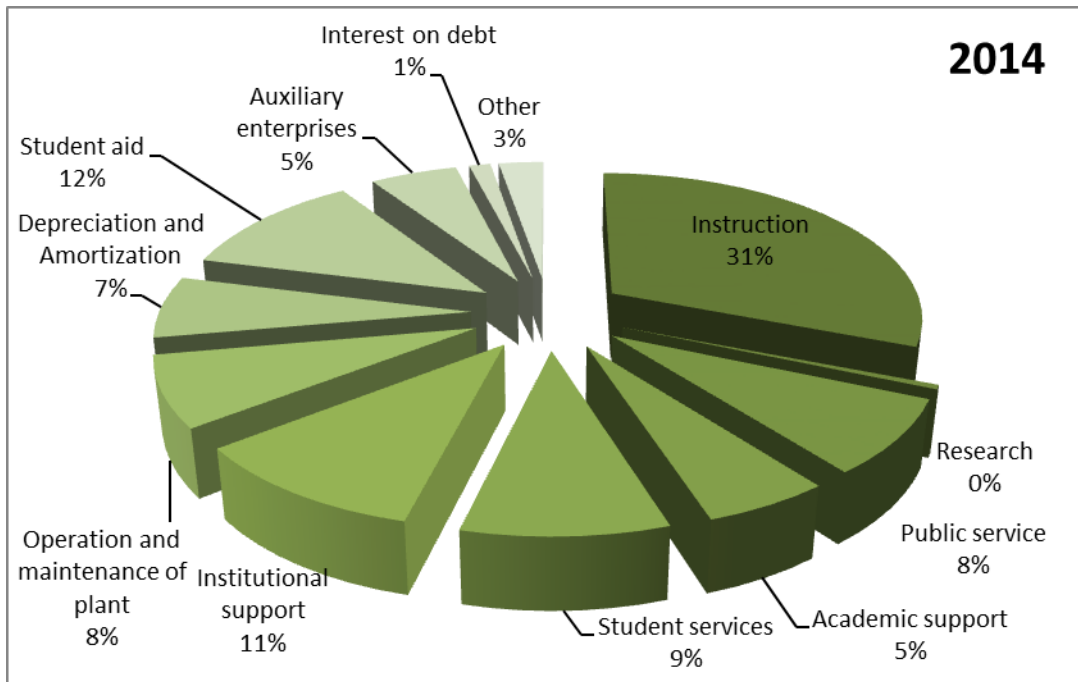
STATE OF NEW MEXICO
 Eastern New Mexico University
 Management's Discussion and Analysis
 For the Year Ended June 30, 2014

Operating and Non-Operating Income



STATE OF NEW MEXICO
 Eastern New Mexico University
 Management's Discussion and Analysis
 For the Year Ended June 30, 2014

Operating and Non-Operating Expense



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 Eastern New Mexico University
 Management's Discussion and Analysis
 For the Year Ended June 30, 2014

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 to increase as follows (in millions):

	<u>2014</u>	<u>2013</u>
Current funds		
Unrestricted	1.3	0.6
Restricted	(1.1)	0.5
Plant funds	18.1	26.3

The budget adjustment to plant funds in 2014 was the result of anticipated expenditures funded by the 2012 General Obligation Bonds and Building and Replacements and Renewals. The change in restricted funds was due to the reduction of Student Aid.

Capital Asset and Debt Administration

Capital Assets—As of June 30, 2014 and 2013, the University had \$150.4 and \$145.7 million respectively, invested in various capital assets, including buildings, equipment and construction.

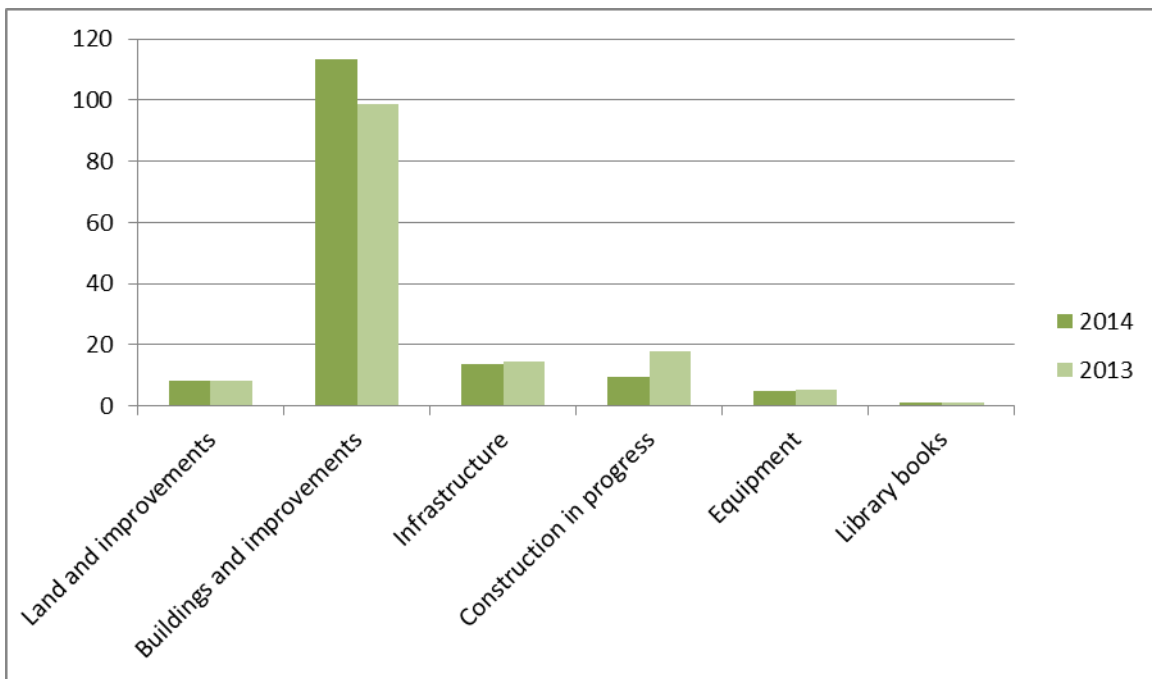
Table 3 shows the University's capital assets at year-end:

Table 3
Capital Assets at June 30, 2014 and 2013
Net of Depreciation (in millions)

	<u>2014</u>	<u>2013</u>
Land and improvements	\$ 8.1	\$ 8.1
Buildings and improvements	113.3	98.9
Infrastructure	13.7	14.5
Construction in progress	9.3	17.7
Equipment	5.0	5.5
Software	0.1	0.1
Library books	0.9	0.9
Total	<u>\$ 150.4</u>	<u>\$ 145.7</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Management's Discussion and Analysis
 For the Year Ended June 30, 2014

Capital Assets 2014 and 2013



During 2013-2014 fiscal year, the University started remodeling the Jack Williamson Liberal Arts Building. This project will result in academic classroom facilities with state of the art instructional technology and an overall facility that will be modernized to allow for an additional 50 years of useful life. It is on schedule to be completed in December 2014 at a cost of \$13 million. Also, the University started the HVAC overhaul in Administration Building, which is scheduled to be completed in the spring of 2015. The Roswell campus started infrastructure improvement projects during the year and the Ruidoso campus completed its solar panel project.

Debt Administration—As of June 30, 2014 and 2013 the University had \$33.6 and \$35.3 million of bonds outstanding, respectively. Other long-term debt includes capital leases of \$.2 million, compensated absences of \$1.5 million, and liabilities for the federal share of the student loan program of \$6.4 million. For 2013, other long-term debt included capital leases of \$.2 million, compensated absences of \$1.5 million and liabilities for the federal share of the student loan program of \$6.4 million.

Economic Concerns

The State of New Mexico continues to balance its annual budget and has been increasing funding to higher education, which included a 1 percent salary increase for faculty and staff. For the 2014 fiscal year, Instruction and General state appropriation funding had not yet been restored to the 2008 levels. The University continues to make up the difference in the state appropriation shortage through enrollment growth. The University saw a slight increase in head count during fiscal year 2014.

The formula funding model continues to be adjusted by the state and has modified how funds are allocated. The old model allocated funding primarily on enrollment. The adjusted model allocates funding not only on enrollment growth, but a portion of the funding is based on performance measures, which includes the completion of certificates and degrees. Also, enrollment of students whose field of study is in science, math and engineering are weighted in the funding formula. To stay competitive with the formula, the University introduced a new degree program, Master of Science in Nursing. The University strives to offer in-demand degrees so when students graduate from the University they have employable skills.

STATE OF NEW MEXICO
Eastern New Mexico University
Management's Discussion and Analysis
For the Year Ended June 30, 2014

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-Roswell Foundation does not issue separate financial statements.

