



Eastern New Mexico University

Annual Financial Report

June 30, 2015



INTRODUCTORY SECTION

STATE OF NEW MEXICO
Eastern New Mexico University
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June 30, 2015

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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 four hundred (400) acres in Portales. The University also operates branch campuses in Roswell and Ruidoso. The University is organized into the College of Business, College of Fine Arts, College of Education and Technology, College of Liberal Arts and Sciences, and 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, National Council for Accreditation of Teacher Education, and 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, 2015

Board of Regents

Ex-Officio Members

The Honorable Susana Martinez Governor of the State of New Mexico

Appointed Members

Term Expires

Ms. Jane Christensen	2018	President
Mr. Terry Othick	2020	Vice President
Ms. Veronica Ayala	2016	Treasurer/Secretary
Ms. Susan Tatum	2020	Member
Mr. Dan Patterson	2016	Member

University Officials

Dr. Steven Gamble	President
Dr. John Madden	President- Roswell Campus
Dr. Clayton Alred	President- Ruidoso Campus
Dr. Jeff Long	Vice President for Student Affairs
Mr. Scott Smart	Vice President for Business Affairs
Dr. Jamie Laurenz	Vice President for Academic Affairs
Mr. Clark Elswick	Vice President for Technology and System Chief Information Officer

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Timothy Keller
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, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents. We also have 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, 2015 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 the 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 the 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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the University are intended to present the financial position, the changes in financial position, and where applicable, cash flows of only that portion of the business-type activities of the State of New Mexico that is attributed to the transactions of the University. They do not purport to, and do not, present fairly, the financial position of the State of New Mexico as of June 30, 2015, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 the University, as of June 30, 2015, 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, the budgetary comparisons of the University referred to above present fairly, in all material respects, the respective budgetary comparisons for the year then ended 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 19 and Schedules I and II and the Notes to the Required Supplementary Information on pages 48 through 50 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

Our audit was conducted for the purpose of forming opinions on the financial statements and budgetary comparisons that collectively comprise the University's basic financial statements. The Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management, Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the Schedules VI through VIII required by Section 2.2.2 NMAC are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and supporting Schedules VI through VIII required by Section 2.2.2 NMAC are the responsibility of management and were 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 and Schedules VI through VIII required by Section 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and Schedule IX have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2015 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the University's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
October 27, 2015

STATE OF NEW MEXICO
Eastern New Mexico University
Management's Discussion and Analysis
For the Year Ended June 30, 2015

This section of the financial report presents discussion and analysis of Eastern New Mexico University's (the "University") financial performance during the year ended June 30, 2015. It was prepared by University management, and it is requested that it be read in conjunction with the University's financial statements that follows this section.

Financial Highlights

- As of June 30, 2015, the University's total assets increased to \$255.7 million, \$21.1 million more than the 2014 level of \$234.6 million.
- Operating revenues totaled \$48.0 million in 2015, an increase of \$2.5 million from 2014, while operating expenses totaled \$104.9 million, a decrease of \$0.6 million from 2014.
- Net nonoperating revenues totaled \$67.5 million while nonoperating expenditures were \$1.3 million. State appropriations of \$46.7 million and Pell grant revenue of \$11.4 million are the primary components of nonoperating revenues.
- Since 2005, the University's fall headcount enrollment has increased from 4,052 to 5,887. This is an increase of 45.30%. During the same time period the University's first time/full-time freshman enrollment has increased from 558 to 628, an increase of 13.00%. The student retention rate has improved from 52.00% to 59.30% 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
- Other supporting schedules
- Report on compliance
- Single audit report and schedule

The University's Basic Financial Statements

The basic financial statements include:

- The Statements 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, deferred outflows, liabilities, deferred inflows, and net position.
- The Statements 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 nonoperating 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 nonexchange transactions that have been traditionally considered to be a part of public university operations. A "nonexchange transaction" is one where 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 for 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, 2015

Financial Analysis of the University as a Whole

Net Position. The University's total net position decreased to \$112.3 million from \$177.2 million in 2014. The decrease is due to the GASB Statement No. 68 implementation, which required the University to recognize its share of the allocation of the State's unfunded portion of the Educational Retirement Board's (ERB) pension plan of \$5.7 billion. This share of the allocation consists of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The implementation resulted in a \$74.1 million restatement of the University's beginning net position and created a net pension liability expense of \$71.5 million. Also, with the implementation of GASB Statement No. 68 there was a \$24.4 million deficit in unrestricted net position. The allocation was determined by the ERB, not by University management.

In the current year, the University issued \$12.4 million in bonds to assist with funding the construction of a new stadium (\$6.4 million). This stadium will be located on the Portales campus and is replacing the old stadium seven (7) miles from the campus that was built in 1969. The bonds will also assist with funding the remodeling of the Golden Library to create the Golden Student Success Center (\$4.0 million) and to fund phase II of the West Campus apartments remodel (\$2.0 million).

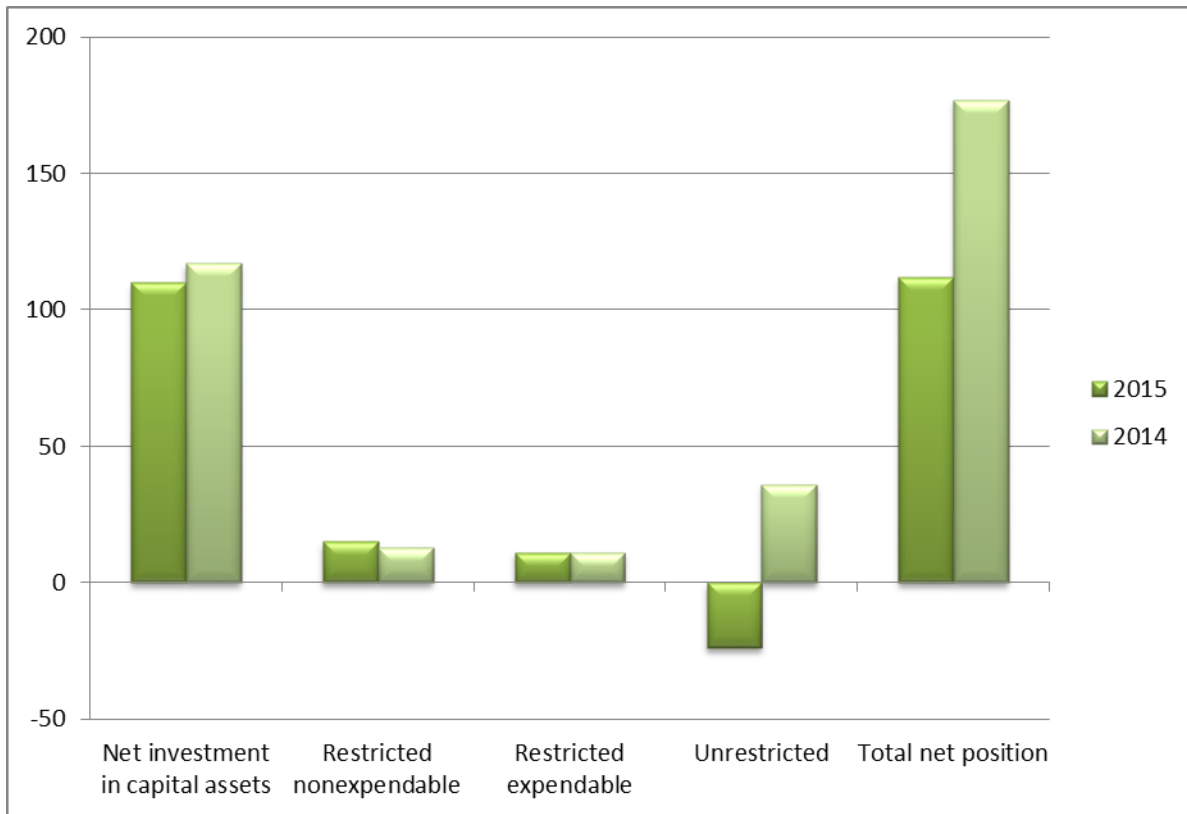
Table 1 summarizes the University's net position:

Eastern New Mexico University's Net Position
As of June 30, 2015 and 2014
(in millions of dollars)

	2015	2014
Current assets	\$ 61.7	\$ 45.8
Noncurrent assets other than capital assets	38.5	38.4
Capital assets, net	155.5	150.4
Total assets	255.7	234.6
Deferred outflows of resources	6.3	-
Total deferred outflows of resources	6.3	-
Total assets and deferred outflows of resources	\$ 262.0	\$ 234.6
Current liabilities	\$ 19.6	\$ 18.5
Noncurrent liabilities	121.1	38.9
Total liabilities	140.7	57.4
Deferred inflows of resources	9.0	0.0
Total deferred inflows of resources	9.0	0.0
Net investment in capital assets	110.9	116.6
Restricted nonexpendable	14.5	13.3
Restricted expendable	11.3	11.5
Unrestricted	(24.4)	35.8
Total net position	112.3	177.2
Total liabilities, deferred inflows of resources, and net position	\$ 262.0	\$ 234.6

STATE OF NEW MEXICO
 Eastern New Mexico University
 Management's Discussion and Analysis
 For the Year Ended June 30, 2015

Net Position 2015 and 2014
 (in millions of dollars)



Changes in Net Position. Total operating revenues for the years ended June 30, 2015 and 2014, were \$48.0 and \$45.5 million, respectively. Operating expenses were \$104.9 for 2015 and \$105.5 million for 2014. Nonoperating revenues were \$67.5 million while nonoperating expenses were \$1.3 million for 2015, and nonoperating revenues were \$72.4 million while nonoperating expenses were \$1.4 million for 2014. As a note, the direct student loan program is not included in the financial statement presentation, which omits both the revenues and expenditures of the program.

STATE OF NEW MEXICO
Eastern New Mexico University
Management's Discussion and Analysis
For the Year Ended June 30, 2015

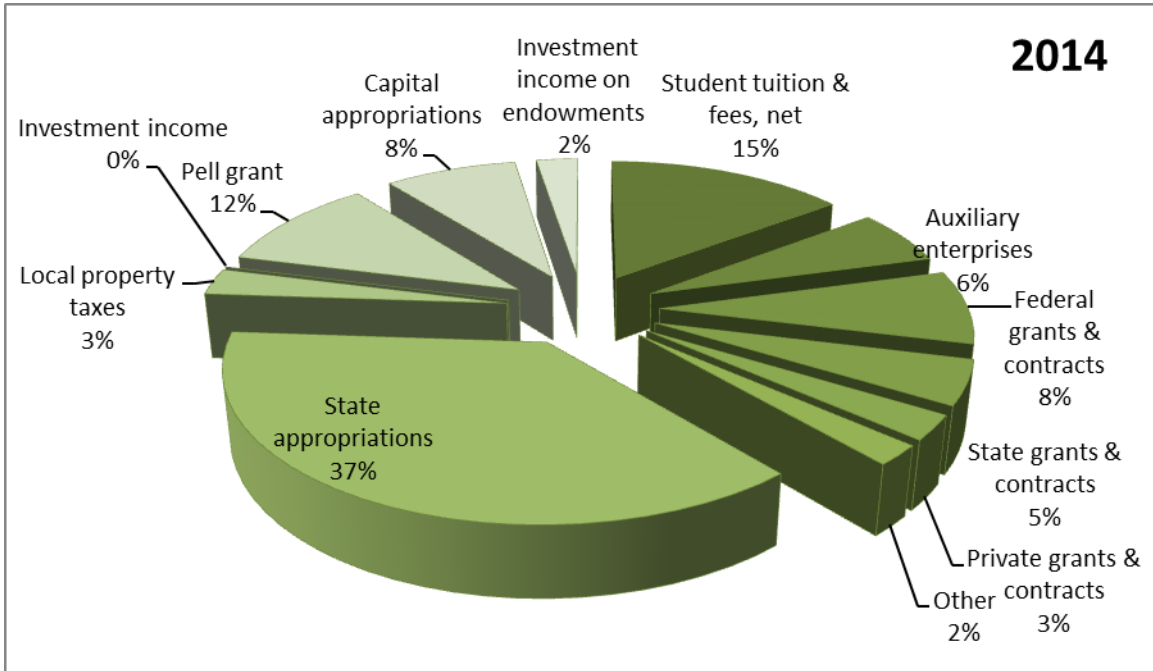
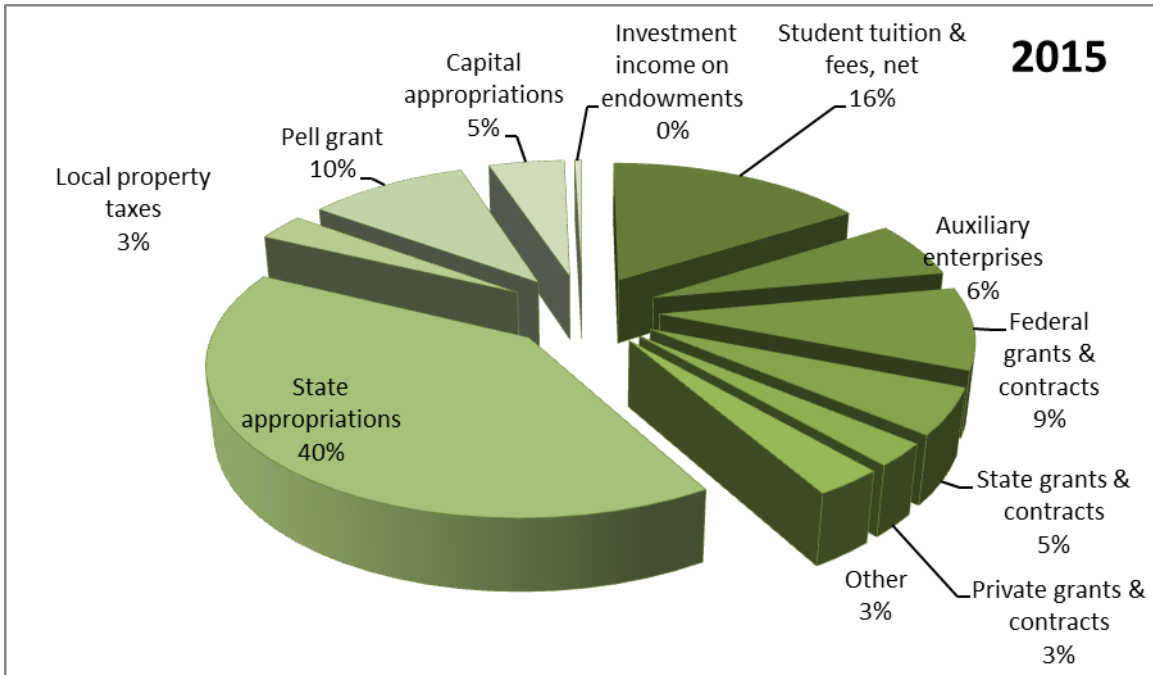
Table 2 summarizes the University's changes in net position:

Changes in Eastern New Mexico University's Net Position
For the Year Ended June 30, 2015 and 2014
(in millions of dollars)

	<u>2015</u>	<u>2014</u>
Operating revenues		
Student tuition and fees, net	\$ 18.4	\$ 17.4
Auxiliary enterprises	7.1	7.1
Federal grants and contracts	10.3	9.5
State grants and contracts	5.8	5.7
Private grants and contracts	2.9	3.1
Other	<u>3.5</u>	<u>2.7</u>
Total operating revenues	<u>\$ 48.0</u>	<u>\$ 45.5</u>
Operating expenses		
Instruction	\$ 33.0	\$ 33.1
Research	0.7	0.5
Public service	9.5	8.6
Academic support	6.2	5.9
Student services	9.5	9.5
Institutional support	11.3	11.4
Operation and maintenance of plant	8.0	8.2
Depreciation and amortization	7.4	7.2
Student aid	11.8	12.5
Auxiliary enterprises	5.8	5.7
Other	<u>1.7</u>	<u>2.9</u>
Total operating expenses	<u>\$ 104.9</u>	<u>\$ 105.5</u>
Nonoperating revenues (expenses)		
State appropriations	\$ 46.7	\$ 44.2
Local property taxes	3.4	3.4
Pell grant	11.4	12.2
Investment income	(0.2)	-
Interest on debt	<u>(1.3)</u>	<u>(1.4)</u>
Total nonoperating revenues (expenses)	<u>\$ 60.0</u>	<u>\$ 58.4</u>
Other revenues (expenses)		
Capital appropriations	\$ 5.5	\$ 12.6
Investment income (loss) on expenses	<u>0.7</u>	<u>3.0</u>
Total nonoperating revenues (expenses)	<u>\$ 6.2</u>	<u>\$ 15.6</u>

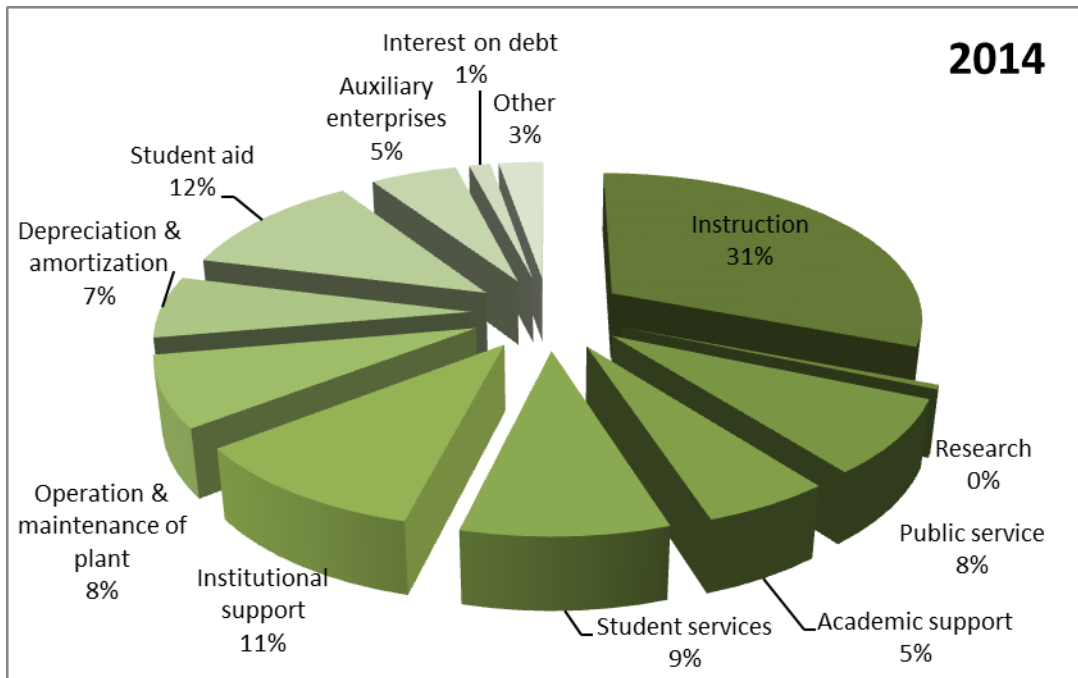
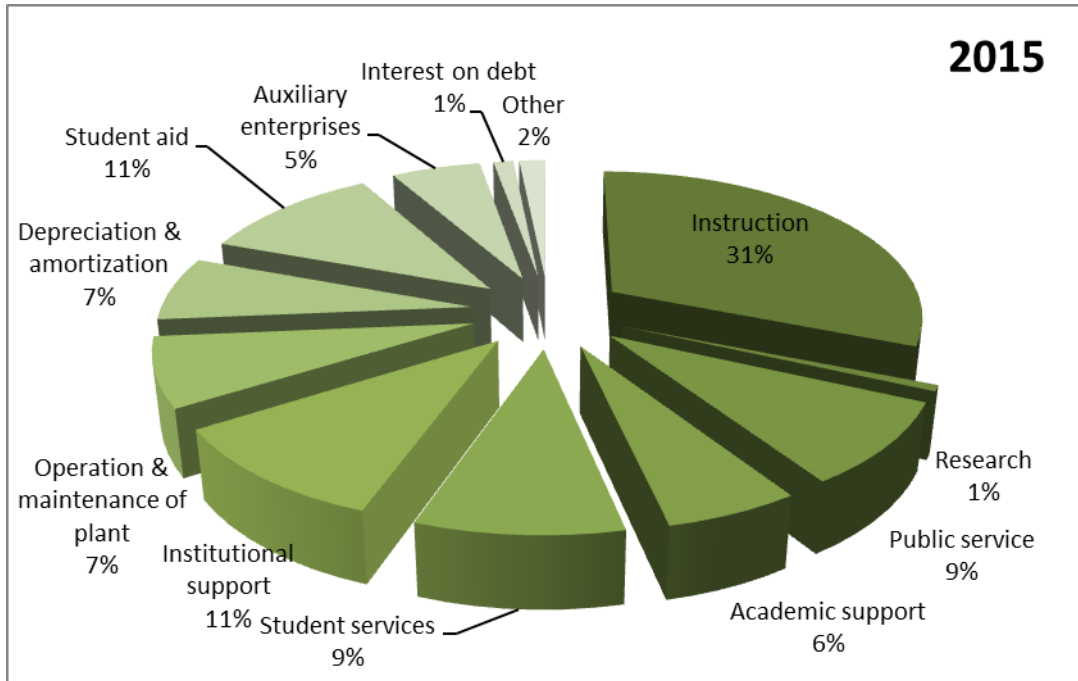
STATE OF NEW MEXICO
 Eastern New Mexico University
 Management's Discussion and Analysis
 For the Year Ended June 30, 2015

Operating and Nonoperating Income
 (in millions of dollars)



STATE OF NEW MEXICO
 Eastern New Mexico University
 Management's Discussion and Analysis
 For the Year Ended June 30, 2015

Operating and Nonoperating Expense
 (in millions of dollars)



STATE OF NEW MEXICO
 Eastern New Mexico University
 Management's Discussion and Analysis
 For the Year Ended June 30, 2015

Budgetary Highlights

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

	<u>2015</u>	<u>2014</u>
Current funds		
Unrestricted	\$ 0.9	\$ 1.3
Restricted	0.5	(1.1)
Plant funds	10.1	18.1

The budget adjustment to plant funds expenditures in 2015 was the result of anticipated expenditures funded by the 2015 University Bonds and Building and Replacements and Renewals. The change in restricted funds was due to a Career and Technical Education (CTLP) grant.

Capital Asset and Debt Administration

Capital Assets- As of June 30, 2015 and 2014, the University had \$155.5 and \$150.4 million, respectively, invested in various capital assets, including buildings, equipment, and construction.

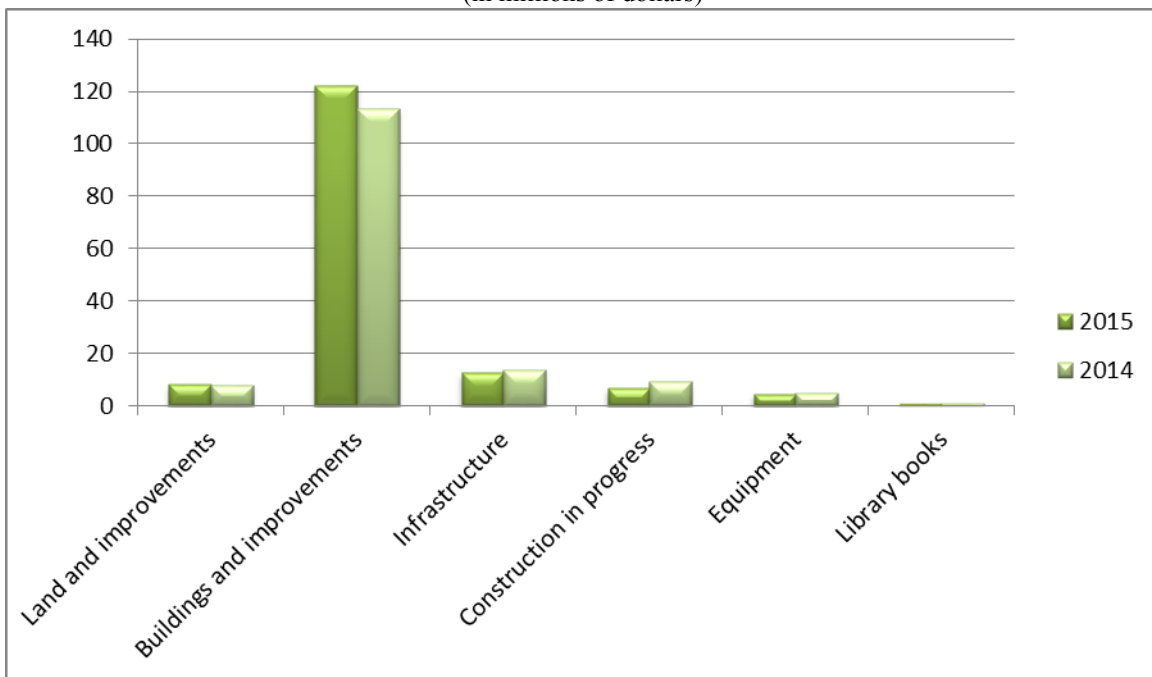
Table 3 shows the University's capital assets at year end:

Capital Assets at June 30, 2015 and 2014
 Net of Depreciation (in millions)

	<u>2015</u>	<u>2014</u>
Land and improvements	\$ 8.2	\$ 8.1
Construction in progress	6.7	9.3
Buildings and improvements	122.3	113.3
Infrastructure	12.7	13.7
Equipment	4.7	5.0
Software	0.1	0.1
Library books	<u>0.8</u>	<u>0.9</u>
 Total	 <u>\$ 155.5</u>	 <u>\$ 150.4</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Management's Discussion and Analysis
 For the Year Ended June 30, 2015

Capital Assets 2015 and 2014
 (in millions of dollars)



Capital Projects- In December of 2014, the University completed the Jack Williamson Liberal Arts Building remodel renewal project at a cost of \$13.0 million. This project modernized academic classroom facilities with state of the art instructional technology and will allow for an additional fifty (50) years of useful life to the building. Also, the University completed an HVAC project in the Administration Building. The Roswell campus completed infrastructure improvement projects during the year. In June of 2015, the stadium project broke ground with an estimated cost of \$14.5 million and is scheduled to be completed by the fall of 2016, in time for the first home football game of the season. Phase I of the West Campus remodel project costing \$2.2 million was completed, and phase II of the West Campus remodel costing \$2.0 million is scheduled to be completed in the fall of 2015.

Debt Administration- Through the New Mexico Finance Authority, the University issued \$12.4 million in new bonds to assist in the funding of the following projects: the stadium \$6.4 million; the Golden Student Success Center \$4.0 million, and the West Campus phase II remodel \$2.0 million. Another \$6.2 million of refunding bonds were issued to pay the principal on bonds currently outstanding.

As of June 30, 2015 and 2014 the University had \$44.4 and \$33.6 million of bonds outstanding, respectively. Other long-term debt includes capital leases of \$0.2 million, compensated absences of \$1.5 million, liabilities for the federal share of the student loan program of \$6.4 million, and with the implementation of GASB Statement 68, net pension liability of \$71.5 million. For 2014, other long-term debt included capital leases of \$0.2 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 by nominal amounts. Funding for fiscal year 2015 did include a 1.50% raise for employees. During the 2015 fiscal year, instruction and general state appropriation funding was restored to the 2008 funding. However, since then, there has been inflation, and 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 2015.

The formula funding model for higher education in New Mexico is based upon enrollment growth; performance measures, which include the completion of certificates and degrees as well as enrollment of students whose field of study is in science, math, and engineering. To remain in compliance with the formula, the University continues to have enrollment growth in the communication disorders programs and nursing programs. The University strives to offer in-demand degrees so students have employable skills when they graduate from the University.

STATE OF NEW MEXICO
Eastern New Mexico University
Management's Discussion and Analysis
For the Year Ended June 30, 2015

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
1500 S. Ave. K
Business Affairs Station #4
Portales, NM 88130

Component Units

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

The ENMU-Roswell Foundation and ENMU-Ruidoso Foundation do not issue separate financial statements.

