

THE UNIVERSITY of NEW MEXICO



Audit Report 2009

For the year ending June 30, 2009



THE UNIVERSITY OF NEW MEXICO

June 30, 2009

BOARD OF REGENTS AND PRINCIPAL OFFICERS

Board of Regents

<i>Appointed Members:</i>	<i>Title:</i>	<i>Term Expires:</i>
Raymond Sanchez	Interim President	12/31/2010
Jack L. Fortner	Vice President	12/31/2010
Carolyn J. Abeita	Secretary/Treasurer	12/31/2012
Don L. Chalmers	Member	12/31/2012
J.E. Gene Gallegos	Member	12/31/2014
James H. Koch	Member	12/31/2014
Emily "Cate" Wisdom	Student Member	12/31/2010

Ex officio Members:

The Honorable Bill Richardson	Governor of the State of New Mexico
Dr. Veronica Garcia	Secretary of Education

Advisors:

Douglas Fields	President, Faculty Senate
Monika Roberts	President, Associated Students of the University of New Mexico
Lissa Knudsen	President, Graduate & Professional Student Association
Elisha Allen	President, Staff Council
Ruth Schifani	President, Alumni Association
Beulah Woodfin	President, UNM Retiree Association
Maria Probasco	President, UNM Parent Association
Anne Yegge	Chair, UNM Foundation

Principal Administrative Officials

University

David J. Schmidly	President
David W. Harris	Executive Vice President for Administration, COO and CFO
Suzanne Ortega	Provost and Executive Vice President for Academic Affairs
Dr. Paul Roth	Executive Vice President, Health Sciences Center

UNM Hospitals

Stephen W. McKernan	Chief Executive Officer & Vice President for Hospital Operations
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Principal Financial Officials

Main Campus

Ava J. Lovell	Vice President, HSC/UNM Finance & University Controller
Andrew Cullen	Associate Vice President of Budget, Planning and Analysis
Elizabeth Metzger	Chief Finance & Treasury Officer, Financial Services

Health Sciences Center

Ava J. Lovell	Vice President, HSC/UNM Finance & University Controller
Robert Fondino	Chief Budget & Finance Officer, HSC

UNM Hospitals

Ella B. Watt	Chief Financial Officer
Valri Ward	Executive Director of Finance & Controller

THE UNIVERSITY OF NEW MEXICO

June 30, 2009

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Independent Auditors' Report

Board of Regents
University of New Mexico and
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of the University of New Mexico (University) as of and for the years ended June 30, 2009 and 2008, which collectively comprise the University's basic financials statements as listed in the accompanying table of contents. We have also audited the budget comparisons presented as supplemental information for the year ended June 30, 2009, as listed in the accompanying table of contents. These basic financial statements and budget comparisons are the responsibility of the University's management. Our responsibility is to express opinions on these basic financial statements and budget comparisons based on our audits. We did not audit the financial statements of the UNM Hospital, UNM Psychiatric Center, or UNM Children's Psychiatric Center, collectively known as the clinical operations of the University (clinical operations) or the financial statements of the UNM Medical Group, a blended component unit (blended component unit). The financial statements of the clinical operations and the blended component unit reflect total assets of 27% and 25%, and total revenues of 40% and 36%, for the years ended June 30, 2009 and 2008, respectively, of the related totals. The 2009 and 2008 financial statements of the clinical operations and the blended component unit were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the clinical operations and the blended component unit, is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements,

Board of Regents
University of New Mexico and
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New Mexico State Auditor

assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinions.

As discussed in Note 1, the financial statements of the University are intended to present the financial position and changes in financial position and cash flows of only that portion of the business type activities of the State of New Mexico that is attributable 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, 2009 and 2008, the changes in its financial position or its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements of the University 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, 2009 and 2008, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget comparisons referred to above present fairly, in all material respects the budgetary comparison for the year ended June 30, 2009 in conformity with the budgetary basis of accounting prescribed by the New Mexico Administrative Code, as more fully described in the budgetary schedules, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2009, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audits and the reports of other auditors.

Board of Regents
University of New Mexico and
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New Mexico State Auditor

Management's Discussion and Analysis and the required supplemental information on page 92 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the basic financial statements and the budget comparisons. The accompanying Schedule of Expenditures of Federal Awards (Schedule 9) is presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non -Profit Organizations*, and is not a required part of the basic financial statements. In addition, the Schedule of Pledged Collateral (Schedule 7), Schedule of Individual Deposit and Investment Accounts (Schedule 8), Schedule of Pledged Revenue (Schedule 10), and Schedule of Campus Statistics (Schedule 11) 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, the Schedule of Pledged Collateral, and the Schedule of Individual Deposit and Investment Accounts have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Pledged Revenue and Schedule of Campus Statistics have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on them.