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

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STATE OF NEW MEXICO
Eastern New Mexico University
Statements of Net Position
June 30, 2014

	Eastern New Mexico University	Component Units		
		ENMU Foundation	ENMU-Roswell Foundation	ENMU-Ruidoso Foundation
Assets				
Current				
Cash and cash equivalents	\$ 35,966,922	\$ 251,869	\$ 65,021	\$ 126,641
Receivables, net	8,865,305	78,077	-	14,543
Inventories	440,041	-	-	-
Prepaid expenses	571,967	495	-	-
Total current assets	<u>45,844,235</u>	<u>330,441</u>	<u>65,021</u>	<u>141,184</u>
Noncurrent				
Notes receivable	6,110,067	-	-	-
Restricted cash and cash equivalents	417,630	-	15,419	-
Investments	31,803,636	14,432,148	5,414,938	-
Capital assets, net	150,430,895	108,456	-	-
Total noncurrent assets	<u>188,762,228</u>	<u>14,540,604</u>	<u>5,430,357</u>	<u>-</u>
Total assets	<u>\$ 234,606,463</u>	<u>\$ 14,871,045</u>	<u>\$ 5,495,378</u>	<u>\$ 141,184</u>

The accompanying notes are an integral part of these financial statements

	Eastern New Mexico University	Component Units		
		ENMU Foundation	ENMU-Roswell Foundation	ENMU-Ruidoso Foundation
Liabilities				
Current				
Accounts payable	\$ 3,790,922	\$ 194,792	\$ -	\$ 45,411
Gift annuities payable	-	203,254	-	-
Accrued expenses and other liabilities	5,326,898	-	-	-
Unearned revenues	6,024,226	-	-	-
Deposits held for others	427,128	-	-	-
Bonds payable, current portion	1,790,000	-	-	-
Leases payable, current portion	70,943	-	-	-
Accrued compensated absences, current portion	1,040,697	-	-	-
Total current liabilities	<u>18,470,814</u>	<u>398,046</u>	<u>-</u>	<u>45,411</u>
Noncurrent				
Bond premium, net	37,642	-	-	-
Bonds payable	31,835,000	-	-	-
Leases payable	153,972	-	-	-
Accrued compensated absences	479,754	-	-	-
Student loan program	6,389,314	-	-	-
Total noncurrent liabilities	<u>38,895,682</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>57,366,496</u>	<u>398,046</u>	<u>-</u>	<u>45,411</u>
Deferred Inflows of Resources				
Unavailable grant revenues	18,675	-	-	-
Total deferred inflows of resources	<u>18,675</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Net investment in capital assets	116,572,978	-	-	-
Restricted				
Nonexpendable				
Endowments	13,274,109	7,211,609	2,753,181	14,543
Expendable				
Scholarships and fellowship	-	6,819,322	1,934,037	58,007
Student loans	1,606,718	-	-	-
Quasi endowment and endowment interest	5,465,911	-	-	-
Debt service	4,433,524	-	-	-
Capital projects	-	-	-	-
Unrestricted	<u>35,868,052</u>	<u>442,068</u>	<u>808,160</u>	<u>23,223</u>
Total net position	<u>177,221,292</u>	<u>14,472,999</u>	<u>5,495,378</u>	<u>95,773</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 234,606,463</u>	<u>\$ 14,871,045</u>	<u>\$ 5,495,378</u>	<u>\$ 141,184</u>

STATE OF NEW MEXICO
Eastern New Mexico University
Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2014

	Eastern New Mexico University	Component Units		
		ENMU Foundation	ENMU-Roswell Foundation	ENMU-Ruidoso Foundation
Operating revenues				
Student tuition and fees (net of scholarship allowance of \$8,251,043)	\$ 17,367,620	\$ -	\$ -	\$ -
Auxiliary enterprise revenue	7,096,584	-	-	-
Federal grants and contracts	9,478,918	-	-	-
State and local grants and contracts	5,681,342	-	-	-
Private gifts, grants and contracts	3,177,134	123,091	59,845	46,212
Sales and services of educational departments	822,767	-	-	-
Other operating revenues	1,917,842	-	-	-
Total operating revenues	<u>45,542,207</u>	<u>123,091</u>	<u>59,845</u>	<u>46,212</u>
Operating expenses				
Education and general				
Instruction	33,072,087	-	-	-
Research	538,689	-	-	-
Public service	8,642,382	-	-	-
Academic support	5,946,014	-	-	-
Student services	9,467,902	-	-	-
Institutional support	11,372,874	1,675,420	24,770	10,000
Operations and maintenance of plant	8,176,146	-	-	-
Depreciation	7,198,739	-	-	-
Amortization	(3,137)	-	-	-
Student aid, grants and stipends	12,508,946	-	-	-
Auxiliary enterprises	5,717,633	-	-	-
Administration and collection	-	74,687	-	12,289
Expended for scholarships	-	500,765	114,030	-
Other	2,890,404	43,801	69,997	15,997
Total operating expenses	<u>105,528,679</u>	<u>2,294,673</u>	<u>208,797</u>	<u>38,286</u>
Operating income/(loss)	<u>\$ (59,986,472)</u>	<u>\$ (2,171,582)</u>	<u>\$ (148,952)</u>	<u>\$ 7,926</u>

The accompanying notes are an integral part of these financial statements

	Eastern New Mexico University	Component Units		
		ENMU Foundation	ENMU-Roswell Foundation	ENMU-Ruidoso Foundation
Non-operating revenues/(expenses)				
State appropriations	\$ 44,171,869	\$ -	\$ -	\$ -
Local property taxes	3,377,665	-	-	-
PELL grant	12,247,362	-	-	-
Interest expense	(1,350,332)	-	-	-
Investment income/(loss)	(45)	2,479,965	177,219	-
Private gifts, grants and contracts	-	2,108,113	677,581	32,555
Total non-operating revenues/(expenses)	58,446,519	4,588,078	854,800	32,555
Income/(loss) before other revenues and expenses	(1,539,953)	2,416,496	705,848	40,481
Other revenues/(expenses)				
Capital appropriations	9,611,447	-	-	-
Investment income/(loss) on endowments	3,001,837	-	451,516	-
Total other revenues/(expenses)	12,613,284	-	451,516	-
Increase in net position	11,073,331	2,416,496	1,157,364	40,481
Net position, beginning of year	166,147,961	12,093,574	4,338,014	18,221
Restatement	-	(37,071)	-	37,071
Net position, beginning of year, as restated	166,147,961	12,056,503	4,338,014	55,292
Net position, end of year	\$ 177,221,292	\$ 14,472,999	\$ 5,495,378	\$ 95,773

STATE OF NEW MEXICO
Eastern New Mexico University
Statement of Cash Flows
For the Year Ended June 30, 2014

Cash flows from operating activities	
Tuition and fees	\$ 17,463,490
Grants and contracts	36,470,747
Payments to suppliers	(56,793,912)
Payments to employees	(56,658,016)
Auxiliary enterprise charges	7,096,583
Sales and services of educational activities	822,768
Other receipts	2,278,269
Net cash provided/(used) by operating activities	<u>(49,320,071)</u>
Cash flows from non-capital financing activities	
State appropriations	44,171,869
Local property taxes	3,377,665
PELL grant	12,247,361
Other	5,676
Net cash provided/(used) by non-capital financing activities	<u>59,802,571</u>
Cash flows from capital and related financing activities	
Capital appropriations	6,740,331
Purchases of capital assets	(11,950,305)
Principal paid on capital debt and leases	(1,807,197)
Interest paid on capital debt and leases	(1,358,769)
Net cash provided/(used) by capital and related financing activities	<u>(8,375,940)</u>
Cash flows from investing activities	
Interest on investments	2,810,763
Transfer to cash	2,294,244
Net cash provided/(used) by investing activities	<u>5,105,007</u>
Increase in cash, restricted cash, and cash equivalents	7,211,567
Cash, restricted cash, and cash equivalents, beginning of year	<u>29,172,985</u>
Cash, restricted cash, and cash equivalents, end of year	<u><u>\$ 36,384,552</u></u>

The accompanying notes are an integral part of these financial statements

Reconciliation of net operating revenues (expenses) to net cash used by operating activities

Operating income/(loss)	\$ (59,986,472)
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operations	
Depreciation and amortization	7,195,602
Change in assets and liabilities	
Receivables, net	107,880
Inventories	16,865
Other assets	351,228
Accounts payable and accrued expenses	1,933,174
Other liabilities	(19,139)
Unearned revenue	1,347,236
Deferred inflows of resources	(216,606)
Compensated absences	(49,839)
Net cash provided/(used) by operating activities	<u>\$ (49,320,071)</u>

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STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

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 a branch campus 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

During the year ended June 30, 2014, the University adopted Governmental Accounting Standards Board (GASB) Statements No. 66 and 67. GASB Statement No. 66, Technical Corrections-2012-An Amendment of GASB Statements No. 10 and No. 62. This objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54 and No. 62. GASB Statement No. 67. Financial Reporting for Pension Plans-An Amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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, the ENMU-Roswell Foundation, and the ENMU-Ruidoso Foundation are reported in the University's financial statements as discretely presented component units under *Governmental Accounting Standards Board (GASB) Statement No. 61*. 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-Roswell Foundation and the ENMU-Ruidoso Foundation do not prepare separately 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 position, changes in net position 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 position of the State of New Mexico as of June 30, 2014, and changes in its net position 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 with 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*.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 measurement 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. The University also incorporates the deferred inflows and outflows of resources guidance which was adopted in the fiscal year ended June 30, 2013. All significant intra-entity transactions have been eliminated.

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. Receivables

The University reports receivables at their gross value reduced by the estimated portion that is expected to be uncollectible.

E. 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 disposed in accordance with sections 13-6-1 through 13-6-4, NMSA 1978.

F. 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 Position. 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 Foundations 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 investment earnings received during the year. The Investment Committee of the Foundations and University management sets the annual distribution, which must be in accordance with the agreement entered into with endowment donors.

G. 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 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.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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.

I. 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 are as follows:

Buildings and improvements	50 years
Infrastructure	20 years
Software	10 years
Equipment	5 to 12 years
Library books	5 years

J. Accrued expenses and other liabilities

Accrued expenses are comprised of the payroll expenses based on amounts earned by the employees through June 30, 2014, along with applicable taxes and benefits.

K. Net Position

The University's net position is classified as follows:

Net investment in capital assets 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 position, expendable include resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted net position, 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.

Unrestricted net position 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 position 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.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Net Position (continued)

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.

L. 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 Position. 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.

Unearned revenues and deferred inflows of resources consist 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.

M. 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 and amortization expenses related to University capital assets and long-term debt.

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.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. 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.

O. 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).

P. Eliminating Internal Activities

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

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, 2014.