STATE OF NEW MEXICO
Eastern New Mexico University
Statements of Net Position
June 30, 2015

	Eastern New Mexico University	Component Units		
		ENMU-Portales Foundation	ENMU-Roswell Foundation	ENMU-Ruidoso Foundation
Assets and Deferred Outflows of Resources				
Assets				
Current assets				
Cash and cash equivalents	\$ 54,230,935	\$ 450,093	\$ 10,343	\$ 120,124
Receivables, net	6,478,737	137,431	-	-
Inventories	337,571	-	-	-
Prepaid expenses	690,042	-	-	-
Total current assets	<u>61,737,285</u>	<u>587,524</u>	<u>10,343</u>	<u>120,124</u>
Noncurrent assets				
Restricted cash and cash equivalents	416,103	-	83,457	-
Investments	32,519,328	15,144,551	8,144,682	-
Notes receivable	5,514,321	-	-	-
Capital assets, net	155,523,794	108,456	-	-
Total noncurrent assets	<u>193,973,546</u>	<u>15,253,007</u>	<u>8,228,139</u>	<u>-</u>
Total assets	<u>255,710,831</u>	<u>15,840,531</u>	<u>8,238,482</u>	<u>120,124</u>
Deferred outflows of resources				
Change in proportion	1,473,668	-	-	-
Employer contributions subsequent to the measurement date	4,785,777	-	-	-
Total deferred outflows of resources	<u>6,259,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 261,970,276</u>	<u>\$ 15,840,531</u>	<u>\$ 8,238,482</u>	<u>\$ 120,124</u>

The accompanying notes are an integral part of these financial statements

	Eastern New Mexico University	Component Units		
		ENMU-Portales Foundation	ENMU-Roswell Foundation	ENMU-Ruidoso Foundation
Liabilities, Deferred Inflows of Resources, and Net Position				
Liabilities				
Current liabilities				
Accounts payable	\$ 2,736,344	\$ 131,925	\$ -	\$ 11,663
Accrued expenses and other liabilities	5,464,169	-	-	-
Gift annuities payable	-	195,979	-	-
Deposits held for others	948,668	-	-	-
Unearned revenues	7,441,390	-	-	-
Accrued compensated absences, current portion	1,156,466	-	-	-
Leases payable, current portion	74,898	-	-	-
Bonds payable, current portion	1,670,000	-	-	-
Total current liabilities	19,491,935	327,904	-	11,663
Noncurrent liabilities				
Accrued compensated absences	384,749	-	-	-
Leases payable	79,074	-	-	-
Bonds payable	42,760,000	-	-	-
Net pension liability	71,531,017	-	-	-
Student loan program	6,389,314	-	-	-
Total noncurrent liabilities	121,144,154	-	-	-
Total liabilities	140,636,089	327,904	-	11,663
Deferred inflows of resources				
Unavailable grant revenues	41,611	-	-	-
Change in proportion	1,404,728	-	-	-
Actuarial experience	1,065,562	-	-	-
Investment experience	6,502,500	-	-	-
Total deferred inflows of resources	9,014,401	-	-	-
Net position				
Net investment in capital assets	110,939,822	-	-	-
Restricted				
Nonexpendable				
Endowments	14,520,753	7,536,225	2,902,214	27,083
Expendable				
Scholarships and fellowship	-	7,637,677	1,880,359	56,704
Student loans	2,186,712	-	-	-
Quasi endowment and endowment interest	5,662,504	-	-	-
Debt service	3,403,919	-	-	-
Unrestricted	(24,393,924)	338,725	3,455,909	24,674
Total net position	112,319,786	15,512,627	8,238,482	108,461
Total liabilities, deferred inflows of resources, and net position	\$ 261,970,276	\$ 15,840,531	\$ 8,238,482	\$ 120,124

STATE OF NEW MEXICO
Eastern New Mexico University
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2015

	Eastern New Mexico University	Component Units		
		ENMU-Portales Foundation	ENMU-Roswell Foundation	ENMU-Ruidoso Foundation
Operating Revenues				
Student tuition and fees (net of scholarship allowance of \$7,978,909)	\$ 18,429,733	\$ -	\$ -	\$ -
Auxiliary enterprise revenue	7,076,992	-	-	-
Federal grants and contracts	10,248,420	-	-	-
State and local grants and contracts	5,832,716	-	-	-
Private gifts, grants, and contracts	2,945,202	60,735	131,351	7,400
Sales and services of educational departments	730,901	-	-	-
Other operating revenues	2,723,082	-	-	-
Total operating revenues	47,987,046	60,735	131,351	7,400
Operating Expenses				
Education and general				
Instruction	33,030,350	-	-	-
Research	661,987	-	-	-
Public service	9,491,692	-	-	-
Academic support	6,161,043	-	-	-
Student services	9,504,004	-	-	-
Institutional support	11,251,933	1,349,314	24,797	4,500
Operations and maintenance of plant	8,020,206	-	-	-
Depreciation	7,468,451	-	-	-
Amortization	(37,642)	-	-	-
Student aid, grants and stipends	11,795,463	-	-	-
Auxiliary enterprises	5,777,742	-	-	-
Administration and collection	-	87,051	-	5,949
Expended for scholarships	-	439,483	91,850	-
Other	1,798,118	44,732	60,376	21,758
Total operating expenses	104,923,347	1,920,580	177,023	32,207
Operating income (loss)	\$ (56,936,301)	\$ (1,859,845)	\$ (45,672)	\$ (24,807)

The accompanying notes are an integral part of these financial statements

	Eastern New Mexico University	Component Units		
		ENMU-Portales Foundation	ENMU-Roswell Foundation	ENMU-Ruidoso Foundation
Nonoperating Revenues (Expenses)				
State appropriations	\$ 46,704,172	\$ -	\$ -	\$ -
Local property taxes	3,431,108	-	-	-
Pell grant	11,373,747	-	-	-
Interest expense	(1,344,596)	-	-	-
Investment income/(loss)	(217,162)	938,314	214,040	-
Private gifts, grants, and contracts	-	1,961,159	2,770,603	31,455
Total nonoperating revenues (expenses)	59,947,269	2,899,473	2,984,643	31,455
Income/(loss) before other revenues/ expenses	3,010,968	1,039,628	2,938,971	6,648
Other Revenues (Expenses)				
Capital appropriations	5,451,555	-	-	-
Investment income (loss) on endowments	690,003	-	(195,867)	6,040
Total other revenues (expenses)	6,141,558	-	(195,867)	6,040
Increase in net position	9,152,526	1,039,628	2,743,104	12,688
Net position- beginning of year	177,221,292	14,472,999	5,495,378	95,773
Restatement (Note 13)	(74,054,032)	-	-	-
Net position- beginning of year, restated	103,167,260	14,472,999	5,495,378	95,773
Net position- end of year	\$ 112,319,786	\$ 15,512,627	\$ 8,238,482	\$ 108,461

STATE OF NEW MEXICO
Eastern New Mexico University
Statement of Cash Flows
For the Year Ended June 30, 2015

Cash Flows From Operating Activities	
Tuition and fees	\$ 18,048,343
Grants and contracts	36,329,995
Payments to suppliers	(56,589,874)
Payments to employees	(57,868,281)
Auxiliary enterprise charges	7,076,993
Sales and services of educational activities	730,901
Other receipts	<u>3,816,959</u>
Net cash provided (used) by operating activities	<u>(48,454,964)</u>
Cash Flows From Investing Activities	
Interest on investments	445,790
Transfer to cash	(674,811)
Other	<u>12</u>
Net cash provided (used) by investing activities	<u>(229,009)</u>
Cash Flows From Noncapital Financing Activities	
State appropriations	46,704,172
Local property taxes	3,431,108
Pell grant	11,373,747
Other	<u>11,275</u>
Net cash provided (used) by noncapital financing activities	<u>61,520,302</u>
Cash Flows From Capital and Related Financing Activities	
Proceeds from capital debt	18,655,000
Capital appropriations	8,552,228
Purchases of capital assets	(12,562,887)
Principal paid on capital debt and leases	(7,805,943)
Interest paid on capital debt and leases	(1,353,432)
Other	<u>(58,809)</u>
Net cash provided (used) by capital and related financing activities	<u>5,426,157</u>
Increase in cash, restricted cash, and cash equivalents	18,262,486
Cash, restricted cash, and cash equivalents- beginning of year	<u>36,384,552</u>
Cash, restricted cash, and cash equivalents- end of year	<u><u>\$ 54,647,038</u></u>

The accompanying notes are an integral part of these financial statements

Reconciliation of net operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (56,936,301)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations	
Depreciation	7,468,451
Amortization	(37,642)
Pension expense	4,976,107
Changes in assets and liabilities	
Receivables, net	(714,102)
Inventories	102,470
Other assets	466,895
Employer contributions subsequent to the measurement date	(4,785,777)
Accounts payable and accrued expenses	(977,378)
Deposits held for others	521,542
Unearned revenue	1,417,072
Unavailable grant revenues	22,936
Compensated absences	20,763
	<hr/>
Net cash provided (used) by operating activities	<u><u>\$ (48,454,964)</u></u>

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STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies

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 four hundred (400) acres in Portales. The University also operates branch campuses in Roswell and Ruidoso. The University is organized into the College of Business, College of Fine Arts, College of Education and Technology, College of Liberal Arts and Sciences, and Graduate School.

This summary of significant accounting policies of the University is presented to assist in the understanding of the University’s financial statements. The financial statements and notes are the representation of University’s management who is responsible for their integrity and objectivity. The financial statements of the University have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities.

During the year ended June 30, 2015, the University adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions- an Amendment of GASB Statement No. 27* (“GASB 68”), and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an Amendment of GASB Statement No. 68* (“GASB 71”). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

1. Contributions from employers and nonemployer contributing entities to the pension plan, and earnings on those contributions are irrevocable.
2. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
3. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government’s fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity’s beginning net position and expense in the initial period of implementation. This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

During the year ended June 30, 2015, the University also adopted GASB Statements No. 69 and 70. GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* (“GASB 69”) establishes accounting and financial reporting standards related to government combinations (including mergers, acquisitions, and transfers of operations), and disposals of government operations. GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* (“GASB 70”) improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. Neither of these pronouncement have materially impacted the University’s financial statements.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the University for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the University has three component units required to be reported under GASB Statements No. 14, No. 39, or No. 61. These component units include the Eastern New Mexico University (ENMU) Portales Foundation, ENMU-Ruidoso Foundation, and the ENMU-Roswell Foundation.

Separate audited financial statements of the ENMU 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 ENMU-Portales Foundation was established in 1973, the ENMU-Ruidoso Foundation in 2011, and the ENMU-Roswell Foundation in 1969 to advance educational excellence at the University. The Foundations are a component unit of the University discretely presented and reported upon as a part of the basic financial statements of the University. The Foundations engage in fundraising to support each of their respective campuses' academic programs, scholarships, building funds, and faculty/staff development. The Foundations coordinate all private capital fundraising for the University, including fund solicitations, gift acceptance, acknowledgements, and asset management. They are presented in the financial statements of the University due to the nature and significance of their relationship with Eastern New Mexico University. They are discretely presented to allow the financial statement users to distinguish between the University and the Foundations.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The University's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth or adopted by GASB and the Financial Accounting Standards Board (FASB), and their predecessors, the National Council on Governmental Accounting (NCGA) and the Accounting Principles Board (APB), respectively. Generally accepted accounting principles for local governments include those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* 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, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The business-type activities (proprietary and enterprise) financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of estimated refunds, are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. 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. Nonoperating revenues include activities that have the characteristics of nonexchange 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.

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.

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. Nonoperating expenses include activities that have the characteristics of nonexchange transactions, such as interest on capital assets-related debt and bond expenses that are defined as nonoperating expenses by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the University's policy to use restricted resources first, then unrestricted resources as they are needed.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported in the Statements of Revenues, Expenses, and Changes in Net Position. The effects of assets due from the liabilities due to the individual campuses are eliminated in the Statements of Net Position.

C. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position

Deposits and investments: The University's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Both unrestricted and restricted cash are included in the Statement of Cash Flows.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position (continued)

State statutes authorize the University to invest in certificates of deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool. 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.

Investments for the University are reported at fair market value, which is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Income, gains, and losses on investments are reported as a component of investment income on the Statements of Revenues, Expenses, and Changes in Net Position.

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 1978), except where a donor has specified otherwise. The investment committee of the Foundations and 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 committees of the Foundations and University management set the annual distribution, which must be in accordance with the agreement entered into with endowment donors.

Receivables and payables: All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Payables are comprised of unpaid vendor and supplier invoices and are recognized when incurred. In the government-wide financial statements, delinquent property taxes are recorded when levied. Property taxes are considered to be 100.00% collectible.

Property taxes are levied on November 1st based on the assessed value of property as listed on the previous January 1st and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Chaves and Lincoln Counties and remitted monthly to the University.

Prepaid expenses: Prepaid expenses include insurance and contract payments to vendors that reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

Inventory: The University's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventory they purchase as an asset and defer the recognition of the expenditures until the period in which the inventory is actually consumed. Inventory is valued at cost and consists of supplies and materials. The cost of purchased supplies and materials is recorded as an expenditure at the time individual inventory items are consumed.

Capital assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are defined by the University as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) is included as part of the governmental capital assets reported in the financial statements. Information technology equipment including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9C(5). Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

STATE OF NEW MEXICO
 Eastern New Mexico University
 Notes to the Financial Statements
 June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position (continued)

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

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

Accrued expenses: Accrued expenses are comprised of accrued payroll and payroll expenditures based on amounts earned by employees through June 30, 2015, along with the applicable Educational Retirement Board (ERB) and other pension costs.

Deferred inflows of resources: Deferred inflows of resources is an acquisition of net position by the University that is applicable to a future reporting period. The deferred inflows applicable to the University on the full accrual basis of accounting are unavailable grant revenues. For government-mandated and voluntary nonexchange 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 unearned 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.

Compensated absences: The University permits employees to accumulate a limited amount of earned but unused vacation leave based on employment classification and length of employment. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. Proprietary funds report the liability as incurred.

Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule depending on the length of service. No more than thirty (30) working days, or two hundred forty (240) hours of annual leave, may be paid out if an employee terminates with the University.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the proprietary fund that will pay it. In prior years, all of the related expenditures have been liquidated. Amounts vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide Statements of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the ERB and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term obligations: In the financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond proceeds are reported as another financing source, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. With the adoption of GASB Statement No. 65, debt issuance costs are no longer amortized over the life of the related debt. Issuance costs not related to prepaid insurance are recognized as an expense in the period incurred.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position (continued)

Net position classification policies and procedures: Equity is classified as net position and displayed in three components:

- a. *Net investment in capital assets:*
This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position:*
Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Nonexpendable restricted net position consists of endowment and similar type assets for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income. The income generated from the principal may be expended or added to principal.
- c. *Unrestricted net position:*
All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

D. Income Taxes

The ENMU-Portales Foundation, ENMU-Ruidoso Foundation, and ENMU-Roswell Foundation are not-for-profit corporations and have been recognized as tax-exempt pursuant to Sec. 501(c)(3) of the Internal Revenue Code. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, an organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of an organization and various positions related to the potential sources of unrelated business taxable income (UBTI). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has greater than a 50.00% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year ended June 30, 2015.

The Foundations file their forms 990 in the U.S. federal jurisdiction and a copy is filed with the Attorney General of New Mexico, Registry of Charitable Organizations. The Foundations are generally no longer subject to examination by the Internal Revenue Service for years before 2012.

E. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the University’s financial statements include the allowance for uncollectible accounts, depreciation on capital assets, and the current portion of compensated absences.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are prepared annually by University personnel and include a proposed operating budget of estimated revenues and expenditures for the ensuing fiscal year. The budget and subsequent revisions are presented to the University's Board of Regents, the State of New Mexico Higher Education Department, and the Department of Finance and Administration for approval. 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.

These budgets are prepared on a non-GAAP basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by the University Board in accordance with the above procedures.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2015 is presented. Reconciliations between the non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found in the budgetary statements.

NOTE 3. Deposit and Investments

State statutes authorize the investment of University 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. The University is not aware of any investments that did not meet the State investment requirements as of June 30, 2015.