Moss Adams LLP

Albuquerque, New Mexico
November 13, 2009

THE UNIVERSITY OF NEW MEXICO

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THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2009

The following discussion and analysis provides an overview of the financial position and activities of The University of New Mexico (University or UNM) as of and for the years ended June 30, 2009, 2008, and 2007. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the basic financial statements and the related note disclosures along with this discussion and analysis. As such, the basic financial statements, notes and this discussion are the responsibility of University management.

This Management's Discussion and Analysis (MD&A) includes comparative financial information for fiscal years 2009, 2008, and 2007, of the primary institution, which includes the UNM Medical Group, a blended component unit. The MD&A does not include information of the discretely presented component units, for which separately issued financial statements are available.

Using the Basic Financial Statements

The Statement of Net Assets presents the assets, liabilities and net assets of the University as of the end of the fiscal year. The Statement of Net Assets is a point-in-time financial statement, the purpose of which is to give the readers of the financial statements a fiscal snapshot of the University. The statement presents end-of-year data concerning assets (current and non-current), liabilities (current and noncurrent), and net assets (assets minus liabilities).

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Assets. This statement begins with a presentation of the *operating* revenues received by the institution. Operating revenues are defined by Governmental Accounting Standards as revenues arising from an exchange (earned) transaction. In a public university, such as UNM, income from state government appropriations, although not earned, are heavily relied upon to pay operating expenses for almost all instruction and general programs. **However, Governmental Accounting Standards define state appropriation income as non-operating revenue, causing the presentation of a large operating loss on the first page of the Statement of Revenues, Expenses, and Changes in Net Assets. The operating loss is offset by *non-operating* revenues in the next section of this statement, **Non-operating Revenues (Expenses)**.**

The final statement presented is the Statement of Cash Flows. The Statement of Cash Flows presents the inflows and outflows of cash, summarized by operating, capital, financing and investing activities. The statement is prepared using the direct method of cash flows, and as such, presents gross rather than net, amounts for the year's activities.

NET ASSETS AND REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The University of New Mexico Condensed Summary of Net Assets As of June 30

ASSETS	<u>2009</u>	<u>2008</u>	<u>2007</u>
Current assets	\$ 759,899,464	\$ 746,019,365	\$ 567,958,497
Capital assets, net	1,143,142,757	1,068,662,755	954,002,967
Non-current assets	<u>357,998,993</u>	<u>445,220,640</u>	<u>443,576,535</u>
Total assets	<u>\$ 2,261,041,214</u>	<u>\$ 2,259,902,760</u>	<u>\$ 1,965,537,999</u>
LIABILITIES	<u>2009</u>	<u>2008</u>	<u>2007</u>
Current liabilities	\$ 247,075,955	\$ 226,417,083	\$ 218,047,182
Non-current liabilities	<u>662,491,595</u>	<u>677,051,839</u>	<u>546,600,411</u>
Total liabilities	<u>\$ 909,567,550</u>	<u>\$ 903,468,922</u>	<u>\$ 764,647,593</u>
NET ASSETS	<u>2009</u>	<u>2008</u>	<u>2007</u>
Invested in capital assets, net of related debt	\$ 641,406,303	\$ 572,820,785	\$ 499,489,161
Restricted	267,573,511	361,689,048	337,153,924
Unrestricted	<u>442,493,850</u>	<u>421,924,005</u>	<u>364,247,321</u>
Total net assets	<u>\$ 1,351,473,664</u>	<u>\$ 1,356,433,838</u>	<u>\$ 1,200,890,406</u>

Current Assets and Liabilities

Current assets include cash and other assets that are deemed to be consumed or convertible to cash within one year. The most significant current assets of the University are cash and cash equivalents and short-term investments consisting of certificates of deposit, U.S. Treasury Bills and other government-backed securities totaling \$549.0 million, \$543.0 million and \$369.6 million as of June 30, 2009, 2008, and 2007 respectively.

Current liabilities are generally defined as amounts due within one year, and include accounts payable, payroll accruals, deferred revenue and accrued compensated absences. The 9.1% increase in current liabilities for the year ended June 30, 2009 is primarily due to increases in accounts payable, accrued payroll and accrued compensated absences.

At June 30, 2009, the University's current ratio, the amount of current assets (\$759.9 million) available to cover current liabilities (\$247.1 million), was 3.08 to 1. At June 30, 2008, the University's current ratio, the amount of current assets (\$746.0 million) available to cover current liabilities (\$226.4 million), was 3.3 to 1. At June 30, 2007, the University's current ratio, the amount of current assets (\$568.0 million) available to cover current liabilities (\$218.0 million), was 2.61 to 1.