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, 2014, \$31,099,099 of the University's bank balances of \$38,189,543 was exposed to custodial credit risk. \$31,099,099 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.

STATE OF NEW MEXICO
 Eastern New Mexico University
 Notes to the Financial Statements
 June 30, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Time deposits, savings deposits and 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.

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 IV.

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, 2014, \$0 of the component units' bank balances of \$523,334 was exposed to uncollateralized and uninsured amounts.

Investments

At June 30, 2014, investments of the University are summarized as follows:

Credit Quality and Interest Rate Risk

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
State Investment Council (pooled funds)	Not Rated	\$ 10,455,869	Less than 90 days
State Investment Council (land grant)	Not Rated	11,395,425	Less than 90 days
<i>New MexiGROW</i> LGIP	AAAm	9,935,521	48.6 day WAM(R); 116.2 day WAM(F)
Reserve Contingency Fund	Unrated	5,821	Does not earn interest
Mutual Funds	Not Rated	40,088	Less than 90 days
Tennessee Valley Authority Power	Aaa	48,460	Less than 90 days
		<u>\$ 31,881,184</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, 2014, the University's investment in the State Treasurer Local Government Investment Pool was rated AAAM by Standard & Poor's.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an instrument. 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

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, 2014 for the University, consist of the following:

Student tuition and fees	\$ 6,958,991
Federal, state and private grants	5,230,147
Other	1,072,417
	<u>13,261,555</u>
Allowance for uncollectible accounts	<u>(4,396,250)</u>
	<u>\$ 8,865,305</u>

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, is summarized as follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated				
Land and improvements	\$ 8,120,693	\$ -	\$ -	\$ 8,120,693
Construction in progress	17,693,798	9,811,524	18,196,720	9,308,602
Total capital assets not being depreciated	<u>25,814,491</u>	<u>9,811,524</u>	<u>18,196,720</u>	<u>17,429,295</u>
Capital assets being depreciated				
Buildings and improvements	160,416,946	18,436,728	-	178,853,674
Infrastructure	25,018,942	258,102	-	25,277,044
Equipment	37,808,285	1,372,394	2,191,660	36,989,019
Software	1,623,666	-	-	1,623,666
Library books	16,800,221	443,099	-	17,243,320
Total capital assets being depreciated	<u>241,668,060</u>	<u>20,510,323</u>	<u>2,191,660</u>	<u>259,986,723</u>
Less accumulated depreciation for				
Buildings and improvements	61,528,661	3,983,060	-	65,511,721
Infrastructure	10,535,493	1,061,104	-	11,596,597
Equipment	32,299,563	1,660,124	2,008,474	31,951,213
Software	1,580,955	18,656	-	1,599,611
Library books	15,850,186	475,795	-	16,325,981
Total accumulated depreciation	<u>121,794,858</u>	<u>7,198,739</u>	<u>2,008,474</u>	<u>126,985,123</u>
Capital assets being depreciated, net	<u>\$ 119,873,202</u>	<u>\$ 13,311,584</u>	<u>\$ 183,186</u>	<u>\$ 133,001,600</u>
Capital asset summary				
Capital assets not being depreciated	\$ 25,814,491	\$ 9,811,524	\$ 18,196,720	\$ 17,429,295
Capital assets being depreciated	241,668,060	20,510,323	2,191,660	259,986,723
Total cost of capital assets	<u>267,482,551</u>	<u>30,321,847</u>	<u>20,388,380</u>	<u>277,416,018</u>
Less accumulated depreciation	121,794,858	7,198,739	2,008,474	126,985,123
Capital assets, net	<u>\$ 145,687,693</u>	<u>\$ 23,123,108</u>	<u>\$ 18,379,906</u>	<u>\$ 150,430,895</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Notes to the Financial Statements
 June 30, 2014

NOTE 6: ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued liabilities are summarized as follows:

Accrued Payroll	\$ 2,114,576
Accrued Taxes and Benefits	2,860,635
Other (accrued interest)	351,687
	<u>\$ 5,326,898</u>

NOTE 7: UNEARNED REVENUES

Unearned revenues are summarized as follows:

Student tuition and fees	\$ 3,016,708
Federal, state and private grants	763,290
Other	2,244,228
	<u>\$ 6,024,226</u>

NOTE 8: LONG-TERM LIABILITIES

Long-term liabilities are summarized as follows:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Amount Due Within One Year
Bonds payable	\$ 35,365,000	\$ -	\$ 1,740,000	\$ 33,625,000	\$ 1,790,000
Capital leases payable	292,111	-	67,196	224,915	70,943
Accrued compensated absences	1,570,290	1,258,131	1,307,970	1,520,451	1,040,697
Student loan program	6,389,314	-	-	6,389,314	-
	<u>\$ 43,616,715</u>	<u>\$ 1,258,131</u>	<u>\$ 3,115,166</u>	<u>\$ 41,759,680</u>	<u>\$ 2,901,640</u>

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

NOTE 9: BONDS PAYABLE

Outstanding bonds payable are summarized as follows:

Description	Interest Rate	Balance June 30, 2013	Final Maturity
General Obligation Building Bond Series 2005B	3.15-3.95%	\$ 775,000	08/15/15
System Revenue Bond Series 2005	3.25-4.25%	6,485,000	06/30/26
System Revenue Bond Series 2011B	0.90-4.66%	26,365,000	06/30/36
		<u>\$ 33,625,000</u>	

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

NOTE 9: BONDS PAYABLE (continued)

Scheduled maturities of bonds payable are as follows for the years subsequent to June 30, 2014:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005 GO Series B			
2015	\$ 650,000	\$ 16,719	\$ 666,719
2016	125,000	2,469	127,469
	<u>775,000</u>	<u>19,188</u>	<u>794,188</u>
2005 Revenue Series			
2015	425,000	273,033	\$ 698,033
2016	445,000	251,783	696,783
2017	470,000	229,533	699,533
2018	485,000	211,673	696,673
2019	505,000	192,758	697,758
2020-2024	2,845,000	640,677	3,485,677
2025-2029	1,310,000	84,150	1,394,150
	<u>6,485,000</u>	<u>1,883,607</u>	<u>8,368,607</u>
2011 Revenue Series			
2015	715,000	1,003,062	1,718,062
2016	725,000	994,410	1,719,410
2017	735,000	983,607	1,718,607
2018	750,000	969,790	1,719,790
2019	765,000	953,139	1,718,139
2020-2024	4,175,000	4,426,625	8,601,625
2025-2029	6,160,000	3,580,175	9,740,175
2030-2034	8,420,000	2,068,172	10,488,172
2035-2039	3,920,000	275,339	4,195,339
	<u>26,365,000</u>	<u>15,254,319</u>	<u>41,619,319</u>
	<u>\$ 33,625,000</u>	<u>\$ 17,157,114</u>	<u>\$ 50,782,114</u>

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.

On July 29, 2011, the University issued \$28,050,000 of System Revenue Bonds (Series 2011). 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.

STATE OF NEW MEXICO
 Eastern New Mexico University
 Notes to the Financial Statements
 June 30, 2014

NOTE 9: BONDS PAYABLE (continued)

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 \$50,782,114. During the current year, pledged revenue was \$36,240,995 compared to the annual debt requirements of \$1,860,943.

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 5 to 12 years.

At June 30, 2014, the future minimum lease payments required under the lease are as follows:

Year ended June 30,		
	2015	\$ 83,482
	2016	83,482
	2017	<u>83,482</u>
Total minimum lease payments		250,446
Amount representing interest		<u>(25,531)</u>
Present value of future minimum lease payments		<u><u>\$ 224,915</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.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

NOTE 12: PENSION PLAN - EDUCATION RETIREMENT BOARD

Plan Description Substantially all of the University's full-time employees participate in an educational employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing, multiple employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, other employees of state public school districts, colleges and universities, and some state agency employees) 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.

Funding Policy

Member Contributions Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.10% of their gross salary in fiscal year 2014; and 10.70% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions The University contributed 13.15% of gross covered salary in fiscal year 2014. In fiscal year 2015 the University will contribute 13.90% of 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 fiscal years ending June 30, 2014, 2013, and 2012 were \$5,119,670, \$3,961,021 and \$3,545,004, 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 2014, the University paid Risk Management \$1,473,950 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. Eastern New Mexico 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.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

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

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.

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 employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

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, 2014, the statute required each participating employer to contribute 2.00% of each participating employee's annual salary; and each participating employee was required to contribute 1.00% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The University's contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$785,183, \$742,884, and \$694,994, respectively, which equal 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 branch campus. As of June 30, 2014, the University has an obligation of \$6,687,524 for these contracts.

NOTE 16: JOINT POWERS AGREEMENTS

The University is a participant in a joint powers agreement establishing an Educational Cooperative. The agreement was formed July 1, 1984 and was organized for the purpose of procuring and delivering educational services and items of tangible personal property to the members at a reduced cost and exclusively for charitable, religious, educational, and scientific purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code. There is no expiration date. Fiscal and audit responsibility lies with each participating member.

STATE OF NEW MEXICO
 Eastern New Mexico University
 Notes to the Financial Statements
 June 30, 2014

NOTE 16: JOINT POWERS AGREEMENTS (continued)

The University entered into a memorandum of understanding with the Eastern New Mexico Branch Community College in Ruidoso and the Eastern New Mexico University- Ruidoso Foundation, Inc. regarding the creation of the Foundation in Ruidoso.

