

**WESTERN NEW MEXICO UNIVERSITY
FOUNDATION, INC.
(A Component Unit of Western New Mexico University)**

**Financial Statements
June 30, 2015 and 2014**

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A COMPONENT UNIT OF WESTERN NEW MEXICO UNIVERSITY)
TABLE OF CONTENTS
June 30, 2015 and 2014

	Page
Board of Directors.....	1
Independent Auditor's Report.....	2-3
 BASIC FINANCIAL STATEMENTS	
Statements of Net Position.....	4
Statements of Revenues, Expenses and Changes in Net Position.....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7-24
 SUPPLEMENTARY INFORMATION	
Independent Auditor's 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.....	25-26
Schedule of Findings and Responses.....	27
Summary of Prior Audit Findings.....	28
Exit Conference.....	29
 OTHER INFORMATION	
Schedule of Vendor Information.....	30

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A COMPONENT UNIT OF WESTERN NEW MEXICO UNIVERSITY)
Board of Directors
June 30, 2015 and 2014

Richard Peterson, President

Diane Torrez, Vice President

Richard Lawyer, Treasurer

Tamara Ogilvie, Secretary

Dr. Mary Cowan

Jovita Gonzales

Linda McGee

John Myers

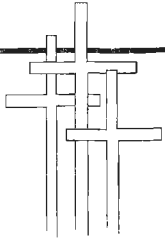
Howard Ness

Dr. Thomas E. Hines

Theresa Frazier

William Perkin

Grant Welker



Clifford, Ross & Cooper, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Western New Mexico University Foundation
(A Component Unit of Western New Mexico University)
and Tim Keller, New Mexico State Auditor
Silver City, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Western New Mexico University Foundation (a component unit of Western New Mexico University), which are comprised of the statements of net position as June 30, 2015 and 2014, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements 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 misstatement, 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 auditor's 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 entity'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 entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the business-type activities of Western New Mexico University Foundation (a component unit of Western New Mexico University), as of June 30, 2015 and 2014, and the respective changes in financial positions, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

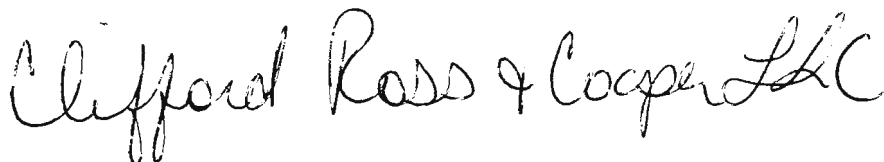
Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis which is required to supplement the basic financial statements. Such missing information, although not part of the basic financial statement, 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. Our opinion on the basic financial statements is not affected by the missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2015, on our consideration of the Western New Mexico University Foundation (a component unit of Western New Mexico University)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Western New Mexico University Foundation (a component unit of Western New Mexico University)'s internal control over financial reporting and compliance



Clifford, Ross & Cooper, LLC
Las Cruces, New Mexico
November 6, 2015

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A COMPONENT UNIT OF WESTERN NEW MEXICO UNIVERSITY)

Statements of Net Position

June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 513,708	\$ 748,022
Cash restricted for other organizations	299,310	264,712
Accounts receivable, net of \$-0- and \$-0- allowance for doubtful accounts, respectively	6,750	1,500
Total current assets	819,768	1,014,234
Noncurrent assets, restricted:		
Investments, net	7,187,093	7,011,052
Capital assets, net of accumulated depreciation	10,781	12,672
Total noncurrent assets	7,197,874	7,023,724
Total Assets	\$ 8,017,642	\$ 8,037,958
 LIABILITIES AND NET POSITION		
Liabilities		
Current liabilities:		
Accounts payable	\$ -	\$ 988
Due to Western New Mexico University	165,669	123,400
Deposits held for others	299,310	264,712
Total liabilities	464,979	389,100
 Net Position		
Unrestricted:		
Unrestricted	(28,404)	(37,734)
Investment in capital assets	10,781	12,672
Restructed - Expendable	107,682	102,879
Restricted - Nonexpendable	7,462,604	7,571,041
Total Net Position	7,552,663	7,648,858
Total Liabilities and Net Position	\$ 8,017,642	\$ 8,037,958

The accompanying notes are an integral part of these financial statements.