Deposits of funds may be made in interest or noninterest 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 collateralized as required by statute. The financial institution must provide pledged collateral or 50.00% of the deposit amount in excess of the deposit insurance.

The rate of interest in nondemand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than 100.00% of the asking price on United States treasury bills of the same maturity on the day of deposit.

Excess 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.

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 or 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.

Custodial Credit Risk- Deposits Custodial credit risk is the risk that in the event of a bank failure, the University's deposits may not be returned to it. The University does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, 2015, \$35,885,370 of the University's bank balances of \$42,911,113 were exposed to custodial credit risk. \$30,941,474 was uninsured and collateralized by securities held by the pledging bank's trust department, but not in the University's name, and \$4,943,896 was uninsured and uncollateralized.

STATE OF NEW MEXICO
 Eastern New Mexico University
 Notes to the Financial Statements
 June 30, 2015

NOTE 3. Deposit and Investments (continued)

The sources of the component unit cash do not meet the definition of public monies. Therefore, the component units are not required to follow state statutes and no collateralization is required. As of June 30, 2015, \$137,786 of the component units' bank balances of \$698,250 were uncollateralized and uninsured.

The collateral pledged is listed on Schedules VI and VII of this report. 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.

Reconciliation to the Statement of Net Position

Cash and cash equivalents per Exhibit A-1	\$ 54,230,935
Restricted cash and cash equivalents per Exhibit A-1	416,103
Investments per Exhibit A-1	<u>32,519,328</u>
 Total cash, cash equivalents, and investments	 <u>87,166,366</u>
 Less: NMFA restricted cash	 12,394,703
Less: <i>New MexiGROW- LGIP</i>	9,952,018
Less: SIC endowment	22,557,299
Less: mutual funds	335,071
Less: complementary strategies	10,136
Less: real assets	48,419
Add: outstanding items	1,089,511
Less: deposits in transit	29,123
Less: petty cash	<u>17,995</u>
 Bank balance of deposits	 <u><u>\$ 42,911,113</u></u>

Investments

The University invests excess cash in the *New MexiGROW* Local Government Investment Pool (LGIP). The LGIP investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not Securities and Exchange Commission (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 6-10-10P and Sections 6-10-10.1A and E, NMSA 1978. The pool does not have unit shares. Per Sections 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

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 75.00% of the funds will be invested in equities and 25.00% in fixed income securities.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

NOTE 3. Deposit and Investments (continued)

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

The University's investments at June 30, 2015 are summarized as follows:

Investment	Rating	Fair Value	Weighted Average Maturity
State Investment Council (pooled funds)	Not rated	\$ 10,801,790	Less than 90 days
State Investment Council (land grant)	Not rated	11,755,509	Less than 90 days
<i>New MexiGROW</i> LGIP	AAAm	9,952,018	54.6 day WAM(R); 77.77 day WAM(F)
Mutual funds	Not rated	335,071	Less than 90 days
Complementary strategies	Not rated	10,136	Less than 90 days
Real assets	Not rated	<u>48,419</u>	Less than 90 days
		<u>\$ 32,902,943</u>	

NOTE 4. Receivables, Net

At June 30, 2015, net receivables consisted of the following:

Student tuition and fees	\$ 6,495,595
Federal, state, and private grants	3,125,573
Other	<u>1,600,389</u>
	11,221,557
Allowance for uncollectible accounts	<u>(4,742,820)</u>
Receivables, net	<u>\$ 6,478,737</u>

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

NOTE 5. Capital Assets

Capital asset activity for the year ended June 30, 2015 is summarized as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets not being depreciated				
Land and improvements	\$ 8,120,693	\$ 122,019	\$ -	\$ 8,242,712
Construction in progress	9,308,602	10,885,799	13,482,971	6,711,430
Total capital assets not being depreciated	<u>17,429,295</u>	<u>11,007,818</u>	<u>13,482,971</u>	<u>14,954,142</u>
Capital assets being depreciated				
Buildings and improvements	178,853,674	13,292,080	-	192,145,754
Infrastructure	25,277,044	68,871	-	25,345,915
Equipment	36,989,019	1,403,260	452,105	37,940,174
Software	1,623,666	-	-	1,623,666
Library books	17,243,320	467,673	2,539,092	15,171,901
Total capital assets being depreciated	<u>259,986,723</u>	<u>15,231,884</u>	<u>2,991,197</u>	<u>272,227,410</u>
Less accumulated depreciation				
Buildings and improvements	65,511,721	4,323,248	-	69,834,969
Infrastructure	11,596,597	1,064,546	-	12,661,143
Equipment	31,951,213	1,606,913	256,724	33,301,402
Software	1,599,611	9,185	-	1,608,796
Library books	16,325,981	464,559	2,539,092	14,251,448
Total accumulated depreciation	<u>126,985,123</u>	<u>7,468,451</u>	<u>2,795,816</u>	<u>131,657,758</u>
Total capital assets, net of depreciation	<u>\$ 150,430,895</u>	<u>\$ 18,771,251</u>	<u>\$ 13,678,352</u>	<u>\$ 155,523,794</u>
Capital asset summary				
Capital assets not being depreciated	\$ 17,429,295	\$ 11,007,818	\$ 13,482,971	\$ 14,954,142
Capital assets being depreciated	259,986,723	15,231,884	2,991,197	272,227,410
Total cost of capital assets	277,416,018	26,239,702	16,474,168	287,181,552
Less accumulated depreciation	126,985,123	7,468,451	2,795,816	131,657,758
Capital assets, net	<u>\$ 150,430,895</u>	<u>\$ 18,771,251</u>	<u>\$ 13,678,352</u>	<u>\$ 155,523,794</u>

NOTE 6. Accrued Expenses and Other Liabilities

Accrued liabilities for the year ended June 30, 2015 are summarized as follows:

Accrued payroll	\$ 2,100,783
Accrued taxes and benefits	2,995,534
Other (accrued interest)	<u>367,852</u>
	<u>\$ 5,464,169</u>

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NOTE 7. Unearned Revenues

Unearned revenues for the year ended June 30, 2015 are summarized as follows:

Student tuition and fees	\$ 2,813,070
Federal, state, and private grants	994,641
Other	<u>3,633,679</u>
	<u>\$ 7,441,390</u>

NOTE 8. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2015 are summarized as follows:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Amount Due Within One Year
Bonds payable	\$ 33,625,000	\$ 18,655,000	\$ 7,850,000	\$ 44,430,000	\$ 1,670,000
Capital leases payable	224,915	-	70,943	153,972	74,898
Accrued compensated absences	1,520,451	1,344,025	1,323,261	1,541,215	1,156,466
Student loan program	<u>6,389,314</u>	<u>-</u>	<u>-</u>	<u>6,389,314</u>	<u>-</u>
	<u>\$ 41,759,680</u>	<u>\$ 19,999,025</u>	<u>\$ 9,244,204</u>	<u>\$ 52,514,501</u>	<u>\$ 2,901,364</u>

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

NOTE 9. Bonds Payable

Outstanding bonds payable as of June 30, 2015 is summarized as follows:

Description	Interest Rate	Balance June 30, 2015	Final Maturity
General Obligation Building Bond Series 2005B	3.15-3.95%	\$ 125,000	8/15/2015
System Revenue Bond Series 2011B	0.90-4.66%	25,650,000	4/1/2036
System Improvement Revenue Bond Series 2015A	0.34-3.93%	12,480,000	4/1/2045
System Revenue Refunding Bond Series 2015B	0.34-2.44%	<u>6,175,000</u>	1/1/2026
		<u>\$ 44,430,000</u>	

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

NOTE 9. Bonds Payable (continued)

Scheduled maturities of bonds payable are as follows for the years subsequent to June 30, 2015:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005 General Obligation Series B			
2016	\$ 125,000	\$ 2,469	\$ 127,469
	<u>125,000</u>	<u>2,469</u>	<u>127,469</u>
2011 Revenue Series			
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	785,000	933,709	1,718,709
2021-2025	4,315,000	4,292,641	8,607,641
2026-2030	6,780,000	3,333,577	10,113,577
2031-2035	8,790,000	1,696,951	10,486,951
2036-2040	2,005,000	93,433	2,098,433
	<u>25,650,000</u>	<u>14,251,257</u>	<u>39,901,257</u>
2015 Improvement Revenue Series A			
2016	285,000	357,348	642,348
2017	295,000	388,581	683,581
2018	295,000	386,663	681,663
2019	300,000	383,773	683,773
2020	300,000	379,963	679,963
2021-2025	1,585,000	1,819,314	3,404,314
2026-2030	1,785,000	1,620,658	3,405,658
2031-2035	2,095,000	1,315,126	3,410,126
2036-2040	2,505,000	901,888	3,406,888
2041-2045	3,035,000	373,794	3,408,794
	<u>12,480,000</u>	<u>7,927,108</u>	<u>20,407,108</u>
2015 Revenue Refunding Series B			
2016	535,000	91,764	626,764
2017	530,000	97,752	627,752
2018	535,000	94,306	629,306
2019	540,000	89,063	629,063
2020	545,000	82,205	627,205
2021-2025	2,875,000	264,622	3,139,622
2026-2030	615,000	15,622	630,622
	<u>6,175,000</u>	<u>735,334</u>	<u>6,910,334</u>
	<u>\$ 44,430,000</u>	<u>\$ 22,916,168</u>	<u>\$ 67,346,168</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Notes to the Financial Statements
 June 30, 2015

NOTE 9. Bonds Payable (continued)

On April 19, 2005, the Roswell Branch Campus issued \$4,500,000 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 (a) 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 (b) to pay all costs incidental to the foregoing and the issuance of the bonds. These bonds were paid off as of June 30, 2015.

On July 29, 2011, the University issued \$28,050,000 of System Revenue Bonds (Series 2011). The proceeds of the bonds were used to (a) 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 (b) to pay all costs incidental to the foregoing and the issuance of the bonds.

On May 1, 2015, the University issued \$18,655,000 of System Revenue Bonds (Series 2015). The proceeds of the bonds were used to (a) 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 (b) to pay all costs incidental to the foregoing and the issuance of the bonds. An amount of \$6,175,000 of the bonds were used to pay the principal on the System Revenue Bonds (Series 2005)

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 "Revenue Fund." The bond resolutions also provide for the establishment of an interest and sinking fund for the purpose of meeting the interest and principal due on the next due date. The remaining principal and interest to be paid on the bonds totals \$67,346,168. During the current year, pledged revenue was \$33,196,637 compared to the annual debt requirements of \$1,670,000.

NOTE 10. Capital Leases Payable

The University purchased water saving commodes, retrofitted faucets, other equipment, and labor associated with those costs for the Portales branch at a cost of \$647,007 to provide the University with more efficient water usage. 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 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 from five (5) to twelve (12) years.

At June 30, 2015, the future minimum lease payments required under the lease are as follows:

<u>Year ended June 30,</u>	
2016	\$ 83,482
2017	<u>83,482</u>
Total minimum lease payments	166,964
Amount representing interest	<u>(12,992)</u>
Present value of future minimum lease payments	<u><u>\$ 153,972</u></u>

STATE OF NEW MEXICO
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NOTE 11. Pension Plan- Educational Retirement Board

Plan Description. ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico legislature and has the authority to set or amend contribution rates.

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

Benefits Provided. A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five (5) year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of seventy-five (75) or more; the member is at least sixty-five (65) years of age and has five (5) or more years of earned service credit; or the member has service credit totaling twenty-five (25) years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of eighty (80) or more; the member is at least sixty-seven (67) years of age and has five (5) or more years of earned service credit; or the member has service credit totaling thirty (30) years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100.00% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50.00% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1st, beginning in the year the member attains or would have attained age sixty-five (65) or on July 1st of the year following the member's retirement date, whichever is later. Prior to June 30, 2013, the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4.00% nor be less than 2.00%, unless the change in CPI is less than 2.00%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013 for current and future retirees, the COLA was immediately reduced until the plan was 100.00% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with twenty-five (25) or more years of service credit will have a 10.00% COLA reduction; their average COLA will be 1.80%. All other retirees will have a 20.00% COLA reduction; their average COLA will be 1.60%. Once the funding is greater than 90.00%, the COLA reductions will decrease. The retirees with benefits at or below the median and with twenty-five (25) or more years of service credit will have a 5.00% COLA reduction; their average COLA will be 1.90%. All other retirees will have a 10.00% COLA reduction; their average will be 1.80%. Members on disability retirement are entitled to a COLA commencing on July 1st of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1st in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least ten (10) years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2.00% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2.00% of FAS times year of service projected to age sixty (60). The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member

STATE OF NEW MEXICO
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June 30, 2015

NOTE 11. Pension Plan- Educational Retirement Board (continued)

survives to age sixty (60), the regular optional forms of payments are then applied. A member with five (5) or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age sixty-five (65).

Contributions. The contribution requirements of defined benefit plan members and the University are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014, employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015, employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the University were \$4,785,777 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the University reported a liability of \$71,531,017 for its proportionate share of the net pension liability. The University's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the University's proportion was 1.25% percent, which was an increase of 0.00% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the University recognized pension expense of \$4,976,107. At June 30, 2015, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	1,065,562
Net difference between projected and actual earnings on pension plan investments	-	6,502,500
Changes in proportion and differences between contributions and proportionate share of contributions	1,473,668	1,404,728
Employer contributions subsequent to the measurement date	4,785,777	-
Total	\$ 6,259,445	\$ 8,972,790

\$4,785,777 reported as deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

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Notes to the Financial Statements
June 30, 2015

NOTE 11. Pension Plan- Educational Retirement Board (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2016	\$ (1,971,675)
2017	(1,971,675)
2018	(1,930,149)
2019	(1,625,623)
2020	-
Thereafter	-

Actuarial Assumptions. As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefits provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.70% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age fifty-five (55) and their COLA will be deferred until age sixty-seven (67).
3. COLAs for most retirees are reduced until ERB attains a 100.00% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining period	Amortized- closed thirty (30) years from June 30, 2012 to June 30, 2042
Asset valuation method	Five (5) year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary increases	Composition: 3.00% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than ten (10) years of service
Investment rate of return	7.75%
Retirement age	Experience based table of age and service rates
Mortality	90.00% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one (1) year setback for females)

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Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

NOTE 11. Pension Plan- Educational Retirement Board (continued)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class.

Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for thirty (30) year return assumptions are summarized in the following table:

<u>Asset Class</u>	<u>2014 Long-term Expected Real Rate of Return</u>	<u>2015 Long-term Expected Real Rate of Return</u>
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp credit	3.50%	3.00%
MBS	2.25%	2.50%
Core bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High yield bonds	4.50%	5.00%
Bank loans	5.00%	5.00%
Global bonds (unhedged)	1.25%	0.75%
Global bonds (hedged)	1.38%	0.93%
EMD external	5.00%	4.00%
EMD local currency	5.75%	5.00%
Large cap equities	6.25%	6.75%
Small/mid cap	6.25%	7.00%
International equities (unhedged)	7.25%	7.75%
International equities (hedged)	7.50%	8.00%
Emerging international equities	9.50%	9.75%
Private equity	8.75%	9.00%
Private debt	8.00%	8.50%
Private real assets	7.75%	8.00%
Real estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge funds low vol	5.50%	4.75%
Hedge funds mod vol	5.50%	6.50%

Discount Rate. A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five (5) year contribution history.