Participants	Eastern New Mexico University Eastern New Mexico University- Ruidoso Eastern New Mexico University- Ruidoso Foundation, Inc.
Party Responsible for Operations	Eastern New Mexico University
Description	To create the Foundation to help promote and achieve the goals and objectives of Eastern New Mexico University- Ruidoso, and in doing so, assist in bringing about closer relationships, better understanding, and greater acceptance between Eastern New Mexico University- Ruidoso, its stakeholders and the community.
Beginning and Ending Dates	10/08/11- perpetuity
Total Estimated Cost	N/A
Amount Contributed in the Current Year	None
Audit Responsibility	Eastern New Mexico University
Fiscal Agent	Eastern New Mexico University
Agency where the entity reports	Eastern New Mexico University

The University is a participant in a joint powers agreement establishing a relationship between the University and the State Investment Council. The agreement was formed November 17, 1998 and was organized for the purpose of the State Investment Council to act as the investment manager for the University's funds, investing in accordance with the guidelines provided in the University's Investment Policy. There is no expiration date. Fiscal and audit responsibility lies with each participating member.

Participants	Eastern New Mexico University State Investment Council
Party Responsible for Operations	Eastern New Mexico University
Description	To establish a relationship between the University and the State Investment Council for the State Investment Council to act as the investment manager for the University's funds.
Beginning and Ending Dates	11/17/98 - perpetuity
Total Estimated Cost	N/A
Amount Contributed in the Current Year	None
Audit Responsibility	Eastern New Mexico University
Fiscal Agent	Eastern New Mexico University
Agency where the entity reports	Eastern New Mexico University

NOTE 17: CONCENTRATIONS

The University depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the University is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2014

NOTE 19: SUBSEQUENT PRONOUNCEMENTS

In June 2012, GASB Statement No. 68 *Accounting and Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27*. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. This statement will be implemented during the fiscal year ending June 30, 2015.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations*. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after December 15, 2013. Earlier application is encouraged. The University is analyzing the effects that this statement will have on their financial statements.

In April 2013, GASB Statement No. 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. The University is analyzing the effects that this statement will have on their financial statements.

In November 2013, GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68*. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. This statement will be implemented during the fiscal year ending June 30, 2015.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Budgeted and Actual Revenues and Expenses
Unrestricted and Restricted - All Operations
For the Year Ended June 30, 2014

	Portales Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted and restricted beginning net position	\$ 7,945,400	\$ 26,483,388	\$ 26,483,388	\$ -
Unrestricted and restricted - all operations				
Revenues				
State general fund appropriations	30,325,542	30,325,500	30,325,500	-
Federal revenue sources	39,606,901	39,301,901	28,316,949	(10,984,952)
Tuition and fees	18,803,145	18,391,845	18,085,333	(306,512)
Tax levies	-	-	-	-
Land and permanent fund	540,000	605,000	611,207	6,207
Endowments and private gifts	2,456,500	2,456,500	2,398,522	(57,978)
Other	14,470,012	20,608,254	13,778,438	(6,829,816)
Total unrestricted and restricted revenues	<u>106,202,100</u>	<u>111,689,000</u>	<u>93,515,949</u>	<u>(18,173,051)</u>
Unrestricted and restricted expenses				
Instruction	22,561,000	22,573,000	21,735,479	837,521
Academic support	6,485,000	6,528,000	5,185,303	1,342,697
Student services	3,730,000	3,706,000	3,081,784	624,216
Institutional support	6,427,000	6,681,000	6,446,942	234,058
Operation and maintenance of plant	6,394,000	5,917,000	5,421,694	495,306
Student social and cultural	936,000	1,025,000	852,930	172,070
Research	1,677,000	1,727,000	598,596	1,128,404
Public service	6,041,000	6,421,000	4,234,633	2,186,367
Internal service	200,000	350,000	(271,022)	621,022
Student aid	37,889,000	37,989,000	30,320,355	7,668,645
Auxiliary services	4,985,000	5,225,000	4,565,714	659,286
Intercollegiate athletics	3,831,000	3,881,000	3,601,389	279,611
Capital outlay	1,600,000	17,134,000	12,092,250	5,041,750
Building renewal and replacement	1,300,000	3,579,000	1,063,268	2,515,732
Retirement of indebtedness	2,522,000	2,522,000	2,498,079	23,921
Total unrestricted and restricted expenses	<u>106,578,000</u>	<u>125,258,000</u>	<u>101,427,394</u>	<u>23,830,606</u>
Net transfers	-	-	-	-
Change in net position (budgetary basis)	<u>(375,900)</u>	<u>(13,569,000)</u>	<u>(7,911,445)</u>	<u>5,657,555</u>
Ending net position	<u>\$ 7,569,500</u>	<u>\$ 12,914,388</u>	<u>\$ 18,571,943</u>	<u>\$ 5,657,555</u>

The accompanying notes are an integral part of these financial statements

Roswell Campus			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 13,594,234	\$ 15,476,036	\$ 15,476,036	\$ -
11,618,400	11,699,600	11,740,668	41,068
11,233,716	10,572,017	8,730,194	(1,841,823)
4,776,244	4,396,469	4,656,323	259,854
1,050,000	1,060,000	2,253,404	1,193,404
-	-	-	-
1,136,200	772,602	761,805	(10,797)
972,177	5,794,796	3,480,881	(2,313,915)
30,786,737	34,295,484	31,623,275	(2,672,209)
10,249,799	10,139,991	9,698,683	441,308
763,308	739,471	606,031	133,440
1,605,798	1,521,932	1,424,741	97,191
3,522,651	3,959,313	4,030,084	(70,771)
2,316,012	2,473,325	2,502,328	(29,003)
174,987	185,969	159,591	26,378
-	-	-	-
3,543,767	4,530,467	3,678,972	851,495
327,014	134,188	(98,497)	232,685
10,545,696	8,447,338	6,575,524	1,871,814
555,443	802,500	787,880	14,620
-	-	-	-
1,620,000	920,595	738,937	181,658
405,673	650,000	363,329	286,671
664,750	656,313	656,313	-
36,294,898	35,161,402	31,123,916	4,037,486
-	-	-	-
(5,508,161)	(865,918)	499,359	1,365,277
\$ 8,086,073	\$ 14,610,118	\$ 15,975,395	\$ 1,365,277

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Budgeted and Actual Revenues and Expenses
Unrestricted and Restricted - All Operations (Continued)
For the Year Ended June 30, 2014

	Ruidoso Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted and restricted beginning net position	\$ 1,899,379	\$ 3,281,412	\$ 3,281,412	\$ -
Unrestricted and restricted - all operations				
Revenues				
State general fund appropriations	2,072,600	2,105,701	2,105,701	-
Federal revenue sources	3,287,385	4,225,900	1,941,165	(2,284,735)
Tuition and fees	821,000	639,799	660,559	20,760
Tax levies	1,070,000	1,070,000	1,124,261	54,261
Land and permanent fund	-	-	-	-
Endowments and private gifts	200,000	210,000	25,575	(184,425)
Other	1,661,715	876,600	584,597	(292,003)
Total unrestricted and restricted revenues	9,112,700	9,128,000	6,441,858	(2,686,142)
Unrestricted and restricted expenses				
Instruction	3,156,000	2,310,400	1,713,641	596,759
Academic support	358,500	360,300	328,622	31,678
Student services	375,200	379,300	328,660	50,640
Institutional support	1,145,600	1,158,700	903,222	255,478
Operation and maintenance of plant	338,700	340,800	258,285	82,515
Student social and cultural	-	-	-	-
Research	-	-	-	-
Public service	100,000	1,125,000	770,693	354,307
Internal service	(10,500)	-	(7,380)	7,380
Student aid	3,080,900	3,080,900	1,180,477	1,900,423
Auxiliary services	425,700	450,700	379,719	70,981
Intercollegiate athletics	-	-	-	-
Capital outlay	267,450	885,500	530,352	355,148
Building renewal and replacement	-	100,000	11,832	88,168
Retirement of indebtedness	-	-	-	-
Total unrestricted and restricted expenses	9,237,550	10,191,600	6,398,123	3,793,477
Net transfers	-	-	-	-
Change in net position (budgetary basis)	(124,850)	(1,063,600)	43,735	1,107,335
Ending net position	<u>\$ 1,774,529</u>	<u>\$ 2,217,812</u>	<u>\$ 3,325,147</u>	<u>\$ 1,107,335</u>

The accompanying notes are an integral part of these financial statements

Total University			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 23,439,013	\$ 45,240,836	\$ 45,240,836	\$ -
44,016,542	44,130,801	44,171,869	41,068
54,128,002	54,099,818	38,988,308	(15,111,510)
24,400,389	23,428,113	23,402,215	(25,898)
2,120,000	2,130,000	3,377,665	1,247,665
540,000	605,000	611,207	6,207
3,792,700	3,439,102	3,185,902	(253,200)
17,103,904	27,279,650	17,843,916	(9,435,734)
146,101,537	155,112,484	131,581,082	(23,531,402)
35,966,799	35,023,391	33,147,803	1,875,588
7,606,808	7,627,771	6,119,956	1,507,815
5,710,998	5,607,232	4,835,185	772,047
11,095,251	11,799,013	11,380,248	418,765
9,048,712	8,731,125	8,182,307	548,818
1,110,987	1,210,969	1,012,521	198,448
1,677,000	1,727,000	598,596	1,128,404
9,684,767	12,076,467	8,684,298	3,392,169
516,514	484,188	(376,899)	861,087
51,515,596	49,517,238	38,076,356	11,440,882
5,966,143	6,478,200	5,733,313	744,887
3,831,000	3,881,000	3,601,389	279,611
3,487,450	18,940,095	13,361,539	5,578,556
1,705,673	4,329,000	1,438,429	2,890,571
3,186,750	3,178,313	3,154,392	23,921
152,110,448	170,611,002	138,949,433	31,661,569
-	-	-	-
(6,008,911)	(15,498,518)	(7,368,351)	8,130,167
\$ 17,430,102	\$ 29,742,318	\$ 37,872,485	\$ 8,130,167