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A COMPONENT UNIT OF WESTERN NEW MEXICO UNIVERSITY)
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Gifts	\$ 39,986	\$ 100,780
Fundraising	51,540	43,134
Endowed scholarships transfer from WNMU	-	400,992
In-kind contributions from WNMU	101,291	136,819
Total operating revenues	192,817	681,725
Operating expenses:		
Contributions to WNMU:		
Scholarships	135,913	98,937
Program support	94,091	129,619
Equipment and supplies	7,200	7,200
Fundraising	32,229	29,236
General and administrative	124,156	113,030
Total operating expenses	393,589	378,022
Operating income (loss)	(200,772)	303,703
Nonoperating revenues (expenses):		
Gain (loss) on disposal of inventory	-	(2,600)
Investment income	51,699	842,858
Investment management fees and taxes	(70,448)	(65,949)
Total nonoperating income	(18,749)	774,309
Income before changes in permanent endowments	(219,521)	1,078,012
Contributions to permanent endowments:		
Gifts	123,326	111,900
Increase (decrease) in net position	(96,195)	1,189,912
NET POSITION, BEGINNING OF YEAR	7,648,858	6,458,946
NET POSITION, END OF YEAR	\$ 7,552,663	\$ 7,648,858

The accompanying notes are an integral part of these financial statements.

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A COMPONENT UNIT OF WESTERN NEW MEXICO UNIVERSITY)

Statements of Cash Flows

For the Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Cash received from donors and other sources	\$ 86,276	\$ 544,906
Cash paid to WNMU for scholarships and program support	(162,446)	(171,586)
Cash provided by agency accounts	34,598	44,041
Cash paid for operating expenses	(121,278)	(142,809)
Net cash provided by (used in) operating activities	(162,850)	274,552
Cash flows from non capital financing activities:		
Donations and pledges	123,326	111,900
Net cash provided by (used in) financing activities	123,326	111,900
Cash flows from investing activities:		
Proceeds from sale or maturity of investments	3,512,432	4,501,245
Purchases of investments	(3,845,343)	(4,827,152)
Interest and dividends received	208,569	175,648
Investment management fees	(70,448)	(65,949)
Net cash provided by (used in) investing activities	(194,790)	(216,208)
Net increase (decrease) in cash and cash equivalents	(234,314)	170,244
Cash and cash equivalents, beginning of year	748,022	577,778
Cash and cash equivalents, end of year	\$ 513,708	\$ 748,022
Cash and cash equivalents, unrestricted	\$ 513,708	\$ 748,022
Cash and cash equivalents, restricted	299,310	264,712
Total	\$ 813,018	\$ 1,012,734
Reconciliation of operating (loss) income to net cash provided by (used in) operating activities:		
Operating (loss) income	\$ (200,772)	\$ 303,703
Adjustments		
Depreciation expense	1,891	1,891
Changes in assets and liabilities:		
Receivables	(5,250)	(1,500)
Accounts payable and accrued expenses	(988)	(211)
Due to WNMU	42,269	(29,331)
Net cash (used) provided by operating activities	\$ (162,850)	\$ 274,552
Supplemental disclosure of noncash investing, noncapital, and financing activities:		
Change in fair value of investments	(261,429)	(102,933)

The accompanying notes are an integral part of these financial statements.

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Western New Mexico University Foundation, Inc. (Foundation) is a not-for-profit corporation which was incorporated in the State of New Mexico on October 5, 1982. The Foundation receives support from contributions and earnings on investments.

The purpose of the Foundation is to create, maintain and administer assets for the benefit of Western New Mexico University (University), a state educational institution, located in Silver City, New Mexico. The Foundation exists specifically for the purpose of generating, receiving, managing, investing or reinvesting, and prudently disbursing gifts, bequests, grants and any other donations of financial value to be used for the sole purpose of promoting, enhancing, and contributing to the accomplishment of the University's mission. The Foundation is considered a component unit of the University in accordance with the standards issued under the Government Accounting Standards Board. These financial statements include all activities over which the Foundation has responsibility.

The Foundation is presented as a discrete component unit on Western New Mexico University's financial statements due to:

1. The economic resources received by the Foundation are entirely for the direct benefit of the University's constituents.
2. The University has an ongoing economic interest in the net assets of the Foundation.

As a component unit of the University, the foundation presents its financials statement in accordance with U.S. Generally accepted accounting standards as established by the Governmental Accounting Standards Board (GASB).

Fair Value Measurement

The fair values of substantially all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying value of such amounts.

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepting accounting standards as established by the Governmental Accounting Standards Board (GASB). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader. The Foundation applies the business-type activity accounting and the Foundation's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, expenses are recorded when an obligation has been incurred.

Net Position

The Foundation reports information regarding its financial position and activities according to the following classes of net assets: (1) unrestricted net position represents resources whose use is not limited or restricted by donors and all resources over which the Board of Trustees has discretionary control of incorporation and bylaws; gifts of long-lived assets, received without donor restrictions, are classified as

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position (continued)

unrestricted net assets; (2) restricted expendable net position includes resources in which the Foundation is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties; and (3) nonexpendable restricted net position consists of endowment funds in which the donors have stipulated, as a condition of the gift instrument, that the principal is to be maintained permanently by the Foundation.

Classification of Revenues and Expenses

Operating income reported in the financial statements includes revenues and expenses related to the primary continuing operations of the Foundation. Principal operating revenues include non-endowed donations. Principal operating expenses include distributions to the University, fundraising and general and administrative expenses.