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 Eastern New Mexico University
 Notes to the Financial Statements
 June 30, 2015

NOTE 11. Pension Plan- Educational Retirement Board (continued)

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year ended 2014. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as of it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1.00% Decrease (6.75%)	Current Discount Rate (7.75%)	1.00% Increase (8.75%)
Proportionate share of the net pension liability	\$ 97,326,204	\$ 71,531,017	\$ 49,985,035

Pension Plan Fiduciary Net Position. Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for the years ended June 30, 2014 and 2013, which are publicly available at www.nmerb.org.

Payables to the Pension Plan. The University had an outstanding balance of \$813,541 as of June 30, 2015 for legally required contributions to the pension plan.

NOTE 12. 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 (Act) (Chapter 10, Article 7C, NMSA 1978). The board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five (5) 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 (2) years; and 4) former governing authority members who served at least four (4) 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 100.00% 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.

STATE OF NEW MEXICO
 Eastern New Mexico University
 Notes to the Financial Statements
 June 30, 2015

NOTE 12. Post-Employment Benefits- State Retiree Health Care Plan (continued)

The Act (Section 10-7C-15, NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal member cover plans 3, 4, or 5; municipal fire member cover plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statutes required each participating employer to contribute 2.50% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, 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, 2015, 2014, and 2013 were \$781,347, \$785,181, and \$742,884, respectively, which equal the required contributions for each year.

NOTE 13. Restatements

The University has restated government-wide net position due to the implementation of GASB No. 68. The changes are as follows:

Fund Name	Fund Balance/Net Position Originally Reported 6/30/14	Restate Net Pension Liability	Fund Balance/Net Position Restated 6/30/14
Business-type activities	\$ 177,221,292	\$ (74,054,032)	\$ 103,167,260

NOTE 14. 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 2015, the University paid Risk Management \$1,529,982 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.

NOTE 15. Federal and State Grants

In the normal course of operations, the University receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 16. Commitments

The University entered into agreements with contractors and architects for various construction projects at the Portales branch campus. As of June 30, 2015, the University had an obligation of \$16,250,689 for these contracts.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Financial Statements
June 30, 2015

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.

NOTE 18. Subsequent Events

The University has evaluated events subsequent to June 30, 2015 that would possibly require adjustment or disclosure in these financial statements through October 27, 2015, the date that these financial statements were available to be issued.

No events have occurred subsequent to June 30, 2015 that would require adjustment or modification to the contents of these statements.

NOTE 19. Subsequent Pronouncements

In February 2015, GASB Statement No. 72 *Fair Value Measurement and Application*, was issued. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015 with earlier application being encouraged. The University is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016 with earlier application being encouraged. The University is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. The University is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The University is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015 with earlier application being encouraged. The University is still evaluating how this pronouncement will affect the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015 with earlier application being encouraged. The University is still evaluating how this pronouncement will affect the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of the University's Proportionate
 Share of the Net Pension Liability
 Educational Retirement Board (ERB) Plan
 Last 10 Fiscal Years*

Schedule I

	2015
Proportion of the net pension liability (asset)	1.25%
Proportionate share of the net pension liability (asset)	\$ 71,531,017
Covered employee payroll	37,712,383
Proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	189.68%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

* The amounts presented were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten (10) year trend is compiled, the University will present information for those years for which information is available.

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of the University's Contributions
 Educational Retirement Board (ERB) Plan
 Last 10 Fiscal Years*

Schedule II

	2015
Contractually required contribution	\$ 4,785,777
Contributions in relation to the contractually required contribution	4,785,777
Contribution deficiency (excess)	-
Covered employee payroll	37,700,936
Contributions as a percentage of covered employee payroll	12.69%

* This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten (10) year trend is compiled, the University will present information for those years for which information is available.

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to Required Supplementary Information
June 30, 2015

Changes of Benefit Terms. The COLA and retirement eligibility benefits changes in recent years are described in *Benefits Provided* subsection of the financial statement note disclosure *General Information on the Pension Plan*.

Changes of Assumptions. ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six (6) year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 4.25%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.75% to 0.50%
2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%

Also see the *Actuarial Assumptions* subsection of the financial statement note disclosure *General Information on the Pension Plan*.

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, 2015

	Portales Campus			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	
	Original	Final		
Unrestricted and restricted- all operations beginning fund balance	\$ 12,914,389	\$ 18,571,943	\$ 18,571,943	\$ -
Unrestricted and Restricted Revenues				
State general fund appropriations	32,104,200	32,104,200	32,104,212	12
Federal revenue sources	33,098,801	33,450,801	28,544,466	(4,906,335)
Tuition and fees	19,642,524	19,651,524	17,819,854	(1,831,670)
Land and permanent fund	605,000	605,000	552,016	(52,984)
Endowments and private gifts	2,356,500	3,431,000	2,209,758	(1,221,242)
Tax levies	-	-	-	-
Other	13,744,975	21,283,475	34,638,834	13,355,359
Total unrestricted and restricted revenues	101,552,000	110,526,000	115,869,140	5,343,140
Unrestricted and Restricted Expenses				
Instruction	23,924,000	23,924,000	22,288,226	1,635,774
Academic support	7,200,000	7,300,000	5,324,846	1,975,154
Student services	3,599,000	3,640,000	3,112,236	527,764
Institutional support	6,579,000	6,870,000	6,588,930	281,070
Operation and maintenance of plant	6,439,000	6,460,000	5,628,486	831,514
Student social and cultural activities	909,000	1,000,000	901,094	98,906
Research	1,173,000	1,180,000	678,936	501,064
Public service	5,068,000	6,080,000	5,560,276	519,724
Internal service	261,000	625,000	244,356	380,644
Student aid, grants, and stipends	32,092,000	32,226,000	30,043,470	2,182,530
Auxiliary services	4,811,000	4,950,000	4,686,053	263,947
Intercollegiate athletics	4,002,000	5,132,000	3,717,453	1,414,547
Capital outlay	2,600,000	11,682,000	10,584,072	1,097,928
Building renewal and replacement	1,300,000	3,310,000	2,495,892	814,108
Retirement of indebtedness	2,520,000	2,912,000	2,743,969	168,031
Total unrestricted and restricted expenses	102,477,000	117,291,000	104,598,295	12,692,705
Net transfers	-	-	-	-
Change in net position (budgetary basis)	(925,000)	(6,765,000)	11,270,845	18,035,845
Ending fund balance	\$ 11,989,389	\$ 11,806,943	\$ 29,842,788	\$ 18,035,845

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		
\$ 13,886,327	\$ 15,975,395	\$ 15,975,395	\$ -
13,257,863	12,731,080	12,299,208	(431,872)
11,564,165	10,463,468	7,989,522	(2,473,946)
3,744,000	3,344,946	4,096,922	751,976
-	-	-	-
-	-	685,562	685,562
1,050,000	1,050,000	2,285,296	1,235,296
4,831,700	3,243,021	2,655,631	(587,390)
<u>34,447,728</u>	<u>30,832,515</u>	<u>30,012,141</u>	<u>(820,374)</u>
9,572,900	9,745,189	8,941,271	803,918
678,488	592,388	590,638	1,750
1,363,841	1,379,249	1,316,578	62,671
3,524,819	3,614,730	3,659,129	(44,399)
2,670,367	2,253,562	2,123,505	130,057
176,062	159,726	159,167	559
-	-	-	-
3,435,635	3,375,220	3,373,890	1,330
(34,861)	(59,178)	(244,870)	185,692
10,572,772	6,160,716	5,485,248	675,468
555,443	744,144	760,384	(16,240)
-	-	-	-
2,570,000	1,100,000	303,609	796,391
405,673	405,673	254,813	150,860
666,719	664,750	657,883	6,867
<u>36,157,858</u>	<u>30,136,169</u>	<u>27,381,245</u>	<u>2,754,924</u>
-	-	-	-
<u>(1,710,130)</u>	<u>696,346</u>	<u>2,630,896</u>	<u>1,934,550</u>
<u>\$ 12,176,197</u>	<u>\$ 16,671,741</u>	<u>\$ 18,606,291</u>	<u>\$ 1,934,550</u>

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, 2015

	Ruidoso Campus			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	
	Original	Final		
Unrestricted and restricted- all operations beginning fund balance	\$ 2,217,812	\$ 3,325,147	\$ 3,325,147	\$ -
Unrestricted and restricted revenues				
State general fund appropriations	2,128,300	2,150,752	2,150,752	-
Federal revenue sources	3,594,400	3,505,400	1,684,250	(1,821,150)
Tuition and fees	686,500	524,800	523,617	(1,183)
Land and permanent fund	-	-	-	-
Endowments and private gifts	210,000	235,000	37,972	(197,028)
Tax levies	1,104,300	1,104,300	1,145,812	41,512
Other	878,600	741,348	572,266	(169,082)
Total unrestricted and restricted revenues	8,602,100	8,261,600	6,114,669	(2,146,931)
Unrestricted and restricted expenses				
Instruction	2,093,000	2,745,000	1,872,236	872,764
Academic support	474,300	480,000	446,551	33,449
Student services	386,900	390,000	260,775	129,225
Institutional support	1,230,700	1,255,000	1,012,981	242,019
Operation and maintenance of plant	303,700	305,000	231,938	73,062
Student social and cultural activities	-	-	-	-
Research	-	-	-	-
Public service	1,100,000	1,125,000	587,591	537,409
Internal service	(10,000)	(10,000)	(6,851)	(3,149)
Student aid, grants, and stipends	2,456,700	1,756,700	910,402	846,298
Auxiliary services	446,700	257,000	328,869	(71,869)
Intercollegiate athletics	-	-	-	-
Capital outlay	302,500	322,500	55,280	267,220
Building renewal and replacement	-	100,000	8,532	91,468
Retirement of indebtedness	-	-	-	-
Total unrestricted and restricted expenses	8,784,500	8,726,200	5,708,304	3,017,896
Net transfers	-	-	-	-
Change in net position (budgetary basis)	(182,400)	(464,600)	406,365	870,965
Ending fund balance	\$ 2,035,412	\$ 2,860,547	\$ 3,731,512	\$ 870,965

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		
\$ 29,018,528	\$ 37,872,485	\$ 37,872,485	\$ -
47,490,363	46,986,032	46,554,172	(431,860)
48,257,366	47,419,669	38,218,238	(9,201,431)
24,073,024	23,521,270	22,440,393	(1,080,877)
605,000	605,000	552,016	(52,984)
2,566,500	3,666,000	2,933,292	(732,708)
2,154,300	2,154,300	3,431,108	1,276,808
19,455,275	25,267,844	37,866,731	12,598,887
144,601,828	149,620,115	151,995,950	2,375,835
35,589,900	36,414,189	33,101,733	3,312,456
8,352,788	8,372,388	6,362,035	2,010,353
5,349,741	5,409,249	4,689,589	719,660
11,334,519	11,739,730	11,261,040	478,690
9,413,067	9,018,562	7,983,929	1,034,633
1,085,062	1,159,726	1,060,261	99,465
1,173,000	1,180,000	678,936	501,064
9,603,635	10,580,220	9,521,757	1,058,463
216,139	555,822	(7,365)	563,187
45,121,472	40,143,416	36,439,120	3,704,296
5,813,143	5,951,144	5,775,306	175,838
4,002,000	5,132,000	3,717,453	1,414,547
5,472,500	13,104,500	10,942,961	2,161,539
1,705,673	3,815,673	2,759,237	1,056,436
3,186,719	3,576,750	3,401,852	174,898
147,419,358	156,153,369	137,687,844	18,465,525
-	-	-	-
(2,817,530)	(6,533,254)	14,308,106	20,841,360
\$ 26,200,998	\$ 31,339,231	\$ 52,180,591	\$ 20,841,360

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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
For the Year Ended June 30, 2015

Schedule III
(continued)

Reconciliation of change in net position (budgetary basis) to change in net position (GAAP basis)	
Change in net position (budgetary basis)	\$ 14,308,106
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	690,875
Depreciation and amortization expense	(7,468,451)
Gain on sale of assets	9,061
Capital outlay expenditures	11,566,819
Loan funds	(25,107)
Bond payments	1,860,943
Bond proceeds	(12,338,270)
Other	548,550
	<hr/>
Increase in net position (GAAP basis)	<u><u>\$ 9,152,526</u></u>

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, 2015

	Portales Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted- instruction and general beginning net position	\$ 1,507,694	\$ 1,681,855	\$ 1,681,855	\$ -
Unrestricted Revenues				
Tuition	14,182,000	14,051,000	14,033,897	(17,103)
Miscellaneous fees	2,733,300	2,927,000	949,745	(1,977,255)
Federal government appropriations	-	-	-	-
State government appropriations	28,652,100	28,652,100	28,652,112	12
Local government appropriations	-	-	-	-
Federal government contracts/grants	75,000	75,000	-	(75,000)
State government contracts/grants	-	-	-	-
Local government contracts/grants	-	-	-	-
Private contracts/grants	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	605,000	605,000	552,016	(52,984)
Private gifts	-	-	-	-
Sales and services	100,000	100,000	95,177	(4,823)
Tax levies	-	-	-	-
Other	185,600	131,900	252,404	120,504
Total unrestricted revenues	46,533,000	46,542,000	44,535,351	(2,006,649)
Unrestricted Expenses				
Instruction	22,924,000	22,924,000	21,755,936	1,168,064
Academic support	3,700,000	3,800,000	3,553,388	246,612
Student services	2,949,000	2,990,000	2,684,670	305,330
Institutional support	5,929,000	6,220,000	6,249,078	(29,078)
Operation and maintenance of plant	6,339,000	6,360,000	5,618,005	741,995
Total unrestricted expenses	41,841,000	42,294,000	39,861,077	2,432,923
Net transfers	(4,614,000)	(4,614,000)	(4,614,000)	-
Change in net position (budgetary basis)	78,000	(366,000)	60,274	426,274
Ending net position	\$ 1,585,694	\$ 1,315,855	\$ 1,742,129	\$ 426,274