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STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Budgeted and Actual Revenues and Expenses
 Unrestricted and Restricted - All Operations (Continued)
 For the Year Ended June 30, 2014

Schedule I
(continued)

Reconciliation of change in net position (budgetary basis) to change in net position (GAAP basis)	
Change in net position (budgetary basis)	\$ (7,368,351)
Adjustments 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	3,009,924
Depreciation and amortization expense	(7,195,602)
Gain on sale of assets	(10,628)
Capital outlay expenditures	19,933,066
Loan funds	(83,619)
Bond payments	1,807,196
Other	981,345
Increase in net position (GAAP basis)	\$ 11,073,331

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Budgeted and Actual Revenues and Expenses
Unrestricted Current Funds - Instruction and General
For the Year Ended June 30, 2014

	Portales Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted - instruction and general				
Unrestricted beginning net position	\$ 1,324,991	\$ 1,659,694	\$ 1,659,694	\$ -
Unrestricted revenues				
Tuition	14,011,000	13,591,000	13,576,698	(14,302)
Miscellaneous fees	2,088,300	2,103,300	1,635,492	(467,808)
Government appropriations - federal	-	-	-	-
Government appropriations - state	27,147,542	27,147,500	27,147,500	-
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	80,000	75,000	-	(75,000)
Government contracts/grants - state	-	-	-	-
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Tax levies	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	540,000	605,000	611,207	6,207
Private gifts	-	-	-	-
Sales and services	55,000	55,000	63,278	8,278
Other	188,158	189,200	135,287	(53,913)
Total unrestricted revenues	44,110,000	43,766,000	43,169,462	(596,538)
Unrestricted expenses				
Instruction	21,561,000	21,573,000	21,148,890	424,110
Academic support	3,485,000	3,528,000	3,397,167	130,833
Student services	2,830,000	2,806,000	2,631,763	174,237
Institutional support	5,527,000	5,781,000	6,048,799	(267,799)
Operation and maintenance of plant	6,194,000	5,717,000	5,407,681	309,319
Total unrestricted expenses	39,597,000	39,405,000	38,634,300	770,700
Net transfers	(4,513,000)	(4,513,000)	(4,513,000)	-
Change in net position (budgetary basis)	-	(152,000)	22,162	174,162
Ending net position	\$ 1,324,991	\$ 1,507,694	\$ 1,681,856	\$ 174,162

The accompanying notes are an integral part of these financial statements

Roswell Campus			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 746,900	\$ 1,420,245	\$ 1,420,245	\$ -
3,419,696	3,035,707	3,084,861	49,154
440,950	584,452	700,023	115,571
-	-	-	-
11,618,400	11,699,600	11,737,527	37,927
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,050,000	1,060,000	1,074,370	14,370
-	-	11,831	11,831
-	-	-	-
-	-	10,000	10,000
-	-	-	-
257,200	263,200	255,982	(7,218)
16,786,246	16,642,959	16,874,594	231,635
8,571,589	8,376,157	8,121,628	254,529
763,308	739,471	606,031	133,440
1,605,798	1,521,932	1,424,741	97,191
3,522,651	3,959,313	4,030,118	(70,805)
2,316,012	2,473,325	2,502,328	(29,003)
16,779,358	17,070,198	16,684,846	385,352
(193,850)	(465,139)	(465,139)	-
(186,962)	(892,378)	(275,391)	616,987
\$ 559,938	\$ 527,867	\$ 1,144,854	\$ 616,987

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Budgeted and Actual Revenues and Expenses
Unrestricted Current Funds - Instruction and General (Continued)
For the Year Ended June 30, 2014

	Ruidoso Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted - instruction and general				
Unrestricted beginning net position	\$ 380,407	\$ 706,211	\$ 706,211	\$ -
Unrestricted revenues				
Tuition	605,000	465,000	461,569	(3,431)
Miscellaneous fees	175,700	146,700	146,963	263
Government appropriations - federal	-	-	-	-
Government appropriations - state	2,072,600	2,105,701	2,105,701	-
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	-	-	-	-
Government contracts/grants - state	-	-	-	-
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Tax levies	1,070,000	1,070,000	1,124,261	54,261
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	-	-	-	-
Sales and services	-	-	-	-
Other	61,800	55,499	100,103	44,604
Total unrestricted revenues	<u>3,985,100</u>	<u>3,842,900</u>	<u>3,938,597</u>	<u>95,697</u>
Unrestricted expenses				
Instruction	1,801,000	1,805,400	1,459,285	346,115
Academic support	338,500	340,300	321,597	18,703
Student services	335,200	339,300	307,235	32,065
Institutional support	1,015,600	1,028,700	902,281	126,419
Operation and maintenance of plant	333,700	335,800	258,284	77,516
Total unrestricted expenses	<u>3,824,000</u>	<u>3,849,500</u>	<u>3,248,682</u>	<u>600,818</u>
Net transfers	<u>(81,000)</u>	<u>(81,000)</u>	<u>(81,000)</u>	<u>-</u>
Change in net position (budgetary basis)	<u>80,100</u>	<u>(87,600)</u>	<u>608,915</u>	<u>696,515</u>
Ending net position	<u>\$ 460,507</u>	<u>\$ 618,611</u>	<u>\$ 1,315,126</u>	<u>\$ 696,515</u>

The accompanying notes are an integral part of these financial statements

Total University			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 2,452,298	\$ 3,786,150	\$ 3,786,150	\$ -
18,035,696	17,091,707	17,123,128	31,421
2,704,950	2,834,452	2,482,478	(351,974)
-	-	-	-
40,838,542	40,952,801	40,990,728	37,927
-	-	-	-
80,000	75,000	-	(75,000)
-	-	-	-
-	-	-	-
-	-	-	-
2,120,000	2,130,000	2,198,631	68,631
-	-	11,831	11,831
540,000	605,000	611,207	6,207
-	-	10,000	10,000
55,000	55,000	63,278	8,278
507,158	507,899	491,372	(16,527)
64,881,346	64,251,859	63,982,653	(269,206)
31,933,589	31,754,557	30,729,803	1,024,754
4,586,808	4,607,771	4,324,795	282,976
4,770,998	4,667,232	4,363,739	303,493
10,065,251	10,769,013	10,981,198	(212,185)
8,843,712	8,526,125	8,168,293	357,832
60,200,358	60,324,698	58,567,828	1,756,870
(4,787,850)	(5,059,139)	(5,059,139)	-
(106,862)	(1,131,978)	355,686	1,487,664
\$ 2,345,436	\$ 2,654,172	\$ 4,141,836	\$ 1,487,664

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Budgeted and Actual Revenues and Expenses
Restricted Current Funds - Instruction and General
For the Year Ended June 30, 2014

Portales Campus

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
	Restricted - instruction and general	\$ -	\$ -	\$ -
Restricted beginning net position	-	-	-	-
Restricted revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Government appropriations - federal	-	-	-	-
Government appropriations - state	-	-	-	-
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	5,250,000	5,250,000	2,794,094	(2,455,906)
Government contracts/grants - state	450,000	450,000	244,156	(205,844)
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	300,000	300,000	198,654	(101,346)
Sales and services	-	-	-	-
Other	-	-	-	-
Total restricted revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,236,904</u>	<u>(2,763,096)</u>
Restricted expenses				
Instruction	1,000,000	1,000,000	586,592	413,408
Academic support	3,300,000	3,300,000	1,788,136	1,511,864
Student services	900,000	900,000	450,021	449,979
Institutional support	700,000	700,000	398,143	301,857
Operation and maintenance of plant	100,000	100,000	14,012	85,988
Total restricted expenses	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,236,904</u>	<u>2,763,096</u>
Net transfers	-	-	-	-
Change in net position (budgetary basis)	-	-	-	-
Ending net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Roswell Campus

Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
494,461	620,395	872,319	251,924
1,183,749	1,143,439	640,654	(502,785)
-	-	-	-
-	-	23,295	23,295
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,678,210	1,763,834	1,536,268	(227,566)
1,678,210	1,763,834	1,536,268	227,566
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,678,210	1,763,834	1,536,268	227,566
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Budgeted and Actual Revenues and Expenses
Restricted Current Funds - Instruction and General (Continued)
For the Year Ended June 30, 2014

	Ruidoso Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Restricted - instruction and general				
Restricted beginning net position	\$ -	\$ -	\$ -	\$ -
Restricted revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Government appropriations - federal	-	-	-	-
Government appropriations - state	-	-	-	-
Government appropriations - local	-	-	-	-
Government contracts/grants - federal	350,000	350,000	259,659	(90,341)
Government contracts/grants - state	1,000,000	150,000	24,089	(125,911)
Government contracts/grants - local	-	-	-	-
Private grants/contracts	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	200,000	200,000	-	(200,000)
Sales and services	-	-	-	-
Other	-	-	-	-
Total restricted revenues	<u>1,550,000</u>	<u>700,000</u>	<u>283,748</u>	<u>(416,252)</u>
Restricted expenses				
Instruction	1,355,000	505,000	254,357	250,643
Academic support	20,000	20,000	7,025	12,975
Student services	40,000	40,000	21,425	18,575
Institutional support	130,000	130,000	941	129,059
Operation and maintenance of plant	5,000	5,000	-	5,000
Total restricted expenses	<u>1,550,000</u>	<u>700,000</u>	<u>283,748</u>	<u>416,252</u>
Net transfers	-	-	-	-
Change in net position (budgetary basis)	-	-	-	-
Ending net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Total University			
Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
6,094,461	6,220,395	3,926,072	(2,294,323)
2,633,749	1,743,439	908,899	(834,540)
-	-	-	-
-	-	23,295	23,295
-	-	-	-
-	-	-	-
500,000	500,000	198,654	(301,346)
-	-	-	-
-	-	-	-
<u>9,228,210</u>	<u>8,463,834</u>	<u>5,056,920</u>	<u>(3,406,914)</u>
4,033,210	3,268,834	2,377,217	891,617
3,320,000	3,320,000	1,795,161	1,524,839
940,000	940,000	471,446	468,554
830,000	830,000	399,084	430,916
105,000	105,000	14,012	90,988
<u>9,228,210</u>	<u>8,463,834</u>	<u>5,056,920</u>	<u>3,406,914</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Schedule of Budgeted and Actual
Current and Plant Funds – By Campus
June 30, 2014

NOTE 1: BASIS OF PREPARATION

The accompanying Schedule of Budgeted and Actual - Current and Plant Funds - By Campus (the Schedule), for the year ended June 30, 2014, 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 expenses 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 expenses on the budgetary 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 budgetary 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: BUDGET COMPARISON

The purpose of the Budget Comparison is to reconcile the change in net position as reported on a budgetary basis to the change in net position as reported using generally accepted accounting principles. The reporting of actual (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 plant funds budget; major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements, and debt service, and E) Each individual item of transfer between funds and/or functions.