Capital and Debt Activity

Capital assets are the largest category of non-current assets, and are shown net of accumulated depreciation, at \$1.14 billion and \$1.07 billion as of June 30, 2009 and 2008, respectively. During fiscal year 2009, the largest capital asset additions for the University were within Buildings. Overall, the University increased Buildings by \$74.9 million in FY09, compared to a net increase of \$98.0 million in FY08 and a net increase in FY07 of \$24.3 million. The University's increase in Buildings in FY09 is primarily due to construction of new buildings as well as renovations to existing buildings. The major constructed addition was the \$39.6 million dollar Centennial Engineering Building. The University also built the SE Heights Clinic, RIB (Research Incubator Building) and the Teen Health Center building which totaled \$11.7 million. Renovations to eight existing buildings during FY09 totaled \$19.8 million. In addition, the University's new Student Success Center was capitalized in FY09 for \$2.0 million. The branch campuses added one building for approximately \$1.0 million.

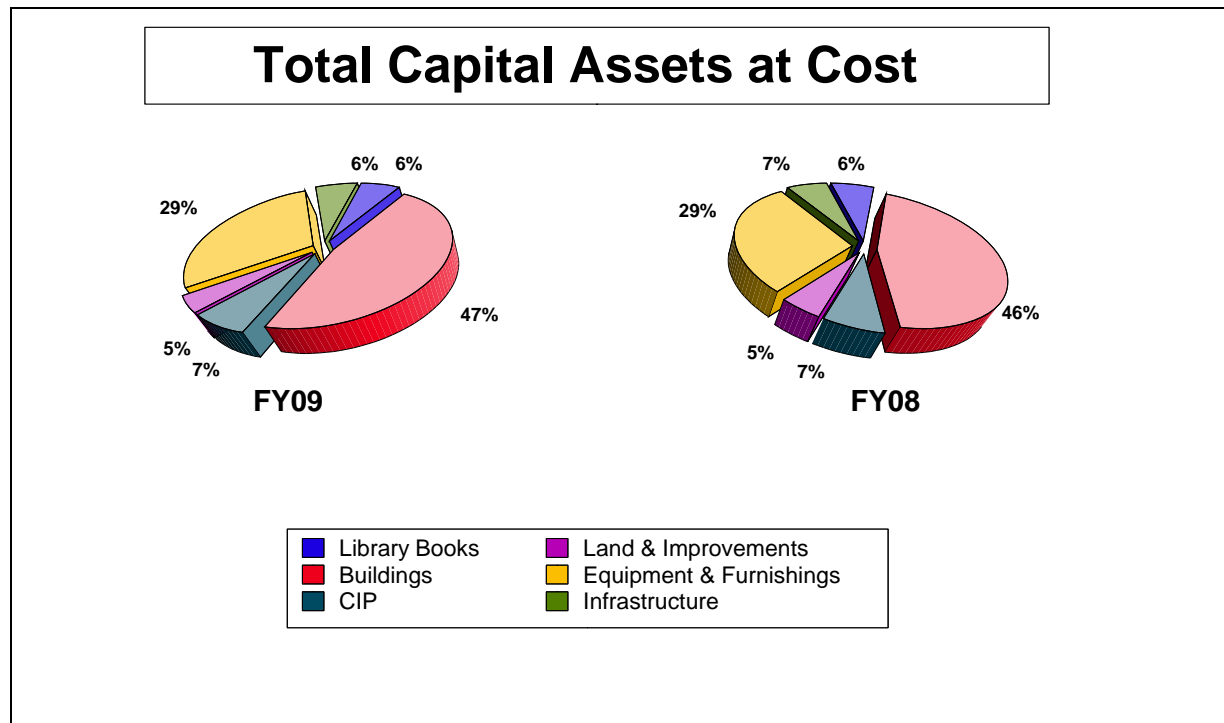
Capital projects currently in construction include the Science & Mathematics Learning Center. This four-floor facility will promote freshmen level interaction between four departments: Mathematics, Chemistry, Biology and Earth & Planetary Sciences. Spaces include a 200-seat auditorium, meeting lobby, study areas, offices for Mathematics faculty and Chemistry laboratory classrooms. Site improvements will include pedestrian circulation through and around the new facility as well as vehicular delivery capacity. This project is designed to a LEED (Leadership in Energy and Environmental Design) silver certification standard. Also in construction is the University Arena ("The Pit") Expansion and Renovation Project. This project will renovate the existing facility, upgrading and renovating spectator amenities such as the Lobo Store, ticketing, concessions and restrooms. Concourse areas will be renovated to relieve crowding. Additional spectator areas include club and suite spaces. Back of house spaces that will be renovated are the men's and women's locker rooms, and media and press areas. Strength training and sports medicine are new functions to The Pit. A new commissary supporting the food requirements of concessions and catering is included. Currently, plans are underway to open The Pit for games during the 2009-2010 season.