Non-operating revenues include investing income and non-operating expenses include investment management fees. Changes in permanent endowments include contributions to permanent endowments.

Unearned Revenue

For voluntary non-exchange transactions, the Foundation recognizes receivables and revenues when all applicable requirements, including time requirements, are met. Unearned revenues are reported when resources are received before the eligibility requirements are met and/or donor/grantor requires unspent funds to be returned. Resources received in advance where all eligibility requirements have been met are recorded as revenues when received. Unearned revenue at June 30, 2015 and 2014 are \$107,682 and \$102,879, assets comprised of net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Capital Assets

Building, furniture, fixtures, equipment and leasehold improvements are recorded at cost or fair market value at date of donation or acquisition. The Foundation capitalizes expenditures in excess of \$1,000 and a useful life of more than one year. Depreciation is provided for using the straight-line method over the following estimated useful lives:

Furniture, fixtures and equipment	5 to 20 years
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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.

Donated Services

For the years ended June 30, 2015 and 2014, the Foundation received \$101,291 and \$136,819, respectively in donated services from the University and has reflected this amount in the accompanying financial statements

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services (continued)

Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services are recorded as in-kind revenue and in-kind expense, and are included with general and administrative expenses in the accompanying financial statements.

Income Taxes

Income taxes are not provided for in the financial statements as the Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Foundation is not classified as a private foundation and had no unrelated business income during the years ended June 30, 2015 and 2014.

Statement of Cash Flows

For purposes of the statement of cash flows, investments in managed funds, bonds and contributions designated for long-term purposes or received with donor restrictions limiting their use to long-term purposes are not considered cash or cash equivalents. There were no cash equivalents at June 30, 2015 and 2014.

Custodial Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash balances and investments in managed funds. Cash is on deposit with high credit quality financial institutions in Grant County, which are members of the Federal Deposit Insurance Corporation (FDIC) with accounts insured up to \$250,000. During the year ended June 30, 2015, cash deposits did exceed FDIC coverage for the operating account at First American Bank but not the money market account, and did not exceed the FDIC coverage at Wells Fargo. The Foundation did have pledged collateral for the excess deposits at First American Bank at June 30, 2015. Investments are held by investment managers, which are members of the Securities Investor Protection Corporation. Performance is reviewed by the Investment Committee of the Board of Directors on a monthly basis.

Investment Allocation

In accordance with the Foundation's written "Policy on Donations and Recognition of Donors," as part of its normal transactions it allocates investment income between unrestricted, restricted-expendable and restricted - nonexpendable net position categories. The Foundation endowment securities also had a market decrease of \$(261,429) at year end to reflect market value. If and when the securities have a market appreciation, the amount available for expenditure must be authorized by the governing board. Effective July 1, 2010, in accordance with House Bill 454, revised guidelines for the Uniform Prudent Management of Institutional Funds Act were provided for the investment and expenditure of endowment funds which requires adherence by the Foundation. For endowment assets, the governing board has authorized a spending limit of 2.5% of available portfolio funds for scholarship awards and 2% to cover administrative costs. The Foundation's investment securities are carried at fair market value.

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 2. CASH RESTRICTED FOR OTHER ORGANIZATIONS

At June 30, 2015 and 2014, the Foundation holds cash for the following organizations as follows:

	<u>2015</u>	<u>2014</u>
AAUW - Expanding your Horizons	\$ 4,875	\$ 4,789
Academic Affairs	-	3,000
Alcohol Awareness	1,168	1,168
Alimento Para el Nino	424	702
Alumni Affairs	4,593	5,170
Alumni Association	8,872	3,428
Alumni Garden	2,458	2,358
Alumni Golf Tournament	36,533	25,608
Alumni Great Race	15	15
Alumni Student Emergency	11,944	2,927
Athletic Agency	5,808	10,197
Athletic Fire Relief Fund	200	200
Bach-Library	-	892
Betty Cook/24 Club	-	1,000
Biology Agency	360	360
Biology Club	205	205
Brancheau Photo Gallery	1,510	1,510
Carolyn Averbach Soc. Book	360	100
CASadvanza	9,266	8,944
CC Cobb Nursing	1	361
Center for Gender Equity	656	-
Child Development Center	4,258	4,679
College of Bus Admin & Economics	1,070	1,070
Faculty Development	9,043	8,710
Faculty/Staff Awards	500	500
Fiber Arts	400	400
Fine Arts Center Theatre	445	1,445
Fobert, Gloria	173	173
Football Agency	2,000	75
Friends of WNMU Art	665	665

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 2. CASH RESTRICTED FOR OTHER ORGANIZATIONS (continued)