NOTE 3: OTHER REQUIRED DISCLOSURES

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

- A. Excess of actual over budgeted expenditures in functions of budgetary control.

For the fiscal year ended June 30, 2014, there were no expenditures that exceeded the budget in a function of budgetary control.

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Deposit and Investment Accounts - University
June 30, 2014

Account Name	Account Type	Bank of America	Wells Fargo Bank	Wells Fargo Investment
Deposits				
Operational-Portales	Checking-interest bearing	\$ -	\$ -	\$ -
Bond Sinking-Portales	Checking-interest bearing	-	-	-
Bond Sinking-Portales	Checking-non-interest bearing	-	-	-
Operational-Ruidoso	Checking-interest bearing	-	-	-
Operating-Ruidoso	Checking-non-interest bearing	-	122,259	-
Payroll-Portales	Checking-interest bearing	-	-	-
Title IV-Roswell	Checking-non-interest bearing	62,235	-	-
Operational-Roswell	Checking-interest bearing	1,332,996	-	-
Operating-Roswell	Checking-non-interest bearing	-	-	-
Payroll-Roswell	Checking-non-interest bearing	-	-	-
Sweep-Roswell	Checking-interest bearing	-	-	-
Construction-Roswell	Checking-non-interest bearing	-	5,548	-
ENMU - Roswell	Certificate of deposit	-	-	-
ENMU - Roswell	Certificate of deposit	-	-	-
ENMU - Roswell	Certificate of deposit	-	-	-
ENMU - Roswell	Certificate of deposit	-	-	-
ENMU - Roswell	Certificate of deposit	-	163,661	-
ENMU-Roswell	Certificate of deposit	-	10,000	-
ENMU-Roswell	Certificate of deposit	-	90,000	-
ENMU-Roswell	Money market/Bonds	-	-	622,209
Lloyd Treat	Money market	-	-	318,417
ENMU-Roswell	Money market/Bonds	-	-	4,403,539
Total amount of deposit in bank		1,395,231	391,468	5,344,165
Less: Insured/Non-public funds		-	-	5,344,165
Less: FDIC coverage		250,000	377,807	-
Total uninsured public funds		1,145,231	13,661	-
50% collateral requirements		31,118	6,831	-
102% collateral requirements		1,168,136	-	-
Pledged securities		1,359,656	9,249	-
Over/(Under) Collateralized		160,402	2,419	-
Bank balance		1,395,231	391,468	5,344,165
Outstanding items		(22,787)	-	-
Deposits in transit		9,874	-	-
Book balance		<u>\$ 1,382,318</u>	<u>\$ 391,468</u>	<u>\$ 5,344,165</u>
Investments				
ENMU - Portales	LGIP	\$ -	\$ -	\$ -
ENMU - Portales	LGIP	-	-	-
ENMU - Roswell	LGIP	-	-	-
ENMU - Roswell	Mutual Funds	-	-	40,088
ENMU - Roswell	Preferred Stocks	-	-	48,460
SIC Endowment Institution	Trust	-	-	-
SIC Endowment Fund	Land grant	-	-	-
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,548</u>

See independent auditors' report

NM State Treasurer and Other	James Polk Stone Community Bank	US Bank	Pioneer Savings and Trust	Compass Bank	Total
\$ -	\$ -	\$ 17,486,941	\$ -	\$ -	\$ 17,486,941
-	-	1,007,011	-	-	1,007,011
-	-	215,000	-	-	215,000
-	-	-	-	3,269,937	3,269,937
-	-	-	-	-	122,259
-	1,992,688	-	-	-	1,992,688
-	-	-	-	-	62,235
-	-	-	-	-	1,332,996
-	-	-	3,764,768	-	3,764,768
-	-	-	(76)	-	(76)
-	-	-	3,203,938	-	3,203,938
-	-	-	-	-	5,548
-	-	-	2,000	-	2,000
-	-	-	5,000	-	5,000
-	-	-	3,665	-	3,665
-	107,807	-	-	-	107,807
-	-	-	-	-	163,661
-	-	-	-	-	10,000
-	-	-	-	-	90,000
-	-	-	-	-	622,209
-	-	-	-	-	318,417
-	-	-	-	-	4,403,539
-	2,100,495	18,708,952	6,979,295	3,269,937	38,189,543
-	-	-	-	-	5,344,165
-	357,807	250,000	260,665	250,000	1,746,279
-	1,742,688	18,458,952	6,718,630	3,019,937	31,099,099
-	871,344	9,229,476	3,359,315	1,509,969	15,008,052
-	-	-	-	-	1,168,136
-	1,175,000	12,000,000	19,418,493	3,154,072	37,116,470
-	303,656	2,770,524	16,059,178	1,644,104	20,940,282
-	2,100,495	18,708,952	6,979,295	3,269,937	38,189,543
-	(8,282)	(1,604,545)	(289,185)	(20,381)	(1,945,180)
-	-	4,595	26,207	2,952	43,628
\$ -	\$ 2,092,213	\$ 17,109,002	\$ 6,716,317	\$ 3,252,508	\$ 36,287,991
\$ 1,444	\$ -	\$ -	\$ -	\$ -	\$ 1,444
8,131,284	-	-	-	-	8,131,284
1,809,614	-	-	-	-	1,809,614
-	-	-	-	-	40,088
-	-	-	-	-	48,460
10,455,869	-	-	-	-	10,455,869
11,395,425	-	-	-	-	11,395,425
\$ 31,793,636	\$ -	\$ -	\$ -	\$ -	\$ 31,882,184
	Petty cash				18,013
	Deposits and investments per schedule IV				\$ 68,188,188
	Cash and restricted cash per Exhibit A-1				36,384,552
	Investments per Exhibit A-1				31,803,636
	Deposits and investments per Statement of Net Position				\$ 68,188,188

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STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Deposit and Investment Accounts - Component Units
 June 30, 2014

Schedule IV
(continued)

Name of Bank/Broker	Account Type	Balance per Bank	Reconciled
Eastern New Mexico University Foundation			
Deposit Accounts			
James Polk Stone National Bank	Checking-interest bearing	\$ 242,447	\$ 218,936
Edward Jones	Money Market	32,932	32,932
		<u>\$ 275,379</u>	<u>\$ 251,868</u>
Investment Accounts			
Edward Jones	Stocks	\$ 2,510	\$ 2,510
Edward Jones	Mutual Funds	14,429,638	14,429,638
		<u>\$ 14,432,148</u>	<u>\$ 14,432,148</u>
ENMU-Roswell Foundation			
Deposit Accounts			
Pioneer Bank	Checking-interest bearing	\$ 100,881	\$ 60,018
Pioneer Bank	Certificate of deposit	15,419	15,419
Wells Fargo Advisors	Checking-interest bearing	5,003	5,003
		<u>\$ 121,303</u>	<u>\$ 80,440</u>
Investment Accounts			
Wells Fargo Advisors	Mutual Fund	\$ 700,640	\$ 700,640
UBS Investments	Mutual Fund	55,736	55,736
US Trust	Mutual Fund	4,658,562	4,658,562
		<u>\$ 5,414,938</u>	<u>\$ 5,414,938</u>
ENMU-Ruidoso Foundation			
Deposit Accounts			
Compass Bank	Checking-non-interest bearing	\$ 126,652	\$ 126,641
		<u>\$ 126,652</u>	<u>\$ 126,641</u>

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Pledged Collateral
June 30, 2014