Capital projects in planning and design include a parking structure at the former Bureau of Business & Economic Research (BBER) site near the intersection of Lomas and Yale Boulevards. The structure will provide approximately 785 parking spaces on six levels. Total project budget is \$17.75 million funded by 2007 UNM Bonds. Also in planning and design is a 12,500 square foot Dental Residency Clinic, with anticipated expansion to 20,000 square feet. The clinic will feature 11 general dentistry operatories, 2 surgery rooms, 5 hygienist stations, 3 operator & hygiene prep/sterilization stations, a residency work/study area, a telemedicine classroom, administrative offices and clinical support space. Services will include general dentistry, Medicare, Medicaid and special-needs patient care, serving an estimated 45,000 patient visits annually. The additional expansion will allow for the program's enrollment expansion of 10 residents in general dentistry. The selected site is on Camino de Salud, east of the UNM Children's Campus. All clinic staff, equipment and furnishings currently located at the leased Louisiana Boulevard facility will be relocated to the new clinic.

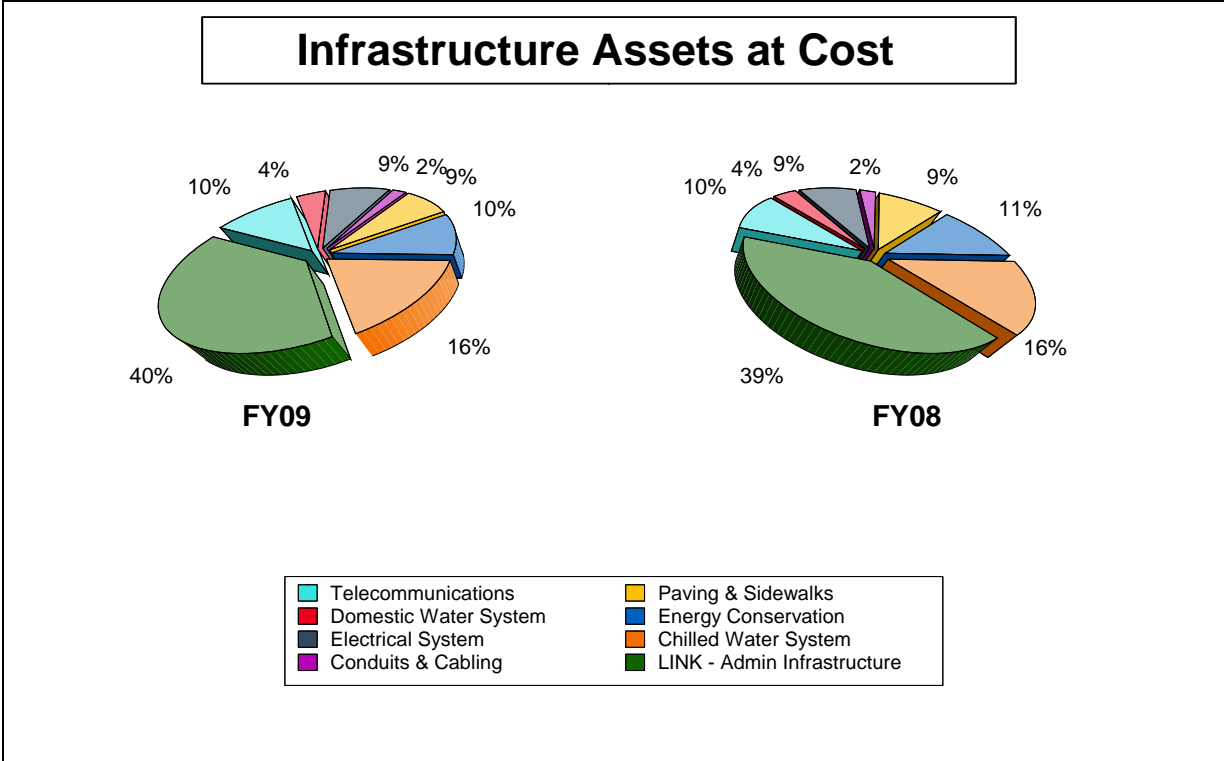
Capital asset expenditures for Clinical Operations were \$35.3 million in 2009, as compared to expenditures of \$41.3 million in 2008, and \$110.1 million in 2007 respectively. Within Clinical Operations during FY09, the largest capital increase was within the major moveable equipment (\$11.0 million), building service equipment (\$9.0 million), land, building and improvements (\$3.9 million) and construction in progress (\$2.7 million). The largest capital expenditures in major moveable equipment

include the Allura Xper FD20 Biplane System (\$1.8 million), the daVinci S System – Surgical Robot (\$1.7 million), the Allura Xper FD20 Single Plane System (\$1.2 million), the Pharmacy system to Cerner Millenium (\$914,460), and the Symbia T Spect CT (\$671,293). The largest capital expenditures in construction in progress include 3-West Cardiac Cath Lab Backfill (\$4.1 million), computerized physician order entry (\$3.2 million), 3rd Floor South Renovation (\$2.4 million), and Emergency Operations – Chilled Water (\$2.4 million).