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		
\$ 527,867	\$ 1,144,854	\$ 1,144,854	\$ -
3,148,050	2,482,169	2,704,193	222,024
595,950	862,777	723,988	(138,789)
-	-	-	-
12,287,900	12,287,900	12,287,900	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	325	325
1,050,000	1,050,000	1,087,586	37,586
257,200	207,960	276,909	68,949
17,339,100	16,890,806	17,080,901	190,095
8,075,984	8,144,572	7,458,819	685,753
678,488	592,388	590,638	1,750
1,363,841	1,379,249	1,316,578	62,671
3,524,819	3,614,730	3,659,129	(44,399)
2,670,367	2,253,562	2,123,505	130,057
16,313,499	15,984,501	15,148,669	835,832
(523,850)	(1,148,850)	(1,148,850)	-
501,751	(242,545)	783,382	1,025,927
\$ 1,029,618	\$ 902,309	\$ 1,928,236	\$ 1,025,927

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, 2015

	Ruidoso Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Unrestricted- instruction and general beginning net position	\$ 618,611	\$ 1,315,126	\$ 1,315,126	\$ -
Unrestricted Revenues				
Tuition	492,700	364,000	368,434	4,434
Miscellaneous fees	193,800	160,800	155,183	(5,617)
Federal government appropriations	-	-	-	-
State government appropriations	2,128,300	2,150,752	2,150,752	-
Local government appropriations	-	-	-	-
Federal government contracts/grants	-	-	-	-
State government contracts/grants	-	-	-	-
Local government contracts/grants	-	-	-	-
Private contracts/grants	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	-	-	-	-
Sales and services	-	-	-	-
Tax levies	1,104,300	1,104,300	1,145,812	41,512
Other	11,300	23,048	69,729	46,681
Total unrestricted revenues	3,930,400	3,802,900	3,889,910	87,010
Unrestricted Expenses				
Instruction	1,588,000	1,600,000	1,425,472	174,528
Academic support	454,300	460,000	439,341	20,659
Student services	336,900	340,000	236,800	103,200
Institutional support	1,100,700	1,125,000	1,011,368	113,632
Operation and maintenance of plant	298,700	300,000	231,939	68,061
Total unrestricted expenses	3,778,600	3,825,000	3,344,920	480,080
Net transfers	(81,000)	(731,000)	(731,000)	-
Change in net position (budgetary basis)	70,800	(753,100)	(186,010)	567,090
Ending net position	\$ 689,411	\$ 562,026	\$ 1,129,116	\$ 567,090

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		
\$ 2,654,172	\$ 4,141,835	\$ 4,141,835	\$ -
17,822,750	16,897,169	17,106,524	209,355
3,523,050	3,950,577	1,828,916	(2,121,661)
-	-	-	-
43,068,300	43,090,752	43,090,764	12
-	-	-	-
75,000	75,000	-	(75,000)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
605,000	605,000	552,016	(52,984)
-	-	-	-
100,000	100,000	95,502	(4,498)
2,154,300	2,154,300	2,233,398	79,098
454,100	362,908	599,042	236,134
67,802,500	67,235,706	65,506,162	(1,729,544)
32,587,984	32,668,572	30,640,227	2,028,345
4,832,788	4,852,388	4,583,367	269,021
4,649,741	4,709,249	4,238,048	471,201
10,554,519	10,959,730	10,919,575	40,155
9,308,067	8,913,562	7,973,449	940,113
61,933,099	62,103,501	58,354,666	3,748,835
(5,218,850)	(6,493,850)	(6,493,850)	-
650,551	(1,361,645)	657,646	2,019,291
\$ 3,304,723	\$ 2,780,190	\$ 4,799,481	\$ 2,019,291

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, 2015

	Portales Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Restricted- instruction and general beginning net position	\$ -	\$ -	\$ -	\$ -
Restricted Revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Federal government appropriations	-	-	-	-
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government contracts/grants	5,300,000	5,300,000	2,768,301	(2,531,699)
State government contracts/grants	300,000	300,000	160,784	(139,216)
Local government contracts/grants	-	-	-	-
Private contracts/grants	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	300,000	300,000	152,562	(147,438)
Sales and services	-	-	-	-
Tax levies	-	-	-	-
Other	-	-	-	-
Total unrestricted revenues	5,900,000	5,900,000	3,081,647	(2,818,353)
Restricted Expenses				
Instruction	1,000,000	1,000,000	532,290	467,710
Academic support	3,500,000	3,500,000	1,771,458	1,728,542
Student services	650,000	650,000	427,566	222,434
Institutional support	650,000	650,000	339,852	310,148
Operation and maintenance of plant	100,000	100,000	10,481	89,519
Total unrestricted expenses	5,900,000	5,900,000	3,081,647	2,818,353
Net transfers	-	-	-	-
Change in net position (budgetary basis)	-	-	-	-
Ending net position	\$ -	\$ -	\$ -	\$ -

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		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
526,953	1,132,117	1,100,497	(31,620)
969,963	443,180	359,910	(83,270)
-	-	-	-
-	25,320	22,045	(3,275)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,496,916	1,600,617	1,482,452	(118,165)
1,496,916	1,600,617	1,482,452	118,165
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,496,916	1,600,617	1,482,452	118,165
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

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, 2015

	Ruidoso Campus			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Restricted- instruction and general beginning net position	\$ -	\$ -	\$ -	\$ -
Restricted Revenues				
Tuition	-	-	-	-
Miscellaneous fees	-	-	-	-
Federal government appropriations	-	-	-	-
State government appropriations	-	-	-	-
Local government appropriations	-	-	-	-
Federal government contracts/grants	360,000	1,000,000	444,598	(555,402)
State government contracts/grants	150,000	150,000	34,964	(115,036)
Local government contracts/grants	-	-	-	-
Private contracts/grants	-	-	-	-
Endowments	-	-	-	-
Land and permanent fund	-	-	-	-
Private gifts	200,000	200,000	-	(200,000)
Sales and services	-	-	-	-
Tax levies	-	-	-	-
Other	-	-	-	-
Total unrestricted revenues	710,000	1,350,000	479,562	(870,438)
Restricted Expenses				
Instruction	505,000	1,145,000	446,764	698,236
Academic support	20,000	20,000	7,210	12,790
Student services	50,000	50,000	23,975	26,025
Institutional support	130,000	130,000	1,613	128,387
Operation and maintenance of plant	5,000	5,000	-	5,000
Total unrestricted expenses	710,000	1,350,000	479,562	870,438
Net transfers	-	-	-	-
Change in net position (budgetary basis)	-	-	-	-
Ending net position	\$ -	\$ -	\$ -	\$ -

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		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
6,186,953	7,432,117	4,313,396	(3,118,721)
1,419,963	893,180	555,658	(337,522)
-	-	-	-
-	25,320	22,045	(3,275)
-	-	-	-
-	-	-	-
500,000	500,000	152,562	(347,438)
-	-	-	-
-	-	-	-
-	-	-	-
8,106,916	8,850,617	5,043,661	(3,806,956)
3,001,916	3,745,617	2,461,506	1,284,111
3,520,000	3,520,000	1,778,668	1,741,332
700,000	700,000	451,541	248,459
780,000	780,000	341,465	438,535
105,000	105,000	10,481	94,519
8,106,916	8,850,617	5,043,661	3,806,956
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Schedule of Budgeted and Actual
Current and Plant Funds- By Campus
June 30, 2015

NOTE 1. Basis of Presentation

The accompanying Schedule of Budgeted and Actual- Current and Plant Funds- By Campus (the "Schedule"), for the year ended June 30, 2015, is prepared on the basis of accounting prescribed by the State of New Mexico Higher Education Department (HED). HED 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 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, HED, and the State Budget Division of the Department of Finance and Administration (DFA). To amend the budget, the University requires the following order of approval:

- 1) University President
- 2) University Board of Regents
- 3) The State of New Mexico Higher Education Department
- 4) The 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 GAAP. 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 the New Mexico Administrative Code 5.3.4.10- 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 expenditures over budgeted amounts. The University had no expenditures exceeding approved budgetary authority for the year ended June 30, 2015.

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Deposit and Investment Accounts- University
June 30, 2015

Account Name	Account Type	Bank of America	Compass Bank
Deposits			
Operational- Portales	Checking- interest bearing	\$ -	\$ -
Payroll- Portales	Checking- interest bearing	-	-
Bond Sinking- Portales	Checking- interest bearing	-	-
NMFA	Checking- interest bearing	-	-
Operational- Ruidoso	Checking- interest bearing	-	3,939,250
Operating- Ruidoso	Checking- noninterest bearing	-	-
Endowment- Ruidoso	Checking- noninterest bearing	-	18,500
Operational- Roswell	Checking- interest bearing	1,576,592	-
Title IV- Roswell	Checking- noninterest bearing	431,607	-
Operating- Roswell	Checking- noninterest bearing	-	-
Sweep- Roswell	Checking- interest bearing	-	-
Construction- Roswell	Checking- noninterest bearing	-	-
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	-	-
ENMU- Roswell	Certificate of deposit	-	-
ENMU- Roswell	Certificate of deposit	-	-
Lloyd Treat- Roswell	Money market	-	-
ENMU- Roswell	Money market/bonds	-	-
ENMU- Roswell	Money market/bonds	-	-
Total amount of deposits in bank		2,008,199	3,957,750
Less: insured/nonpublic funds		-	-
Less: FDIC coverage		250,000	250,000
Total uninsured public funds		1,758,199	3,707,750
50.00% collateral requirements		215,804	1,853,875
102.00% collateral requirements		1,353,124	-
Pledged securities		1,608,124	3,100,000
Over/(under) collateralized		39,196	1,246,125
Bank balance		2,008,199	3,957,750
Outstanding items		(28,994)	(70,476)
Deposits in transit		4,712	-
Book balance		<u>\$ 1,983,917</u>	<u>\$ 3,887,274</u>
Investments			
ENMU- Portales	LGIP	\$ -	\$ -
ENMU- Portales	LGIP	-	-
ENMU- Roswell	LGIP	-	-
ENMU- Roswell	Mutual funds	-	-
ENMU- Roswell	Complementary strategies	-	-
ENMU- Roswell	Real assets	-	-
SIC endowment institution	Trust	-	-
SIC endowment fund	Land grant	-	-
		<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report

James Polk Stone Community Bank	Pioneer Bank	US Bank	Wells Fargo Bank	Wells Fargo Investment	NMFA	NM State Treasurer and Other	Total
\$ -	\$ -	\$ 18,716,146	\$ -	\$ -	\$ -	\$ -	\$ 18,716,146
2,039,879	-	-	-	-	-	-	2,039,879
-	-	1,266,257	-	-	-	-	1,266,257
-	-	-	-	-	12,394,703	-	12,394,703
-	-	-	-	-	-	-	3,939,250
-	-	-	122,144	-	-	-	122,144
-	-	-	-	-	-	-	18,500
-	-	-	-	-	-	-	1,576,592
-	-	-	-	-	-	-	431,607
-	5,925,946	-	-	-	-	-	5,925,946
-	3,207,144	-	-	-	-	-	3,207,144
-	-	-	5,548	-	-	-	5,548
-	2,000	-	-	-	-	-	2,000
-	5,000	-	-	-	-	-	5,000
-	3,674	-	-	-	-	-	3,674
107,861	-	-	-	-	-	-	107,861
-	-	-	164,038	-	-	-	164,038
-	-	-	90,000	-	-	-	90,000
-	-	-	10,011	-	-	-	10,011
-	-	-	-	11,802	-	-	11,802
-	-	-	-	826,727	-	-	826,727
-	-	-	-	4,440,987	-	-	4,440,987
2,147,740	9,143,764	19,982,403	391,741	5,279,516	12,394,703	-	55,305,816
-	-	-	-	5,279,516	12,394,703	-	17,674,219
357,861	260,674	250,000	377,692	-	-	-	1,746,227
1,789,879	8,883,090	19,732,403	14,049	-	-	-	35,885,370
894,940	4,441,545	9,866,202	7,025	-	-	-	17,279,391
-	-	-	-	-	-	-	1,353,124
1,340,612	9,884,074	15,000,000	8,664	-	-	-	30,941,474
445,672	5,442,529	5,133,798	1,639	-	-	-	12,308,959
2,147,740	9,143,764	19,982,403	391,741	5,279,516	12,394,703	-	55,305,816
(12,273)	(346,808)	(630,960)	-	-	-	-	(1,089,511)
50	13,523	10,838	-	-	-	-	29,123
\$ 2,135,517	\$ 8,810,479	\$ 19,362,281	\$ 391,741	\$ 5,279,516	\$ 12,394,703	\$ -	\$ 54,245,428
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 861	\$ 861
-	-	-	-	-	-	8,139,706	8,139,706
-	-	-	-	-	-	1,811,451	1,811,451
-	-	-	-	335,071	-	-	335,071
-	-	-	-	10,136	-	-	10,136
-	-	-	-	48,419	-	-	48,419
-	-	-	-	-	-	10,801,790	10,801,790
-	-	-	-	-	-	11,755,509	11,755,509
\$ -	\$ -	\$ -	\$ -	\$ 393,626	\$ -	\$ 32,509,317	32,902,943
Petty cash							17,995
Deposits and investments per Schedule VI							\$ 87,166,366
Cash and restricted cash per Exhibit A-1							\$ 54,647,038
Investments per Exhibit A-1							32,519,328
Deposits and investments per Statements of Net Position							\$ 87,166,366

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STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Deposit and Investment Accounts- Component Units
June 30, 2015

Schedule VI
(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	\$ 387,786	\$ 374,056
Edward Jones	Money market	76,037	76,037
		<u>\$ 463,823</u>	<u>\$ 450,093</u>
Investment accounts			
Edward Jones	Stocks	\$ 1,373	\$ 1,373
Edward Jones	Mutual funds	15,143,178	15,143,178
		<u>\$ 15,144,551</u>	<u>\$ 15,144,551</u>
ENMU- Roswell Foundation			
Deposit accounts			
Pioneer Bank	Checking- interest bearing	\$ 25,843	\$ 5,340
Pioneer Bank	Certificate of deposit	83,457	83,457
Wells Fargo Advisors	Checking- interest bearing	5,003	5,003
		<u>\$ 114,303</u>	<u>\$ 93,800</u>
Investment accounts			
Edward Jones	Mutual fund	\$ 721,781	\$ 721,781
New Mexico Oil Corporation	Equity	55,803	55,803
Wells Fargo Advisors	Mutual fund	5,234,618	5,234,618
UBS Investments	Mutual fund	1,540,140	1,540,140
U.S. Trust	Mutual fund	592,340	592,340
		<u>\$ 8,144,682</u>	<u>\$ 8,144,682</u>
ENMU- Ruidoso Foundation			
Deposit accounts			
Compass Bank	Checking- noninterest bearing	\$ 120,124	\$ 120,124
		<u>\$ 120,124</u>	<u>\$ 120,124</u>

See independent auditors' report

STATE OF NEW MEXICO
Eastern New Mexico University
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2015