	<u>2015</u>	<u>2014</u>
Friends of Miller Library	\$ 4,752	\$ 4,369
Friends of Music Fund	2,037	1,887
Geology Field Trip Fund	751	480
Golf Agency	2,900	1,570
Grant County Chicano Music Project	-	188
Grant County Chicano Music Scholar	-	5,000
Harry Benjamin Arts Sales & Exp	63,926	41,585
Knight, Glenn	5,000	5,000
Mariachi Concert Fund	219	500
Mariachi Pep Band Trips	60	-
Mariachi Program Fund	500	-
McCray Gallery	1,332	1,332
McCray Gallery-Mariachi	1,484	1,484
McGrath, Herb	3,722	4,472
Men's Basketball	2,609	2,484
Multicultural Affairs & Stdnt Act.	860	3,021
Museum Climate Control Fund	5,345	5,345
Museum 35th Gala	956	956
Nan Ranch Collection	6,841	6,962
Nursing Agency	2,900	2,075
Outdoor Program	100	100
President's Representational Fund	5,823	1,000
Regents	125	125
Scholarship Gala	-	784
School of Education	470	370
Sculpture Fund	8,007	7,361
Softball	1,000	-
Staff Development	679	679
Staff Recognition	668	689
Steinway for Silver	6,562	5,950
Student Health Disabilities	4,889	4,716
SW Consultant & Training	-	11,040
Swimming Pool	175	175
SWNM Leadership Program	2,222	2,372
Symphony Orchestra	6,886	6,940
Tax Help Program	65	35

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 2. CASH RESTRICTED FOR OTHER ORGANIZATIONS (continued)

	<u>2015</u>	<u>2014</u>
University Campaign	\$ 8,652	\$ 9,178
Vital Difference	671	-
WNMU Booster Club Fund	2,554	2,554
WNMU Clay Program	13,235	11,899
WNMU Creative Writing Contest	100	-
WNMU Golf Tournament	7,018	1,126
WNMU Library Geology	999	999
WNMU Museum	3,859	2,152
WNMU Museum 40 for the 40th	1,098	4,578
WNMU Museum Acquisition Fund	1,433	1,433
WNMU Volleyball	270	-
Women's Basketball	657	2,000
Women's Lecture Series	1,000	1,000
Worthen, Elmer Scholarship	-	-
ZIA Ambassadors	1,000	1,000
Inactive Accounts	5,097	5,096
	<u>\$ 299,310</u>	<u>\$ 264,712</u>

Note 3. INVESTMENTS

The Foundation's investments are made for long-term growth and income with preservation of principal and are registered in the name of the WNMU Foundation. Investments shall be made in bonds or money market funds with at least an A+ rating or mutual funds with at least an A rating as identified by Standard & Poor's, Moody's Investor Service, or the Wall Street Journal. Recognizing that the Foundation's investment objectives include growth and income, a diversified portfolio will appropriately meet the objectives of the Foundation with consequently moderate risk. Management and the Investment Committee along with the Foundation's Investment Managers continually review the investments to monitor the risk.

Investments in managed funds, government securities, equities and bonds, with readily determinable fair market values, are recorded at their fair market values in the statements of financial position. The fair value of the investments was determined based on the publicly reported market prices of the respective securities and funds.

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 3. INVESTMENTS (continued)

Unrealized gains and losses are included in net investment income in the accompanying statements of revenues, expenses, and changes in net position. Investment income and gains restricted by donors are reported as restricted-expendable or restricted-nonexpendable increases in net positions, as applicable. Losses on investments of a donor-restricted endowed fund are used to reduce the accumulated earnings of related unrestricted-expendable net position to zero with any remaining loss allocated to unrestricted net position.

Net investment income consists of interest, dividends, realized and unrealized gains and losses, net of investment fees in the amount of \$70,448 and \$65,949, respectively. The market value and cost of investments at June 30, 2015 and 2014 are as follows:

		<u>2015</u>
	Market	Cost
Real Asset Funds/Other Assets	\$ 1,459,733	\$ 1,252,172
Mutual Funds	4,306,316	2,548,478
U.S. Treasury Stock	21,340	15,000
Equities/Fixed Income	<u>1,399,704</u>	<u>2,475,983</u>
Total investments	<u>\$ 7,187,093</u>	<u>\$ 6,291,633</u>
		<u>2014</u>
	Market	Cost
Real Asset Funds/Other Assets	\$ 1,467,705	\$ 1,276,590
Mutual Funds	2,517,798	2,475,983
U.S. Treasury Stock	21,267	15,000
Equities/Fixed Income	<u>3,004,282</u>	<u>2,528,001</u>
Total investments	<u>\$ 7,011,052</u>	<u>\$ 6,295,574</u>

The following summarizes the investment return for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 216,872	\$ 175,648
Net realized gain/(loss)	96,256	796,442
Net unrealized gain/(loss)	<u>(261,429)</u>	<u>(129,232)</u>
Investment income	51,699	842,858
Less investment fees	<u>(70,448)</u>	<u>(65,949)</u>
Investment income, net	<u>\$ (18,749)</u>	<u>\$ 776,909</u>