UNM's long-term debt, bonds payable, totaled \$640.1 million and \$658.0 million at June 30, 2009 and 2008, respectively. The University sold \$136.7 million in bonds during fiscal year 2008 to fund a variety of projects, including but not limited to: the purchase and renovation of a 120,000 square foot building to house the University Hospital Business operations, construction of new parking structures, classroom modernization, and renovation and improvement to the University's athletic facilities. Many of these projects will be self-supporting.



Infrastructure assets are defined as long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets and that normally are stationary in nature. Examples of University infrastructure assets include domestic water systems, conduit and cabling systems, and the telecommunications systems. The following charts show a breakdown of infrastructure assets at UNM.



**Condensed Summary of Revenues, Expenses and Changes in Net Assets
For the years ended June 30**

OPERATING REVENUES BY MAJOR SOURCE

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tuition and fees	\$ 93,910,782	\$ 94,752,894	\$ 91,687,417
Grants and contracts	312,160,209	288,706,531	268,162,204
Clinical operations	477,891,042	381,510,475	316,139,010
Patient services, net	198,766,660	168,189,995	133,379,950
Sales and services	102,332,413	104,881,546	103,402,512
Other operating revenues	<u>34,621,427</u>	<u>31,989,816</u>	<u>32,585,167</u>
Total operating revenues	<u>\$ 1,219,682,533</u>	<u>\$ 1,070,031,257</u>	<u>\$ 945,356,260</u>

OPERATING EXPENSES BY MAJOR FUNCTION

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction	\$ 238,598,428	\$ 224,731,491	\$ 208,476,169
Research	150,673,876	142,389,365	132,105,790
Public service	299,849,544	262,645,417	222,396,808
Academic support	43,905,184	40,896,777	39,165,662
Student services	27,043,487	26,013,764	23,156,558
Institutional support	61,491,784	58,527,904	52,434,568
Operations of plant	127,893,629	112,498,528	110,980,705
Student aid and activities	47,364,322	44,616,583	43,014,797
Intercollegiate athletics	29,110,577	27,856,989	23,885,278
Auxiliary enterprises	58,797,263	58,249,675	56,900,903
Other operating expenses	45,535,286	42,619,155	39,477,098
Clinical operations	<u>524,656,248</u>	<u>459,129,518</u>	<u>382,939,552</u>
Total operating expenses	<u>\$1,654,919,628</u>	<u>\$1,500,175,166</u>	<u>\$1,334,933,888</u>

NON-OPERATING REVENUES (EXPENSES)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Appropriations	\$ 329,307,825	\$ 346,044,844	\$ 295,424,572
Gifts	24,807,398	35,838,414	22,504,697
Clinical operations	82,289,640	112,350,113	89,260,571
Investment income (loss)	(58,056,204)	16,148,502	88,477,470
Other non-operating expenses	4,427,971	1,872,106	4,694,158
Capital gifts, grants and appropriations	<u>47,500,291</u>	<u>73,433,362</u>	<u>49,313,017</u>
Net non-operating revenues	<u>\$ 430,276,921</u>	<u>\$ 585,687,341</u>	<u>\$ 549,674,485</u>