Name of Depository	Description	Maturity	CUSIP/Commitment/ LOC Number
Bank of America	Gov. Ntl. Mtg. Asso.	4/20/2041	3620ASB24
	Fed. Ntl. Mtg. Asso.	2/1/2043	3138W3AF0
	Total Bank of America		
Compass Bank	Letter of Credit	11/20/2015	72723
	Letter of Credit	12/16/2015	73539
	Letter of Credit	6/30/2016	80670
	Total Compass Bank		
James Polk Stone Community Bank	FHLB Step Up Callable	4/30/2024	3130A1MA3
	Carlsbad, NM Muni	8/1/2019	142735DV8
	Portales, NM SD	1/15/2016	736151DG3
	Total James Polk Stone Community Bank		
Pioneer Bank	FED Farm Credit	12/11/2020	3133EC6W9
	Total Pioneer Bank		
U.S. Bank	Letter of Credit		
	Total U.S. Bank		
Wells Fargo Bank	FN AR1117 3.000%	2/1/2043	3138NXG35
	Total Wells Fargo Bank		
	Total pledged collateral		

Fair Market Value	Name and Location of Safe Keeper
\$ 1,530,303	Bank of America, N.A., Charlotte, NC
<u>77,822</u>	Bank of America, N.A., Charlotte, NC
<u>1,608,124</u>	
2,250,000	Federal Home Loan Bank, Atlanta, GA
500,000	Federal Home Loan Bank, Atlanta, GA
<u>350,000</u>	Federal Home Loan Bank, Atlanta, GA
<u>3,100,000</u>	
101,168	Texas Independent Bank, Dallas, TX
1,138,470	Texas Independent Bank, Dallas, TX
<u>100,974</u>	Texas Independent Bank, Dallas, TX
<u>1,340,612</u>	
<u>9,884,074</u>	Federal Home Loan Bank, Atlanta, GA
<u>9,884,074</u>	
<u>15,000,000</u>	Federal Home Loan Bank, Cincinnati, OH
<u>15,000,000</u>	
<u>8,664</u>	Bank of New York Mellon, New York, NY
<u>8,664</u>	
<u>\$ 30,941,474</u>	

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Joint Powers Agreements and
 Memorandums of Understanding
 June 30, 2015

Participants	Responsible Party	Description
Joint Powers Agreements		
Eastern New Mexico University (the "University") and public educational institutions within the State of New Mexico	Eastern New Mexico University	To procure and deliver educational service 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
The University and the State Investment Council (SIC)	Eastern New Mexico University	To establish a relationship between the University and the SIC for the SIC to act as the investment manager for the University's funds
The University and Portales Municipal Schools	Eastern New Mexico University	To establish a relationship between the University and Portales Municipal Schools to share ownership and joint operation of a multi-use sports stadium constructed on land owned by the University
Memorandums of Understanding		
The University, Eastern New Mexico University-Ruidoso (ENMU- Ruidoso), and Eastern New Mexico University- Ruidoso Foundation (ENMU-Ruidoso Foundation)	Eastern New Mexico University	To create the ENMU- Ruidoso Foundation to help promote and achieve the goals and objective of ENMU-Ruidoso, and in doing so, assist in bringing about closer relationships, better understanding, and greater acceptance between ENMU- Ruidoso, its stakeholders, and the community

<u>Begin Date</u>	<u>End Date</u>	<u>Estimated Amount of Project</u>	<u>Amount Contributed in Fiscal Year</u>	<u>Audit Responsibility</u>	<u>Fiscal Agent</u>	<u>Name of Govt. Agency Report Rev. & Exp.</u>
7/1/1984	Indefinitely	Unknown	Unknown	Eastern New Mexico University	Eastern New Mexico University	Eastern New Mexico University
11/17/1998	Indefinitely	Unknown	Unknown	Eastern New Mexico University	Eastern New Mexico University	Eastern New Mexico University
7/1/2014	6/30/2044	Between \$8.0 million and \$13.0 million	Unknown	Eastern New Mexico University	Eastern New Mexico University	Eastern New Mexico University
10/8/2011	Indefinitely	Unknown	Unknown	Eastern New Mexico University	Eastern New Mexico University	Eastern New Mexico University

STATE OF NEW MEXICO
 Eastern New Mexico University- Portales and Ruidoso Campuses
 Schedule of Vendor Information for Purchases
 Exceeding \$60,000 (Excluding GRT)
 June 30, 2015

Prepared by Agency Staff Name: Brad Kemper (Chief Procurement Officer) on August 19, 2015

<u>RFB#/ RFP#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>
205	Request for proposal	Nalco	\$ 151,145	N/A
222	Request for proposal	Chaparral HVAC	185,006	N/A
226	Request for proposal	Dissenger Reed	138,468	N/A
227	Request for proposal	La Casa	123,800	N/A
228	Request for proposal	Bradbury Stamm Construction	9,875,852	N/A
229	Request for proposal	Davtek	137,655	N/A
		Lectra Tech	139,222	N/A
		Theco	Variable per project	N/A
		Chaparral HVAC	Variable per project	N/A
		Mark Carpenter Plumbing	Variable per project	N/A
		Reed Roofing	163,664	N/A
		W T Denton	Variable per project	N/A

See independent auditors' report

Name and Physical Address of <u>ALL</u> Vendor(s) That Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N)	Description of Work
Nalco 1601 W. Diehl Rd. Naperville, IL 60563	N	N	To provide HVAC water treatment services
Delta Water Laboratories 4206 MLK Jr. Blvd. Lubbock, TX 79404	N	N	
Chaparral HVAC 412 S. Ave. C. Portales, NM 88130	Y	N	To provide HVAC services
Energy Control 2600 American Rd. SE, Ste. 360 Rio Rancho, NM	Y	N	
Rhoads Co. 107 E. 6th St. Roswell, NM 88201	Y	N	
Dissenger Reed 8700 Indian Creek Parkway, Ste. 320	N	N	Purchase of athletic insurance
Overland Park, KS 66210 Bene-Marc 6301 Southwest Blvd., Ste. 101 Fort Worth, TX	N	N	
La Casa 1515 W. Fir Portales, NM 88130	Y	N	Operation of the campus health clinic
Quick Care 421 S. Ave. C, Ste. D Portales, NM 88130	Y	N	
Bradbury Stamm Construction, Inc. 7110 2nd St. NW Albuquerque, NM 87107	Y	N	Renovation for the Jack Williamson Liberal Arts (JWLA) building
White Sands Construction 1700 10th St. Alamogordo, NM 88310	Y	N	
GarnCor Ent. 2121 Menaul Blvd. NE Albuquerque, NM 87107	Y	N	
Davtek 1314 CR J 1 Clovis, NM 88101	Y	N	To provide miscellaneous construction services
Lectra Tech 5820 Mabry Dr. Clovis, NM 88101	Y	N	
Theco P.O. Box 2290 Corrales, NM 87048	Y	N	
Chaparral HVAC 412 S. Ave. C Portales, NM 88130	Y	N	
Mark Carpenter Plumbing 421 Sycamore Clovis, NM 88101	Y	N	
Reed Roofing 5821 N. Prince Clovis, NM 88101	Y	N	
W T Denton P.O. Box 1239 Clovis, NM 88101	Y	N	

STATE OF NEW MEXICO
 Eastern New Mexico University- Portales and Ruidoso Campuses
 Schedule of Vendor Information for Purchases
 Exceeding \$60,000 (Excluding GRT)
 June 30, 2015

<u>RFB#/ RFP#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>
231	Request for proposal	Combs Electrical Mechanical	\$ 363,143	N/A
236	Request for proposal	Enterprise	75,035	N/A
237	Request for proposal	Sutin, Thayer, Brown	183,591	N/A
242	Request for proposal	SMPC Architects	906,650	N/A
248	Request for proposal	Barnes & Noble	1,485,321	N/A

Name and Physical Address of <u>ALL</u> Vendor(s) That Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N)	Description of Work
Combs Electrical Mechanical 1704 S. Roosevelt Rd. 3 Portales, NM 88130	Y	N	To provide electrical services
Theco P.O. Box 2290 Corrales, NM 87048	Y	N	
Enterprise 4740 Pan American NE Albuquerque, NM 87109	Y	N	To provide vehicle rental services
Avis Budget Group 1625 E. Buckeye Rd. Phoenix, AZ 85034	N	N	
Sutin, Thayer, Brown 6565 Americas Pkwy. NE Albuquerque, NM 87110	Y	N	To provide general legal counsel
Mondrall Sperling 500 4th St. NW, Ste. 1000 Albuquerque, NM 87102	Y	N	
Cuddy McCarthy, LLP 1701 Old Pecos Trail Santa Fe, NM 87505	Y	N	
SMPC Architects 115 Amherst Dr. SE Albuquerque, NM 88106	Y	N	To provide architectural services
Dekker Perich Sabatini 7601 Jefferson St. NE, Ste. 100 Albuquerque, NM 87109	Y	N	
Van Gilbert 2428 Baylor Dr. SE Albuquerque, NM 87106	Y	N	
FBT Architects 6501 Americas Pkwy. NE, Ste. 300 Albuquerque, NM 87110	Y	N	
Parkhill Smith Cooper 1001 S. Harrison, Ste. A Amarillo, TX 79101	N	N	
Wilson & Co. 4900 Lang Ave. NE Albuquerque, NM 87109	Y	N	
Barnes & Noble 120 Mountain View Rd. Basking Ridge, NJ 07920	N	N	Operations for the campus bookstore
Follet Higher Ed 3 Westbrook Corp Center, Ste. 200 Westchester, IL 60154	N	N	
Nebraska Book Co. 4700 S. 19th St. Lincoln, NE 68512	N	N	

STATE OF NEW MEXICO
 Eastern New Mexico University- Portales and Ruidoso Campuses
 Schedule of Vendor Information for Purchases
 Exceeding \$60,000 (Excluding GRT)
 June 30, 2015

<u>RFB#/ RFP#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>
249	Request for proposal	TME, LLC	\$ 248,044	N/A
323	Request for proposal	Strata Information Group	408,705	N/A
1843	Request for bid	Hamilton Lawn Sprinkler	109,722	N/A
		Hamilton Nursery	126,631	N/A
1845	Request for bid	Empire Paper	108,468	N/A
		Wagner Supply	Variable per unit	N/A

Name and Physical Address of <u>ALL</u> Vendor(s) That Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N)	Description of Work
TME, LLC 2920 N. Swan Rd. Tuscan, AZ 85712	N	N	To provide electrical and mechanical engineering services
Bohannon Huston 425 S. Telshor Blvd., Ste. C-103 Las Cruces, NM	Y	N	
Verterre Corp. 320 Gold Ave., Ste. 500 Albuquerque, NM 87102	Y	N	
Transmission & Distribution Services 4550 San Mateo Blvd. NE, Ste. G Albuquerque, NM 87113	Y	N	
Rock Gap Engineering 3737 Princeton St. NE, Ste. 100 Albuquerque, NM 87107	Y	N	
EEA Consulting Engineers 6615 Vaught Ranch Rd. Austin, TX 78730	N	N	
Strata Information Group 3935 Harney St., Ste. 203 San Diego, CA 92110	N	N	To provide Banner consulting services
Hamilton Lawn Sprinkler 905 Curran Dr. Clovis, NM 88101	Y	N	Landscape services for the JWLA building
Hamilton Nursery 2001 E. 7th St. Clovis, NM 88101	Y	N	
Accent Landscape Contractors P.O. Box 30983 Albuquerque, NM 87190	Y	N	
Empire Paper 112 SW 8th St., Ste. 440 Amarillo, TX 79101	N	N	Purchase of custodial supplies and equipment
Wagner Supply 925 E. 66th St. Lubbock, TX 79404	N	N	
Quill 100 Schlter Rd. Lincolnshire, IL 60069	N	N	
Unipak 2265 National Dr. Brooklyn, NY 11234	N	N	
All American Poly 40 Turner Pl. Piscataway, NY 08854	N	N	
LD Supply 1503 12th St. NW Albuquerque, NM 87104	Y	N	
Miller Paper 6511 S. Washington Amarillo, TX 79118	N	N	

STATE OF NEW MEXICO
 Eastern New Mexico University- Portales and Ruidoso Campuses
 Schedule of Vendor Information for Purchases
 Exceeding \$60,000 (Excluding GRT)
 June 30, 2015

<u>RFB#/ RFP#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>
1846	Request for bid	Hamilton Lawn Sprinkler	\$ 188,495	N/A
1847	Request for bid	Nick Griego & Sons	68,225	N/A

Name and Physical Address of <u>ALL</u> Vendor(s) That Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N)	Description of Work
Hamilton Lawn Sprinkler 905 Curran Dr. Clovis, NM 88101	Y	N	To constructe a practice field
Lone Mountain Contracting 125 Bosque Farms, Blvd. Bosque Farms, NM 87068	Y	N	
Accent Landscape Contractors P.O. Box 30983 Albuquerque, NM 87190	Y	N	
Nick Griego & Sons 1712 S. Prince Clovis, NM 88101	Y	N	To provide concrete work

STATE OF NEW MEXICO
 Eastern New Mexico University- Roswell Campus
 Schedule of Vendor Information for Purchases
 Exceeding \$60,000 (Excluding GRT)
 June 30, 2015

Prepared by Agency Staff Name: Brian Zalesky (Director of Accounting and Budget) on October 13, 2015

<u>RFB#/ RFP#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>
422-14	Request for bid	RDF Enterprises, Inc.	\$ 74,800	N/A
427-15	Request for bid	Depco, LLC	64,168	N/A

Name and Physical Address of <u>ALL</u> Vendor(s) That Responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In-State and Chose Veteran's Preference (Y or N)	Description of Work
RDF Enterprises, Inc. 6462 SE Main St. Dexter, NM 88230	Y	N	To provide virtual welder training
Airgas, LLC 1103 E. 2nd St. Roswell, NM 88201	Y	N	
American Oxygen Company 609 E. 2nd St. Roswell, NM 88201	Y	N	
Depco, LLC 3305 Airport Dr. Pittsburg, KS 66762	N	N	To purchase industrial engineering training equipment

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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*
INDEPENDENT AUDITOR'S REPORT**

Timothy Keller
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 (the "University"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and the related budgetary comparisons of the University, presented as supplementary information, and have issued our report thereon dated October 27, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 the University's financial statements are free of material misstatement; we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting + Consulting Group, LLP

Accounting & Consulting Group, LLP
Roswell, New Mexico
October 27, 2015

FEDERAL FINANCIAL ASSISTANCE

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

Timothy Keller
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 (the "University") 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 the University's major federal programs for the year ended June 30, 2015. The University's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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 the 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 Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2015.