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 3. INVESTMENTS (continued)

The following summarizes the investments by maturity at June 30, 2015:

Long-Term Investments	<u>Fair Value</u>	<u>Less Than 1</u> <u>Year</u>	<u>1-5</u> <u>Years</u>	<u>6-10</u> <u>Years</u>	<u>Greater Than</u> <u>10 Years</u>
Items not subject to interest rate risk:					
Equity Securities and Bonds	\$4,306,316	\$ -	\$ -	\$ -	\$4,306,316
Fixed Income	1,399,704	41,191	328,522	254,870	775,121
Real Estate/Other	1,459,733	-	-	-	1,459,733
U.S. Government					
Agency obligation	21,340	-	-	-	21,340
Total long-term investments	<u>\$7,187,093</u>	<u>\$ 41,191</u>	<u>\$328,522</u>	<u>\$ 254,870</u>	<u>\$6,562,510</u>

Note 4. EXPENSES

Expenses of the Foundation reported by natural classification for the fiscal years ended June 30, 2015 and 2014, were as follows:

	<u>2015</u>	<u>2014</u>
Scholarship expense	\$135,913	\$ 98,937
Salaries	28,690	25,692
In-kind expense	101,290	136,819
Depreciation	1,891	1,891
Professional fees	26,885	24,504
Fundraising	32,229	29,236
Supplies and services	3,722	3,322
Miscellaneous expense	5,192	2,439
Rosina Patterson disbursements	3,722	3,913
Directors insurance	900	900
Property insurance	500	-0-
President's discretionary	52,542	50,175
Property taxes	113	194
Total expenses	<u>\$ 393,589</u>	<u>\$ 378,022</u>

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 5. CAPITAL ASSETS

Assets donated with explicit restrictions regarding their use and contributions of cash that must be utilized to acquire office furniture and equipment are reported as increases in restricted net assets. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expiration of donor restrictions when the donated or acquired assets are placed in service and reclassifies temporarily restricted net assets to unrestricted net assets at that time. There were no restricted fixed assets at year end.

The Foundation is housed in a building owned by the University. The Foundation does not pay rent for the use of the facility. In-kind contribution revenue and in-kind expense in the amount of \$7,200 has been recorded for facility usage.

	Balance June 30, 2014	Additions	Reclasses	Retirements	Balance June 30, 2015
Capital assets not being depreciated					
Land	\$ 8,120	\$ -	\$ -	\$ -	\$ 8,120
Capital assets not being depreciated	<u>8,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,120</u>
Capital assets					
Software	1,448	-	-	-	1,448
Furniture, fixtures & equipment	84,908	-	-	-	84,908
Capital assets	<u>86,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,356</u>
Accumulated depreciation for					
Software	(1,447)	-	-	-	(1,447)
Furniture, fixtures & equipment	(80,357)	(1,891)	-	-	(82,248)
Total accumulated depreciation	<u>(81,804)</u>	<u>(1,891)</u>	<u>-</u>	<u>-</u>	<u>(83,695)</u>
Capital assets, net	<u>\$ 12,672</u>	<u>\$ (1,891)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,781</u>
Capital assets summary					
Capital assets not being depreciated	\$ 8,120	\$ -	\$ -	\$ -	\$ 8,120
Other capital assets, at cost	86,356	-	-	-	86,356
Total cost of capital assets	<u>94,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,476</u>
Accumulated depreciation	<u>(81,804)</u>	<u>(1,891)</u>	<u>-</u>	<u>-</u>	<u>(83,695)</u>
Capital assets, net	<u>\$ 12,672</u>	<u>\$ (1,891)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,781</u>

	Balance June 30, 2013	Additions	Reclasses	Retirements	Balance June 30, 2014
Capital assets not being depreciated					
Land	\$ 8,120	\$ -	\$ -	\$ -	\$ 8,120
Capital assets not being depreciated	<u>8,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,120</u>
Capital assets					
Software	1,448	-	-	-	1,448
Furniture, fixtures & equipment	84,908	-	-	-	84,908
Capital assets	<u>86,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,356</u>
Accumulated depreciation for					
Software	(1,447)	-	-	-	(1,447)
Furniture, fixtures & equipment	(78,466)	(1,891)	-	-	(80,357)
Total accumulated depreciation	<u>(79,913)</u>	<u>(1,891)</u>	<u>-</u>	<u>-</u>	<u>(81,804)</u>
Capital assets, net	<u>\$ 14,563</u>	<u>\$ (1,891)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,672</u>
Capital assets summary					
Capital assets not being depreciated	\$ 8,120	\$ -	\$ -	\$ -	\$ 8,120
Other capital assets, at cost	86,356	-	-	-	86,356
Total cost of capital assets	<u>94,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,476</u>
Accumulated depreciation	<u>(79,913)</u>	<u>(1,891)</u>	<u>-</u>	<u>-</u>	<u>(81,804)</u>
Capital assets, net	<u>\$ 14,563</u>	<u>\$ (1,891)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,672</u>

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 6. EMPLOYEE BENEFITS

Workers' Compensation Insurance. The University is insured for workers' compensation through the State of New Mexico General Services Department-Risk Management Division (RMD). The University provides funding for the Foundation's employees. RMD provides workers' compensation for all employees as required by state law. The University remits payments to RMD for this coverage based on premium statements received from RMD. The University does not charge the Foundation for this expense.