Name of Depository	Description	Maturity	CUSIP Number
Wells Fargo Bank	FN AR1117	2/1/2043	3138NXG35
Bank of America	Government National Mortgage Association	4/20/2041	3620ASB24
Compass Bank	FNMA 2009-116 Class B	1/25/2025	31398GLY3
Compass Bank	FNMA 255892	9/1/2025	31371MF93
Compass Bank	FNMA 618546F	11/1/2031	31388YET5
Compass Bank	FHLMC ARM 712306	5/1/2033	31401MKT7
Compass Bank	FNMA ARM 826620	8/1/2035	31407CK97
Compass Bank	FHLMC ARM #972183	8/1/2035	31336CM83
Compass Bank	FNMA ARM 886344	7/1/2036	31410DWD8
Compass Bank	FHLMC #1B3090	9/1/2036	3128JNKC8
Compass Bank	FNMA #838324	9/1/2036	31407RLD4
Compass Bank	FNR 2006-81 FA	9/25/2036	31396KM33
Compass Bank	FNMA #963892	6/1/2038	31414EKDS
Compass Bank	FHLMC ARM 1Q0619	9/1/2038	3128S4VL8
Compass Bank	FHLMC ARM 1Q1232	9/1/2038	3128S5LM4
Compass Bank	GNMA II #4804	9/20/2040	36202FKR6
Compass Bank	FNMA ARM AJ8074	12/1/2041	3138E06L8
Compass Bank	FHR 4035 K	1/15/2042	3137ANUX1
Compass Bank	FNMA ARM AL2549	10/1/2042	3138EJZP6
Compass Bank	FHLMC ARM POOL 848942	10/1/2042	31300L5B7
Compass Bank	FHLMC ARM 2B1022	12/1/2042	31326FD39
Compass Bank	FHLMC ARM 848957	1/1/2043	31300L5S0
Compass Bank	FNMA ARM AQ2406	2/1/2043	3138MHU84
Compass Bank	GNMA #603301	12/15/2046	36200KGJ0
Pioneer Bank	FHLB	12/26/2019	313381KA2
Pioneer Bank	FED Farm Credit	12/11/2020	3133EC6W9
James Polk Stone National Bank	Clovis NM Muni Sch. Dist. #1 BQ GO	8/1/2014	189414HQ1
James Polk Stone National Bank	Roswell NM ISD BQ GO	8/1/2014	778550HV8
James Polk Stone National Bank	Portales NM Sch. Dist. BQ NONC GO	1/15/2016	736151DG3

US Bank

Letter of Credit

Total Collateral Pledged

** As per NMAC 2.2.2.10 (N)(4)(e), the value of collateral consisting of obligations of the State of New Mexico, its agencies, institutions, counties, municipalities, or other subdivisions, shall be par value.

Fair Market Value	Name and Location of Safe Keeper
\$ 9,249	Bank of New York Mellon, New York, NY
<u>\$ 9,249</u>	
\$ 1,359,656	Bank of America, N.A., Charlotte, NC
<u>\$ 1,359,656</u>	
\$ 156,646	Federal Home Loan Bank, Atlanta, GA
209,555	Federal Home Loan Bank, Atlanta, GA
143,091	Federal Home Loan Bank, Atlanta, GA
148,801	Federal Home Loan Bank, Atlanta, GA
6,233	Federal Home Loan Bank, Atlanta, GA
34,668	Federal Home Loan Bank, Atlanta, GA
217,211	Federal Home Loan Bank, Atlanta, GA
90,485	Federal Home Loan Bank, Atlanta, GA
338,000	Federal Home Loan Bank, Atlanta, GA
83,234	Federal Home Loan Bank, Atlanta, GA
25,804	Federal Home Loan Bank, Atlanta, GA
145,730	Federal Home Loan Bank, Atlanta, GA
25,710	Federal Home Loan Bank, Atlanta, GA
105,504	Federal Home Loan Bank, Atlanta, GA
435,981	Federal Home Loan Bank, Atlanta, GA
59,398	Federal Home Loan Bank, Atlanta, GA
164,406	Federal Home Loan Bank, Atlanta, GA
430,728	Federal Home Loan Bank, Atlanta, GA
85,407	Federal Home Loan Bank, Atlanta, GA
159,896	Federal Home Loan Bank, Atlanta, GA
48,703	Federal Home Loan Bank, Atlanta, GA
38,881	Federal Home Loan Bank, Atlanta, GA
<u>\$ 3,154,072</u>	
\$ 9,720,812	Federal Home Loan Bank, Atlanta, GA
9,697,681	Federal Home Loan Bank, Atlanta, GA
<u>\$ 19,418,493</u>	
\$ 325,000 **	Texas Independent Bank, Dallas, TX
750,000 **	Texas Independent Bank, Dallas, TX
100,000 **	Texas Independent Bank, Dallas, TX
<u>\$ 1,175,000</u>	
\$ 12,000,000	Federal Home Loan Bank, Cincinnati, OH
<u>\$ 12,000,000</u>	
<u>\$ 37,116,470</u>	

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COMPLIANCE SECTION

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**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 H. Balderas
New Mexico State Auditor
The U.S. Office of Management and Budget and
The Board of Regents
Eastern New Mexico University
Portales, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Eastern New Mexico University, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Eastern New Mexico University's basic financial statements, and the related budgetary comparisons presented as supplementary information in the accompanying Schedules I, II, and III, and have issued our report thereon dated October 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eastern New Mexico University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eastern New Mexico University's internal control. Accordingly, we do not express an opinion on the effectiveness of the Eastern New Mexico University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Eastern New Mexico University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eastern New Mexico University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Eastern New Mexico University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eastern New Mexico University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
October 31, 2014

FEDERAL FINANCIAL ASSISTANCE

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Eastern New Mexico University's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Eastern New Mexico University's major federal programs for the year ended June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility.

Our responsibility is to express an opinion on compliance for each of Eastern New Mexico University's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Eastern New Mexico University's compliance.

Opinion on Each Major Federal Program

In our opinion, Eastern New Mexico University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Eastern New Mexico University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eastern New Mexico University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
October 31, 2014

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STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2014

<u>Location</u>	<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>
-----------------	--

MAJOR PROGRAMS

Student Financial Aid Cluster

U.S. Department of Education	SEOG
Portales Campus	SEOG
Roswell Campus	SEOG
Ruidoso Campus	SEOG
Portales Campus	SEOG Paid by College Workstudy Program
Portales Campus	College Workstudy Program
Roswell Campus	College Workstudy Program
Ruidoso Campus	College Workstudy Program
Portales Campus	Pell Grant
Portales Campus	Pell Grant-Prior Year
Ruidoso Campus	Pell Grant-Prior Year
Roswell Campus	Pell Grant
Ruidoso Campus	Pell Grant
Portales Campus	TEACH Grant

Total Student Financial Aid Cluster

Title III Part F and Title V: Developing Hispanic Institutions

U.S. Department of Education	HSI-STEM & Articulation Program Year 1
Portales Campus	HSI-STEM & Articulation Program Year 2
Portales Campus	HSI-STEM & Articulation Program Year 3
Portales Campus	PPOHA Yr 2 11-12
Portales Campus	PPOHA Yr 3 12-13
Portales Campus	PPOHA Yr 4 13-14
Portales Campus	CCC Academic Prep Activity 1 Yr 3
Portales Campus	CCC Academic Prep Activity 1 Yr 4
Portales Campus	CCC Academic Prep Activity 1 Yr 5
Portales Campus	CCC Nursing Pipeline Activity 1 Yr 2
Portales Campus	CCC Nursing Pipeline Activity 1 Yr 3
Portales Campus	CCC Nursing Pipeline Activity 1 Yr 4
Portales Campus	CCC Nursing Pipeline Activity 1 Yr 5
Portales Campus	ENMU Academic Prep Activity 1 Yr 2
Portales Campus	ENMU Academic Prep Activity 1 Yr 3
Portales Campus	ENMU Academic Prep Activity 1 Yr 4
Portales Campus	ENMU Academic Prep Activity 1 Yr 5
Portales Campus	ENMU Nursing Pipeline Activity 1 Yr 2
Portales Campus	ENMU Nursing Pipeline Activity 1 Yr 3
Portales Campus	ENMU Nursing Pipeline Activity 1 Yr 4
Portales Campus	ENMU Nursing Pipeline Activity 1 Yr 5
Portales Campus	ENMU Project Management Activity 1 Yr 3
Portales Campus	ENMU Project Management Activity 1 Yr 4
Portales Campus	ENMU Project Management Activity 1 Yr 5
Roswell Campus	Title V

Total Title III Part F and Title V: Developing Hispanic Institutions

See independent auditors' report.
 See accompanying notes to the schedule of expenditures of federal awards.

<u>Number</u>	<u>Agency or Pass-Through Number</u>	<u>Expenditures</u>
84.007	P007A132641	\$ 334,382
84.007	P007A132641	119,422
84.007	P007A132641	23,884
84.033	P033A132641	34,800
84.033	P033A132641	819,265
84.033	P033A132641	297,706
84.033	P033A132641	39,051
84.063	P063P131823	7,030,500
84.063	P063P121823	365
84.063	P063P121823	(1,774)
84.063	P063P131823	4,370,794
84.063	P063P131823	839,997
84.379	P379T131823	39,071
		<u>13,947,463</u>
84.031C	P031C110114	79,923
84.031C	P031C110114	184,203
84.031C	P031C110114	290,796
84.031M	P031M1105036	4,035
84.031M	P031M1105036	137,245
84.031M	P031M1105036	273,035
84.031S	P031S090081	7,826
84.031S	P031S090081	114,124
84.031S	P031S090081	78,146
84.031S	P031S090081	160
84.031S	P031S090081	6,771
84.031S	P031S090081	30,239
84.031S	P031S090081	16,227
84.031S	P031S090081	96
84.031S	P031S090081	14,867
84.031S	P031S090081	95,290
84.031S	P031S090081	45,782
84.031S	P031S090081	793
84.031S	P031S090081	7,697
84.031S	P031S090081	23,605
84.031S	P031S090081	19,750
84.031S	P031S090081	168
84.031S	P031S090081	58,779
84.031S	P031S090081	93,609
84.031S	P031S120080-13	501,547
		<u>2,084,713</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Expenditures of Federal Awards (continued)
 For the Year Ended June 30, 2014

<u>Location</u>	<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>
	MAJOR PROGRAMS (continued)
	<i>Collaborative Forest Restoration</i>
Ruidoso Campus	U.S. Department of Agriculture Forest Service - Lincoln National Forest
	TOTAL MAJOR PROGRAMS
	NON-MAJOR PROGRAMS
	<i>TRIO Cluster</i>
Portales Campus	U.S. Department of Education Student Support Services 12-13
Portales Campus	Student Support Services 13-14
Portales Campus	Talent Search 11-12
Portales Campus	Talent Search 12-13
Portales Campus	Talent Search 13-14
Roswell Campus	Talent Search September-June
Roswell Campus	Talent Search July-August
Portales Campus	Upward Bound 12-13
Portales Campus	Upward Bound 13-14
Roswell Campus	Upward Bound September-June
Roswell Campus	Upward Bound July-August
Roswell Campus	EOC September-June
Roswell Campus	EOC July-August
	Total TRIO Cluster
	GEAR UP
Roswell Campus	U.S. Department of Education GEAR UP July-September 25th
Roswell Campus	GEAR UP September 26-June
Portales Campus	U.S. Department of Education Project Maestros 11-12
Portales Campus	Project Maestros 12-13
Portales Campus	Project Maestros 13-14
Roswell Campus	U.S. Department of Education <i>Passed through the New Mexico Public Department of Education</i> Carl Perkins
Roswell Campus	Carl Perkins Carryover 7/13-9/13 and 4/14-6/14
Portales Campus	University Immersion Institute
Roswell Campus	U.S. Department of Education <i>Passed through the New Mexico Higher Education Department</i> ABE Federal
Roswell Campus	ABE Textbooks
Ruidoso Campus	ABE Federal
	<i>Total U.S. Department of Education (nonmajor)</i>
	Total U.S. Department of Education (major and nonmajor) See independent auditors' report.