Income after other revenues, expenses, gains and losses	<u>\$ (4,960,174)</u>	<u>\$ 155,543,432</u>	<u>\$ 160,096,857</u>
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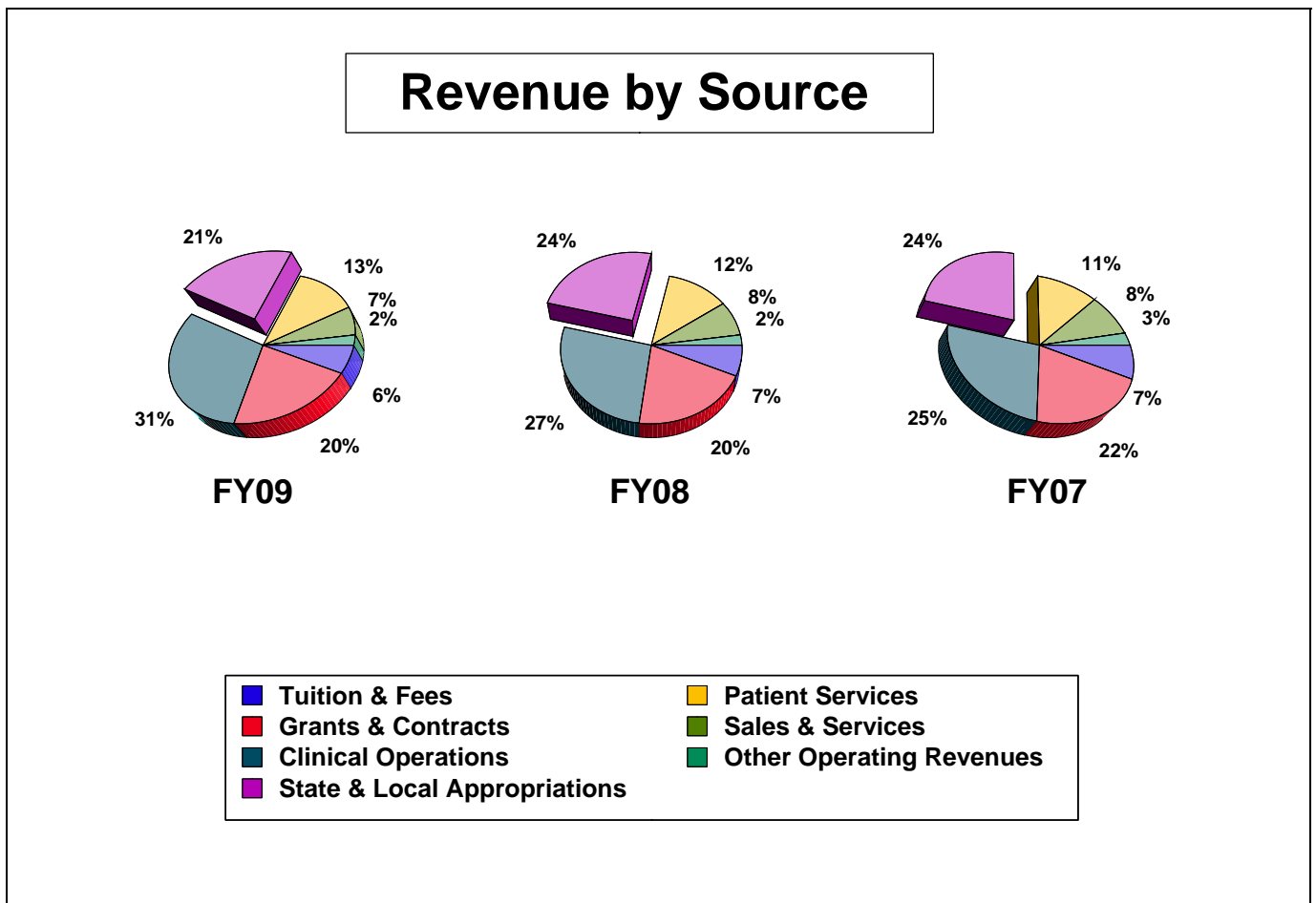
Total increase in net assets	\$ (4,960,174)	\$ 155,543,432	\$ 160,096,857
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Net assets at beginning of year	<u>\$1,356,433,838</u>	<u>\$1,200,890,406</u>	<u>\$1,040,793,549</u>
Net assets at end of year	<u>\$1,351,473,664</u>	<u>\$1,356,433,838</u>	<u>\$1,200,890,406</u>

Revenues and Expenses

The presentation of revenues in the GASB reporting model requires that we exclude state and local appropriation income when calculating the financial results of operations. This presentation method results in an “operating loss”. The operating loss is offset by “non-operating revenues (expenses)” to arrive at an actual result of operations amount. The definition of “non-operating revenues” revolves around the concept of exchange versus non-exchange transactions. State and local appropriations, along with the Bernalillo County Mill Levy, are considered revenues from non-exchange transactions, because they do not involve an exchange of value for value. Conversely, tuition income is defined as “operating revenue,” because a student pays tuition (value) to receive an education (value). Other non-operating revenues are gifts and income from investing and capital activities.

Although State of New Mexico appropriations are considered non-operating revenues in the basic financial statements, the University uses these funds to support all instruction and general programs. If state and local appropriations were included in operating revenues, they would comprise 21%, 24%, and 24% of total operating revenues for fiscal years 2009, 2008, and 2007 respectively. The following chart depicts operating revenues (with state and local appropriations) by source (some categories have been combined).