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

Funding Policy. Member Contributions – The contribution requirements of defined benefit plan members and the Western New Mexico University Foundation (a component unit of Western New Mexico 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 the 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 increase amount of 10.70% of their gross annual salary.

The contribution requirements for the years ending June 30, 2015, 2014, and 2013 were \$13,512, \$16,275 and \$12,641 respectively.

Alternate Retirement Plan-ERB. There is an additional alternate retirement plan administered through the Educational Retirement Board which certain employees (faculty or other professionals) employed on or after July 1, 1991, may elect instead. Contribution rates for an employee who elects to participate in the alternate plan are 9.4% of gross salary and 7.9% of gross salary for the Foundation. The University is also required to contribute to the Educational Retirement Board an additional 3% of the gross salary of each employee so that the University's total contribution for each participating employee is 10.9% of the employee's gross salary.

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 6. EMPLOYEE BENEFITS (continued)

Alternative Retirement Plan-403(b). In addition to the ERB plan, the University sponsors a 403(b) defined savings contribution plan for its employees. The University does not contribute or match any funds in the 403(b) savings program.

Alternative Retirement Plan-457(b). In October 1997, the University's Governing Board adopted the State of New Mexico's Deferred Compensation Plan. The 457(b) Deferred Compensation Plan was implemented in Fall 1997 and provides an additional voluntary retirement savings option for all employees. Under the plan beginning in calendar year 2014, employees may voluntarily contribute up to a maximum of \$17,000 if under age 50, and up to a maximum of \$22,500 if the employee is 50 or older. The University does not contribute or match any funds in the 457(b) savings program.

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

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

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

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

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 6. EMPLOYEE BENEFITS (continued)

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

The Retiree Health Care Act (Section 10-7C-13 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 police member coverage plans 3, 4, or 5; municipal fire member coverage plan 3,4, or 5; municipal detention officer member plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% 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 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% 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.

For the fiscal years ended June 30, 2015, 2014, and 2013, the University remitted for the Foundation \$1,944, \$2,477 and \$2,313, respectively, which equal the required contributions for each year.

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 7. RESTRICTED EXPENDABLE NET POSITIONS

Restricted Expendable Net Positions at June 30, 2015 and 2014 are for the following programs:

	2015	2014
Athletic Scholarship	\$ 5,638	\$ 5,338
Baca, Fred Scholarship	1,000	-
Barbara Brown AAUW	45	76
Cook, Betty/24Club	1,217	1,217
Casa de la Cultural Scholarship	-	1,075
Cope, Connie Lou	3,619	3,619
Drangmeister, Christine/24 Club	1,000	1,990
Foy, Thomas P. Scholarship	999	1,000
Gershenson/Bradberry	1,460	1,460
Grants in Aid	25,054	12,953
Gilbert Scholarship	4,776	4,472
Gonzales, Ruben	680	680
Grant Co. Chicano Music Scholarship	4,000	-
Harry Benjamin Expressive Arts	3,433	3,771
Hall, Ron & Jane Scholarship	-	4,710
Howard, Kevan Brett Scholarship	400	1,200
Jeffers, B Education Scholarship	1,085	-
Jeffers, Ruth	626	-
Johnson, Al Scholarship	69	-
Kaiser Golf Scholarship	1,000	-
Martin Nursing Scholarship	250	250
Mesilla Valley Chapter	1,000	-
Moman Scholarship	4,064	4,389
NAN Ranch Research	2,390	2,390
Rhoades/Sechler PEO Scholarship	2,950	2,950
Rolling Stones	-	750
Rotary Scholarship	21,604	21,875
Scholarship for Returning Students	3,220	3,220
School of Social Work Scholarship	3,749	2,363
Sherman, Tonya Memorial Scholarship	2,653	1,500
Shoup, Whitney & LaVera Scholarship	400	150
Sisneros, Pete Scholarship	3,172	3,172
Student Academic Scholarship	1,722	1,722
Team Gilbert	-	4,425
Town & Country Garden Club	-	7,077
University Fund Scholarship	1,868	1,868
Worthen, Elmer Scholarship	1,562	1,217
Wright, Richard Clay Scholarship	977	-
	<u>\$ 107,682</u>	<u>\$ 102,879</u>

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 8. RESTRICTED NONEXPENDABLE NET POSITIONS

Restricted Nonexpendable Net Positions at June 30, 2015 and 2014 are for the following programs:

	<u>2015</u>	<u>2014</u>
Alumni Scholarship	\$ 58,006	\$ 59,680
Besse, JR Capt. Scholarship	67,022	68,749
Bingaman, Beth	34,449	36,182
Bingaman, Jesse	37,806	39,707
Brancheau Family Scholarship	62,762	53,073
CCCC O'Malley School of Business	95,601	92,092
Endowed Professorship Blalock Fund	213,120	219,060
Endowed Faculty Nursing	36,950	38,023
Expressive Arts State Match/CCCC Kasten	50,909	51,726
Fisher, Ralph Scholarship	59,910	61,847
Forward, Lennie Scholarship	62,881	64,501
Forward Library Fund	403,381	413,776
Foy, Joan Carney Scholarship	34,467	36,294
General Scholarship	57,669	47,030
Glaser, A.	47,309	49,571
Goodell Scholarship	46,682	47,884
James, Dr. Haddon & Eunice Scholarship	171,357	179,980
Kennedy, Eric Memorial Scholarship	133,197	139,899
Levy, Daniel Scholarship	35,569	36,290
Martin, Robert & Ione	43,644	46,900
Matson, Marie Scholarship	103,972	109,204
Milner, Edwina	49,225	-0-
NM Legislative Merit Scholarship	194,352	199,359
NM Merit Scholarship	65,926	67,625
O'Malley, Michael & Catherine	209,360	195,023
Parrish, Frank & Bernice Scholarship	29,435	30,193
Parrish, Frank & Bernice State Match	44,525	47,185
Patterson, Rosina	630,138	621,694
Reese, Jack & A. Scholarship	243,653	255,565
Rhoades/Sechler Scholarship	625,307	655,639
Schula, Lorraine Scholarship	129,392	132,726
Sevy, Robert Natural Science	218,857	229,774
Smithson, Olive Marlowe Scholarship	1,659,641	1,722,543
Snodgrass Scholarship	86,068	90,399
Strickling, Nancy & Jerry Scholarship	372,205	386,107
Thompson, Dr. Scholarship	59,776	62,783
Worthen, Elmer	9,990	13,188
Gilbert Scholarship	21,340	21,267
Various other scholarships	956,751	948,503
	<u>\$7,462,604</u>	<u>\$7,571,041</u>

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 9. DEPOSIT ACCOUNTS AND INVESTMENTS

<u>Account</u>	<u>Type of Balance</u>	2015		
		<u>Bank Balance</u>	<u>Reconciling Items</u>	<u>Book Balance</u>
<u>CASH</u>				
First American Bank				
Checking	Checking	\$ 321,478	\$ (1,122)	\$ 320,356
Operations	Money Market	8,639	-	8,639
Wells Fargo				
Checking	Checking	228,920	(1,078)	227,842
Program	Money Market	242,934	-	242,934
Charles Schwab				
Program	Money Market	1,028	-	1,028
Program	Money Market	12,219	-	12,219
		<u>\$ 815,218</u>	<u>\$ (2,200)</u>	<u>\$ 813,018</u>
<u>INVESTMENTS</u>				
Wells Fargo				
Fixed Income		\$ 1,399,704	\$ -	\$ 1,399,704
Mutual Funds		3,864,037	-	3,864,037
Real Assets		1,283,350	-	1,283,350
US Treasury Bond		21,340	-	21,340
Charles Schwab				
Equities		432,289		432,289
Alternative Investments		176,383		176,383
BP Amoco				
		9,990	-	9,990
		<u>\$ 7,187,093</u>	<u>\$ -</u>	<u>\$ 7,187,093</u>

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 9. DEPOSIT ACCOUNTS AND INVESTMENTS (continued)

Collateralization of Deposits: At June 30, 2015 the recorded values of cash and time deposits with financial institutions were as follows. Bank balances (which differ from the reported values due to reconciling items) are categorized as follows:

Amounts insured by Federal Deposit Insurance Corporation	\$ 478,920
Amounts insured by the Securities Investor Protection Corporation	256,180
Uncollateralized	<u>80,118</u>
Total cash and time deposit bank balances	815,218
Other reconciling items on demand deposit accounts	<u>(2,200)</u>
Total Reported Cash Balance	<u>\$ 813,018</u>

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the deposit may not be returned to it. The Foundation does not have a deposit policy for custodial risk. As of June 30, 2015, \$80,118 of the Foundation's bank balance of \$478,920 was uninsured. First American Bank has provided 50% pledged collateral of \$420,745 for the uninsured portion.