See accompanying notes to the schedule of expenditures of federal awards.

**Schedule VI
(continued)**

<u>Number</u>	<u>Agency or Pass-Through Number</u>	<u>Expenditures</u>
10.679	13-DG-11030800-015	171,413
		<u>\$ 16,203,589</u>
84.042A	P042A101007	88,001
84.042A	P042A101007	278,793
84.044A	P044A110619	27,396
84.044A	P044A110619	83,377
84.044A	P044A110619	227,843
84.044A	P044A110605	241,860
84.044A	P044A110605-12	48,527
84.047A	P047A121635	137,824
84.047A	P047A121635	152,412
84.047A	P047A121674-12	57,528
84.047A	P047A121674	27,279
84.066A	P066A110019	283,064
84.066A	P066A110019-12	59,805
		<u>1,713,709</u>
84.334A	P334A110054	274,152
84.334A	P334A110054-13	1,170,245
84.365Z	T365Z120149	39,565
84.365Z	T365Z120149	226,434
84.365Z	T365Z120149	12,530
84.048	V048A120031-12A	82,557
84.048	V048A110031A-12A	20,523
84.293C	05-924-P527-0152	2,000
84.002	N/A	186,837
84.002	49828	23,202
84.002	N/A	58,910
		<u>3,810,664</u>
		<u>19,842,840</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Expenditures of Federal Awards (continued)
 For the Year Ended June 30, 2014

Location	Federal Grantor/Pass - Through Grantor/Program or Cluster Title
NON-MAJOR PROGRAMS (continued)	
<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-Varela
Portales Campus	INBRE-Stollar
	<i>Passed through Sapphire Energy</i>
Portales Campus	SAPPHIRE Energy-US DOE
	<i>Total Research and Development Cluster</i>
	<i>Small Business Administration</i>
Roswell Campus	SBDC
	<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund</i>
	<i>Passed through the New Mexico Children, Youth and Families Department</i>
Portales Campus	Basic Services
Portales Campus	Inclusion
	<i>U.S. Department of Agriculture</i>
Portales Campus	KENW Mescalero Translator Project
Portales Campus	USDA-SPRCA Challenge Grant Year 2
	<i>Passed through the New Mexico Children, Youth and Families Department</i>
Portales Campus	CYFD/PSD BSW Program
Portales Campus	CDC Food Program
Roswell Campus	Food Program Upward Bound
	<i>Total Department of Agriculture</i>
	<i>U.S. Department of Health and Human Services</i>
	<i>Passed through the New Mexico State University</i>
Roswell Campus	SWAG
	<i>WIA Cluster</i>
	U.S. Department of Labor
	<i>Passed through Eastern Area Workforce Development Board</i>
Ruidoso Campus	WIA Adult Service
Ruidoso Campus	WIA Adult Service
Ruidoso Campus	WIA Dislocated Worker
Ruidoso Campus	WIA Dislocated Worker
	<i>Passed through Santa Fe Community College</i>
Ruidoso Campus	Trade Adjustment Assistance Community College
Ruidoso Campus	Trade Adjustment Assistance Community College
Roswell Campus	IBEST
	<i>Total Department of Labor</i>

See independent auditors' report.
 See accompanying notes to the schedule of expenditures of federal awards.

**Schedule VI
(continued)**

<u>Number</u>	<u>Agency or Pass-Through Number</u>	<u>Expenditures</u>
93.389	Q01347	68,855
93.389	Q01347	44,313
81.087	DE-EE0000393.001	183,814
		<u>296,982</u>
59.037	SBAAHQ-13-B-0041	184,805
93.596	10-690-9999-01005-3	119,924
93.596	10-690-9999-01005-3	26,247
10.861	NM1601-B33	1,500
10.217	2011-38414-35041	1,106
93.658	13-1-98A	138,187
10.558	0191	17,575
10.559	50531	4,206
		<u>162,574</u>
93.297	Q01594	50,855
17.258	OSC 12/13-ENMU-RU	1,622
17.258	OSC 12/13-ENMU-RU	380,868
17.260	OSC 12/13-ENMU-RU	1,168
17.260	OSC 12/13-ENMU-RU	184,614
17.282	N/A	27,085
17.282	N/A	27,958
17.282	TC-22550-11-60-A-35	25,795
		<u>649,110</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Expenditures of Federal Awards (continued)
 For the Year Ended June 30, 2014

Location	Federal Grantor/Pass - Through Grantor/Program or Cluster Title
	NON-MAJOR PROGRAMS (continued)
	<i>National Science Foundation</i>
Portales Campus	EPSCOR-Biofuel
Portales Campus	EPSCOR-Biofuel
Portales Campus	EPSCOR-Osmotic Power
Portales Campus	S-STEM Scholarships 12-13
	<i>Passed through New Mexico State University</i>
Portales Campus	Alliance for Minority Participation
	Total National Science Foundation
	<i>U.S. Department of Commerce</i>
Portales Campus	PBS Warning, Alert, and Response Network
	<i>U.S. Army Corp of Engineers</i>
Portales Campus	Curation E3194
	TOTAL NON-MAJOR PROGRAMS
	TOTAL FEDERAL AWARDS

See independent auditors' report.
 See accompanying notes to the schedule of expenditures of federal awards.

**Schedule VI
(continued)**

<u>Number</u>	<u>Agency or Pass-Through Number</u>	<u>Expenditures</u>
47.080	IIA-1301346	102,104
47.080	IIA-1301346	13,425
47.080	IIA-1301346	4,061
47.076	DUE-0806472	3,746
47.076	EQ01315	3,306
		<u>126,642</u>
11.553	51-51-W10606 43	169,940
15.904	W81G6900259490	4,987
		<u>\$ 5,602,730</u>
		<u>\$ 21,806,319</u>

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2014

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, 2014, outstanding student loan balances under the Federal Perkins Loan Program, CFDA #84.038, were \$6,043,575. Perkins Loans awarded for the year ended June 30, 2014 totaled \$388,999. Federal Direct Loans (which includes Stafford Loans and Parents' Plus Loans), CFDA #84.268, awarded for the year ended June 30, 2014 totaled \$17,251,879. Additionally, the University processed \$457,403 in new loans under the Alternative Student Loan Program. The Schedule of Expenditures of Federal Awards does not include these amounts.

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Findings and Questioned Costs
 June 30, 2014

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 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 | Unmodified |
| 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
Various	Title III Part F and Title V
10.679	Collaborative Forest Restoration

- | | |
|--|------------|
| 5. Dollar threshold to distinguish between Type A and Type B programs: | \$ 300,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Findings and Questioned Costs
June 30, 2014

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. FINDINGS – FEDERAL AWARDS AUDIT

None

D. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

FS 2013-01	Bank Reconciliation- Ruidoso (Other)	Resolved
FS 2013-02	Interest Recorded Incorrectly on Investments- Roswell (Other)	Resolved
FS 2013-03	Lack of Adequate Documentation for Credit Card Expenditures- Roswell (Other)	Resolved
FS 2013-04	Documentation Missing for Certain Grant Expenditures- Roswell (Other)	Resolved
FS 2013-05	Accrued Compensation Calculated Incorrectly- Roswell (Other)	Resolved
FA 2013-01	Gear Up Matching Documentation- Roswell (Other)	Resolved
FA 2013-02	TRIO Special Tests and Provisions- Services Provided- Roswell (Other)	Resolved

OTHER DISCLOSURES

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STATE OF NEW MEXICO
Eastern New Mexico University
Other Disclosures
June 30, 2014

A. AUDITOR PREPARED FINANCIAL STATEMENTS

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

- B. The contents of this report were discussed at an exit conference held on October 31, 2014. The following individuals were in attendance.

University Officials

Steven Gamble, President – Eastern New Mexico University
Randy Harris, Member – Board of Regents
Jane Christensen – Board of Regents
Ashley Keefer, Internal Auditor
Carol Fletcher, Comptroller – Portales Campus
Joann Martinez, Director of Accounting and Student Accounts – Portales Campus
Kenny Prince, Accountant – Portales Campus
Laura Disney, Accountant – Portales Campus
Dr. John Madden, President – Roswell Campus (via telephone)
Eric Johnston-Ortiz, Vice President of Business Affairs – Roswell Campus (via telephone)
Karen Franklin, Controller – Roswell Campus (via telephone)
Dr. Clayton Alred, President – Ruidoso Campus
Sheila Farquer, Director of Business Affairs – Ruidoso Campus

Auditors

Shelley Olson, CPA – Manager