Operating Revenues

The changes in operating revenue for the University over the fiscal years of 2007, 2008, and 2009 show increases of 13.2% for 2008 over 2007 and 14.0% for 2009 over 2008. Additional enrollment and tuition rate increases in academic functions of the University are:

	<u>Fall 2008</u>	<u>Fall 2007</u>	<u>Fall 2006</u>
Enrollment increase(decrease)	2.0%	(0.8)%	(1.7)%
Tuition rate increase	5.8%	5.4%	5.6%

The predicted increases in enrollment for 2008 have been realized, and continued enrollment growth in the spring semester will equate to increased state funding from breaking out of the 3% enrollment band in the “base plus” formula model. Robust growth in all student level categories is projected for 2009. Three out of four Branch campuses should also see substantially increased enrollment. The emphasis on retention has been successful and when this factor is combined with an expected increase in new students and market conditions very favorable to enrollments at flagship public universities, the result is a period of forecasted growth.

Revenue from patient services and Clinical Operations is a significant portion of the University’s total net operating revenue. It is comprised of gross patient revenue, net of contractual allowances, charity care, provision for doubtful accounts, and any third-party cost report settlements. Revenue from patient services and Clinical Operations increased by 23.1% from FY08 to FY09 and 22.3% from FY07 to FY08.

UNM Health Sciences Center (HSC) encourages all patients to apply for financial assistance. UNM HSC offers a financial assistance program called UNM care. This program assigns patients primary care providers and allows them to receive care throughout UNM HSC locations. This program is available to Bernalillo County residents whose income is below 235% of the federal poverty level. As of June 30, 2009, 2008 and 2007, there were 24,697, 20,464 and 21,524 active enrollees, respectively. UNM HSC does not pursue collection of amounts determined to qualify as charity care, they are deducted from gross revenue.

UNM HSC also provides services to patients who do not have any form of health care insurance or do not qualify under any other financial assistance program. UNM HSC encourages patients to meet with a financial counselor to develop payment arrangements. Although UNM HSC pursues collection of these accounts usually through an extended payment plan or a discounted rate, interest is not charged on these accounts, nor are liens placed on property or assets, or judgments filed against these patients. These accounts are fully reserved and recorded as provision for uncollectible accounts. Provision expense recorded for fiscal years 2009, 2008 and 2007 was \$121,975,483, \$116,043,743 and \$91,199,016, respectively.

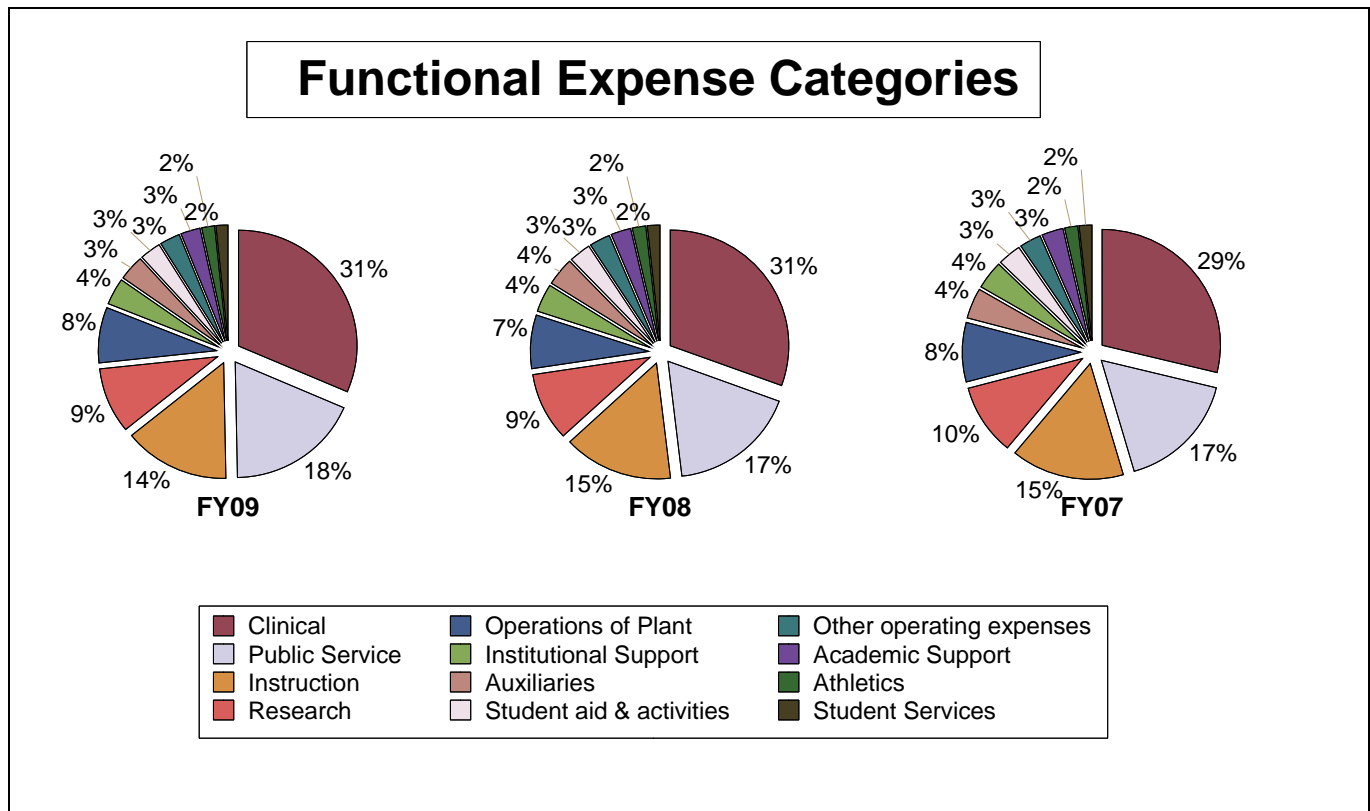
UNM HSC incurs costs associated with providing charity care and other services for which payment is not received. As of June 30, 2009, the estimated cost of care for providing these services was \$178.0 million compared to \$161.7 million in FY08 and \$152.7 million in FY07.