Note 10. ENDOWMENTS OF NOT-FOR-PROFIT ORGANIZATIONS

In August 2008, the FASB issued Staff Position (FSP) FAS ASC 958-205-45-28 through 45-32, "Endowments of Not-for-Profit Organizations: Net Position Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for all Endowment Funds." The guidance is intended to improve the quality and consistency of financial reporting of endowments held by not-for-profit organizations. The FSP provides guidance on classifying the net positions associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA. UPMIFA, which serves as a model act for states to modernize their laws governing donor restricted endowment funds, was enacted by the State of New Mexico on April 7, 2010 in House Bill 454. Therefore, the guidance for classifying net position is effective for the Foundation's fiscal year ending June 30, 2015 and 2014. The adoption of this FSP's provision does not have a significant effect on its net position classification.

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 11. INTERPRETATION OF RELEVANT LAW

The Foundation's endowment consists of approximately 75 individual funds established for a variety of purposes. Its endowment includes only donor-restricted endowment funds. The Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as restricted non expendable (a) the original value of gifts donated to the restricted nonexpendable endowment, (b) the original value of subsequent gifts to the restricted nonexpendable endowment, and (c) accumulations to the restricted nonexpendable endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in restricted nonexpendable net position is classified as restricted expendable net positions and maintained as such for appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA and donors' restrictions on use. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

The endowment spending policy is subject to annual review and provides that the annual amount of potential distributions from each endowment shall be limited to a maximum 2.5% of the available portfolio funds for scholarship awards and 2% to cover administrative costs. At the beginning of each fiscal year, the Foundation's board of directors will determine the potential distribution amount for each endowment fund for the ensuing fiscal year. At June 30, 2015, the net investment loss of \$(261,429) was not available for spending, which is restricted to specific purposes.

At June 30, 2015 the value of the Foundation's endowment portfolio was \$7,187,093 and the permanent endowment contributions were \$7,570,286.

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

Note 12. FAIR VALUE MEASUREMENT

Western New Mexico University Foundation, Inc.'s (Foundation) financial instruments consist primarily of cash and cash equivalents, investments, accounts receivable, accounts payable and amount due to other foundations. The carrying amount of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair value due to the short-term nature of such instruments. The Foundation uses the following hierarchical disclosure framework:

Level 1—Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2—Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Measurement based on the Foundation's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

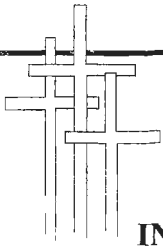
At June 30, 2015 and 2014, The Foundation's investments consist of cash equivalents, governmental and corporate bonds, common stocks and mutual funds. Shares of common stocks, mutual funds, corporate bonds and governmental bonds are valued at quoted market prices for identical assets. The valuations of the Foundation's investments according to the fair value hierarchy are all Level 1.

Note 13. RECLASSIFICATIONS

Certain reclassifications have been made to the 2014 Financial Statements to confirm to the classifications used in 2015.

Note 14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 6, 2015, the date these financial statements were available to be issued.



Clifford, Ross & Cooper, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Western New Mexico University Foundation, Inc.
(A Component Unit of Western New Mexico University)
and Tim Keller, New Mexico State Auditor
Santa Fe, 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 of Western New Mexico University Foundation (a component unit of Western New Mexico University) ("Foundation") as of and for the years ended June 30, 2015 and 2014 and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and issued our report thereon dated November 6, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the Foundation's internal control over financial reporting 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 Western New Mexico University Foundation (a component unit of Western New Mexico University)'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 entity'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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

-25-

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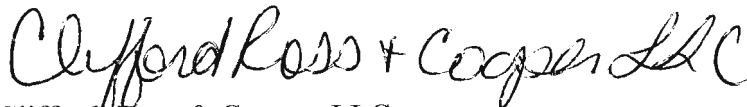
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western New Mexico University Foundation (a component unit of Western New Mexico University) 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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Clifford, Ross & Cooper, LLC
Las Cruces, New Mexico
November 6, 2015

WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

None

**WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)**

**SUMMARY OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2014**

Prior-Year Finding Description	Status
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None	
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WESTERN NEW MEXICO UNIVERSITY FOUNDATION, INC.
(A Component Unit of Western New Mexico University)

EXIT CONFERENCE
Year Ended June 30, 2015

An Exit Conference was held on November 12, 2015, with the following in attendance:

Western New Mexico University Foundation, Inc.

Richard Peterson, Board President
Richard Lawyer, Board Treasurer
Dr. Joseph Shepard, President WNMU
Kelley Riddle, Accountant, WNMU
Dr. Brenda Findley, VP Finance, WNMU
Sheree Frederick, Executive Assistant
Charlotte McGaughey, CPA, Accountant
Jodi Edens-Crocker, Executive Director

Clifford, Ross & Cooper, LLC

Denise S. Cooper, CPA, CFE
Partner

The financial statements were prepared with the assistance of Clifford, Ross & Cooper, LLC, from the books and records of Western New Mexico University Foundation, Inc.

OTHER INFORMATION

WESTERN NEW MEXICO UNIVERISTY FOUNDATION, iNC.
 (A Component Unit of Western New Mexico University)
 SCHEDULE OF VENDOR INFORMATION
 for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
	None							