Report on Internal Control Over Compliance

Management of the 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 the 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 the 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 27, 2015

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STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2015

Campus Location	Federal Grantor/Pass- Through Grantor/Program or Cluster Title
Major Programs	
<u>U.S. Department of Education</u>	
Student Financial Aid Cluster	
Portales	SEOG
Roswell	SEOG
Ruidoso	SEOG
Portales	SEOG- ACA
Roswell	SEOG- ACA
Ruidoso	SEOG- ACA
Portales	SEOG Paid by College Workstudy Program
Portales	College Workstudy Program
Portales	College Workstudy Program
Roswell	College Workstudy Program
Ruidoso	College Workstudy Program
Portales	College Workstudy Program- ACA
Roswell	College Workstudy Program- ACA
Ruidoso	College Workstudy Program- ACA
Roswell	Non-match Federal Work Study
Portales	Pell Grant
Roswell	Pell Grant
Ruidoso	Pell Grant
Portales	Pell Grant- Prior Year
Roswell	Pell Grant- Prior Year
Portales	TEACH Grant
<i>Total Student Financial Aid Cluster</i>	
Career and Technical Education	
<i>Passed through the New Mexico Public Department of Education</i>	
Portales	CTLP/CTSO 14-15
Roswell	Carl Perkins
Roswell	Carl Perkins Nontraditional Grant
Roswell	Carl Perkins Carryover 7/13-9/13 and 4/14-6/14
<i>Total Career and Technical Education</i>	
Total U.S. Department of Education (major)	
Total major programs	

<u>Federal CFDA</u>	<u>Agency or Pass- Through Number</u>	<u>Federal</u>
84.007	P007A142641	\$ 313,483
84.007	P007A142641	111,958
84.007	P007A142641	22,391
84.007	P007A142641	20,899
84.007	P007A142641	7,464
84.007	P007A142641	1,493
84.033	P033A142641	91,586
84.033	P033A142641	547,323
84.033	P033A142641	181,664
84.033	P033A142641	228,650
84.033	P033A142641	28,077
84.033	P033A142641	42,594
84.033	P033A142641	15,242
84.033	P033A142641	1,872
84.033	P033A142641	53,813
84.063	P063P141823	7,063,490
84.063	P063P141823	3,660,046
84.063	P063P141823	646,032
84.063	P063P131823	(287)
84.063	P063P131823	4,467
84.379	P379T151823	19,390
		<u>13,061,647</u>
84.048	15-924-00064	310,689
84.048A	V048A140031	128,664
84.048A	15-924-00309	70,000
84.048A	V048A140031A	17,395
		<u>526,748</u>
		<u>13,588,395</u>
		<u>\$ 13,588,395</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2015

Campus Location	Federal Grantor/Pass- Through Grantor/Program or Cluster Title
Nonmajor Programs	
<u>U.S. Department of Agriculture</u>	
Portales	Higher Education- Institution Challenge Grants Program USDA- NIFA HSI
Portales	Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants <i>Passed through New Mexico State University</i> Alliance for Minority Participation
Portales	<i>Passed through the New Mexico Children, Youth, and Families Department</i> Child and Adult Care Food Program CDC Food Program
Roswell	Summer Food Service Program for Children Food Program Upward Bound
Ruidoso	Collaborative Forest Restoration USDA Forest Service- Lincoln National Forest
Total U.S. Department of Agriculture	
<u>U.S. Department of Labor</u>	
Ruidoso	WIA Cluster <i>Passed through Eastern Area Workforce Development Board</i> WIA Adult Service
Ruidoso	WIA Dislocated Worker
Ruidoso	WIA Dislocated Worker
Roswell	Trade Adjustment Assistance Community College <i>Passed through Santa Fe Community College</i> IBEST
Roswell	TAACCCT
Ruidoso	Trade Adjustment Assistance Community College
Ruidoso	Trade Adjustment Assistance Community College
Ruidoso	Trade Adjustment Assistance Community College
Total U.S. Department of Labor	
<u>National Science Foundation</u>	
Portales	Office of Cyberinfrastructure EPSCOR-Biofuel
Portales	EPSCOR-Biofuel
Portales	EPSCOR-Osmotic Power
Total National Science Foundation	

<u>Federal CFDA</u>	<u>Agency or Pass- Through Number</u>	<u>Federal</u>
10.217	2014-70003-22367	34,997
10.226	EQ01613	15,696
10.558	0191	15,390
10.559	50531	4,408
10.679	13-DG-11030800-015	<u>25,703</u>
		<u>96,194</u>
17.258	OSC 12/13-ENMU-RU	303,443
17.258	OSC 12/13-ENMU-RU	493
17.258	OSC 12/13-ENMU-RU	145,808
17.282	TC-22550-11-60-A-35	39,191
17.282	411322-3501-102	64,789
17.282	TC-26486-14-60-A-35	9,616
17.282	TC-26486-14-60-A-35	55,869
17.282	TC-26486-14-60-A-35	<u>18,757</u>
		<u>637,966</u>
47.080	IIA-1301346	50
47.080	IIA-1301346	96,921
47.080	IIA-1301346	<u>4,998</u>
		<u>101,969</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2015

Campus Location	Federal Grantor/Pass- Through Grantor/Program or Cluster Title
Nonmajor Programs (continued)	
	<u>Small Business Administration</u>
Roswell	Small Business Development Centers SBDC
	Total Small Business Administration
	<u>U.S. Department of Energy</u>
Portales	Renewable Energy Research and Development <i>Passed through Sapphire Energy</i> SAPPHIRE Energy- US DOE
	Total U.S. Department of Energy
	<u>U.S. Department of Education</u>
	<i>Passed through the New Mexico Higher Education Department</i>
Roswell	Adult Education- Basic Grants to States ELCIVICS
Roswell	ABE Textbooks
Ruidoso	ABE Federal
Roswell	Civil Rights Training and Advisory Services ABE Federal
	Title III Part F and Title V: Developing Hispanic Institutions
Portales	HSI-STEM & Articulation Program Year 1
Portales	HSI-STEM & Articulation Program Year 2
Portales	HSI-STEM & Articulation Program Year 3
Portales	HSI-STEM & Articulation Program Year 4
Portales	PPOHA Year 3 12-13
Portales	PPOHA Year 4 13-14
Portales	PPOHA Year 5 14-15
Portales	CCC Academic Prep Activity 1 Year 3
Portales	CCC Academic Prep Activity 1 Year 4
Portales	CCC Academic Prep Activity 1 Year 5
Portales	CCC Nursing Pipeline Activity 1 Year 3
Portales	CCC Nursing Pipeline Activity 1 Year 4
Portales	CCC Nursing Pipeline Activity 1 Year 5
Portales	ENMU Academic Prep Activity 1 Year 3
Portales	ENMU Academic Prep Activity 1 Year 4
Portales	ENMU Academic Prep Activity 1 Year 5
Portales	ENMU Nursing Pipeline Activity 1 Year 2
Portales	ENMU Nursing Pipeline Activity 1 Year 4
Portales	ENMU Nursing Pipeline Activity 1 Year 5

<u>Federal CFDA</u>	<u>Agency or Pass- Through Number</u>	<u>Federal</u>
59.037	SBAAHQ-13-B-0041	<u>221,741</u>
		<u>221,741</u>
81.087	DE-EE0000393.001	<u>90,985</u>
		<u>90,985</u>
84.002	V002A140032	31,819
84.002	49828	19,174
84.002	N/A	22,975
84.004	V002A140032	193,896
84.031C	P031C110114	70,809
84.031C	P031C110114	63,982
84.031C	P031C110114	210,447
84.031C	P031C110114	237,805
84.031M	P031M1105036	13,531
84.031M	P031M1105036	143,600
84.031M	P031M1105036	314,277
84.031S	P031S090081	16,953
84.031S	P031S090081	14,406
84.031S	P031S090081	122,588
84.031S	P031S090081	2,047
84.031S	P031S090081	5,109
84.031S	P031S090081	19,060
84.031S	P031S090081	821
84.031S	P031S090081	9,743
84.031S	P031S090081	153,982
84.031S	P031S090081	3,750
84.031S	P031S090081	22,941
84.031S	P031S090081	28,323

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2015

Campus Location	Federal Grantor/Pass- Through Grantor/Program or Cluster Title
Nonmajor Programs (continued)	
<u>U.S. Department of Education (continued)</u>	
Title III Part F and Title V: Developing Hispanic Institutions (continued)	
Portales	ENMU Project Management Activity 1 Year 3
Portales	ENMU Project Management Activity 1 Year 4
Portales	ENMU Project Management Activity 1 Year 5
Roswell	Title V
Ruidoso	Title V: Programs for First Responder
<i>Total Title III, Part F, and Title V: Developing Hispanic Institutions</i>	
TRIO Cluster	
Portales	Student Support Services 13-14
Portales	Student Support Services 14-15
Portales	Talent Search 12-13
Portales	Talent Search 13-14
Portales	Talent Search 14-15
Roswell	Talent Search September- June
Roswell	Talent Search July- August
Portales	Upward Bound 12-13
Portales	Upward Bound 13-14
Portales	Upward Bound 14-15
Roswell	Upward Bound September- June
Roswell	Upward Bound July- August
Roswell	EOC September- June
Roswell	EOC July- August
<i>Total TRIO Cluster</i>	
<i>Passed through the New Mexico Public Education Department</i>	
Portales	University Immersion Institute
Gaining Early Awareness and Readiness for Undergraduate Programs	
Roswell	GEAR Up July- September 25th
Roswell	GEAR Up September 26- June
English Language Acquisition State Grants	
Portales	Project Maestros 11-12
Portales	Project Maestros 12-13
Portales	Project Maestros 13-14
Improving Teacher Quality State Grants	
<i>Passed through the New Mexico Higher Education Department</i>	
Portales	Unpacking the NMCCSS

Total U.S. Department of Education (nonmajor)

Total U.S. Department of Education (major and nonmajor)

See independent auditors' report

See accompanying notes to the schedule of expenditures of federal awards

<u>Federal CFDA</u>	<u>Agency or Pass- Through Number</u>	<u>Federal</u>
84.031S	P031S090081	40
84.031S	P031S090081	5,030
84.031S	P031S090081	109,304
84.031S	P031S120080-14	541,056
84.031S	P031S140171	311,477
		<u>2,421,081</u>
84.042A	P042A101007	55,825
84.042A	P042A101007	289,796
84.044A	P044A110619	103,308
84.044A	P044A110619	95,072
84.044A	P044A110619	209,293
84.044A	P044A110605-14	281,263
84.044A	P044A110605-13	38,011
84.047A	P047A121635	7,949
84.047A	P047A121635	98,618
84.047A	P047A121635	188,214
84.047A	P047A121674-14	209,005
84.047A	P047A121674-13	102,646
84.066A	P066A110019-14	288,910
84.066A	P066A110019-13	71,473
		<u>2,039,383</u>
84.293C	05-924-P527-0152	2,000
84.334A	P334A110054	1,220,970
84.334A	P334A110054-13A	230,961
84.365Z	T365Z120149	5,430
84.365Z	T365Z120149	71,738
84.365Z	T365Z120149	214,081
84.367	15-950-1200-00001	60,039
		<u>6,533,547</u>
		<u>20,121,942</u>

STATE OF NEW MEXICO
 Eastern New Mexico University
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2015

Campus Location	Federal Grantor/Pass- Through Grantor/Program or Cluster Title
Nonmajor Programs (continued)	
	<u>U.S. Department of Health and Human Services</u>
	National Center for Research Resources
	<i>Passed through New Mexico State University</i>
Portales	INBRE- Varela
Portales	INBRE- Barlow
Portales	INBRE- Cooper
Portales	INBRE- Stollar
Portales	INBRE- Montgomery
Portales	INBRE- Barlow
Portales	INBRE- Stollar
	<i>Total National Center for Research Resources</i>
	<i>Passed through the New Mexico Children, Youth, and Families Department</i>
	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Portales	CYFD Federal
	Foster Care Title IV-E
Portales	CYFD/PSD BSW Program
	Total U.S. Department of Health and Human Resources
	Total nonmajor programs
	Total federal awards

<u>Federal CFDA</u>	<u>Agency or Pass- Through Number</u>	<u>Federal</u>
93.389	Q01347	33,194
93.389	Q01347	80,419
93.389	Q01347	18,991
93.389	Q01347	90,124
93.389	Q01347	4,431
93.389	Q01347	22,794
93.389	Q01347	<u>47,509</u>
		<u>297,462</u>
93.596	14-690-15994-1	264,129
93.658	15-690-17359	<u>133,357</u>
		<u>694,948</u>
		<u>\$ 8,377,350</u>
		<u>\$ 21,965,745</u>

STATE OF NEW MEXICO
Eastern New Mexico University
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2015

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 unearned 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 thirty (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.

The University is not a direct participant in federally funded student loan programs where it enables them to track outstanding balances of the loan. Other than the student loans listed, the University has no federally funded loans or loan guarantees as of June 30, 2015.

NOTE 2. Student Loans

As of June 30, 2015, outstanding student loan balances under the Federal Perkins Loan Program, CFDA #84.038, were \$5,412,332. Perkins Loans awarded for the year ended June 30, 2015 totaled \$437,880. Federal Direct Loans (which includes Stafford Loans and Parents' Plus Loans), CFDA #84.268, awarded for the year ended June 30, 2015 totaled \$16,597,698. Additionally, the University processed \$555,645 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, 2015

Section I- Summary of Audit Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards

- | | |
|---|------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | None noted |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
84.007, 84.033, 84.063, 84.268, 84.379 84.048	Student Financial Aid Cluster Career and Technical Education Cluster

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

Section II- Prior Year Audit Findings

None

Section III- Financial Statement Findings

None

Section IV- Federal Award Findings

None

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OTHER DISCLOSURES

STATE OF NEW MEXICO
Eastern New Mexico University
Other Disclosures
June 30, 2015

Exit Conference

An exit conference was held on October 27, 2015. In attendance were the following:

Representing Eastern New Mexico University

Terry Othick	Board of Regents Vice President (via telephone)
Susan Tatum	Board of Regents Member
Steven Gamble	President of Eastern New Mexico University
Dr. John Madden	President of ENMU- Roswell (via telephone)
Dr. Clayton Alred	President of ENMU- Ruidoso
Ashley Keefer	Internal Auditor
Carol Fletcher	Controller- Portales campus
Karen Franklin	Controller- Roswell campus (via telephone)
Joann Martinez	Director of Accounting and Student Accounts- Portales Campus
Eric Johnston-Ortiz	Vice President of Business Affairs- Roswell campus (via telephone)
Sheila Farquer	Director of Business Affairs- Ruidoso campus (via telephone)
Brent Small	Financial Aid Director
Jan Terry-Sanchez	Associate Director of Financial Aid
Kenny Prince	Accountant- Portales campus
Laura Disney	Accountant- Portales campus

Representing Accounting & Consulting Group, LLP

Jessica Huff, CPA	In-charge Senior
Shelley Olson, CPA	Manager

Auditor Prepared Financial Statements

Accounting & Consulting Group, LLP prepared the GAAP-basis financial statements and footnotes for Eastern New Mexico University from the original books and records provided to them by the management of the University. The responsibility for the financial statements remains with the University.