Non-operating Revenues/Expenses

The net non-operating revenue decreased by 26.5% from FY08 to FY09 and increased by 6.6% from FY07 to FY08. Non-operating revenue is primarily driven by gifts received by the University, state appropriations, and investment income/loss. The major reason for the decrease in non-operating revenue in FY09 is a \$74.2 million decrease in investment revenue due to poor investment market conditions, which includes a \$30.6 million decrease in the University’s portion of State Land and Permanent Fund revenue. Other significant reasons for the decrease are a \$25.9 million decrease in capital gifts, grants and appropriations, a \$17.2 million decrease in state appropriations due to a mid-year rescission of 2.5%, and an \$11.0 million decrease in gifts to the University.

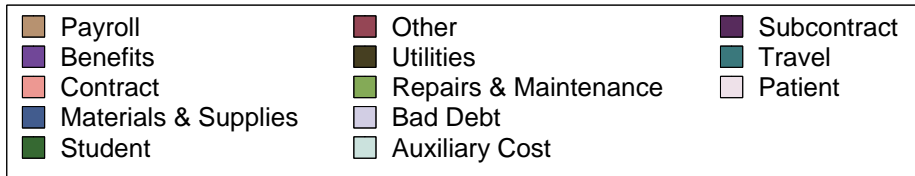
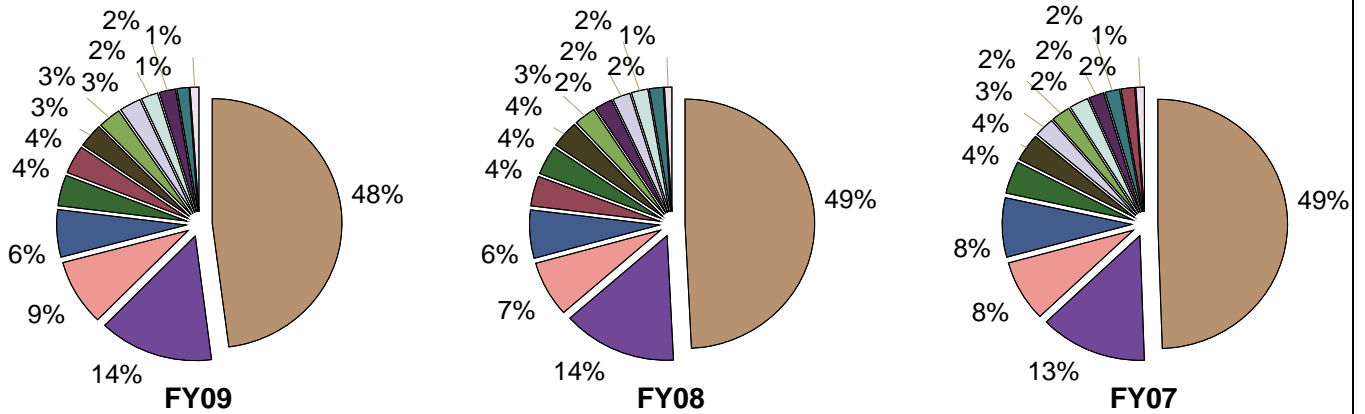
Operating Expenses

The GASB reporting model allows public universities to present operating expenses in either a functional or natural format. UNM chose to present expenses on the Statement of Revenues, Expenses and Changes in Net Assets by the major functions of the University. The chart below shows the distribution of operating expenses by functional category (smaller categories have been combined).



The charts below show total expenses by natural category (excluding clinical operations and component units) for the years ended June 30, 2009, 2008, and 2007.

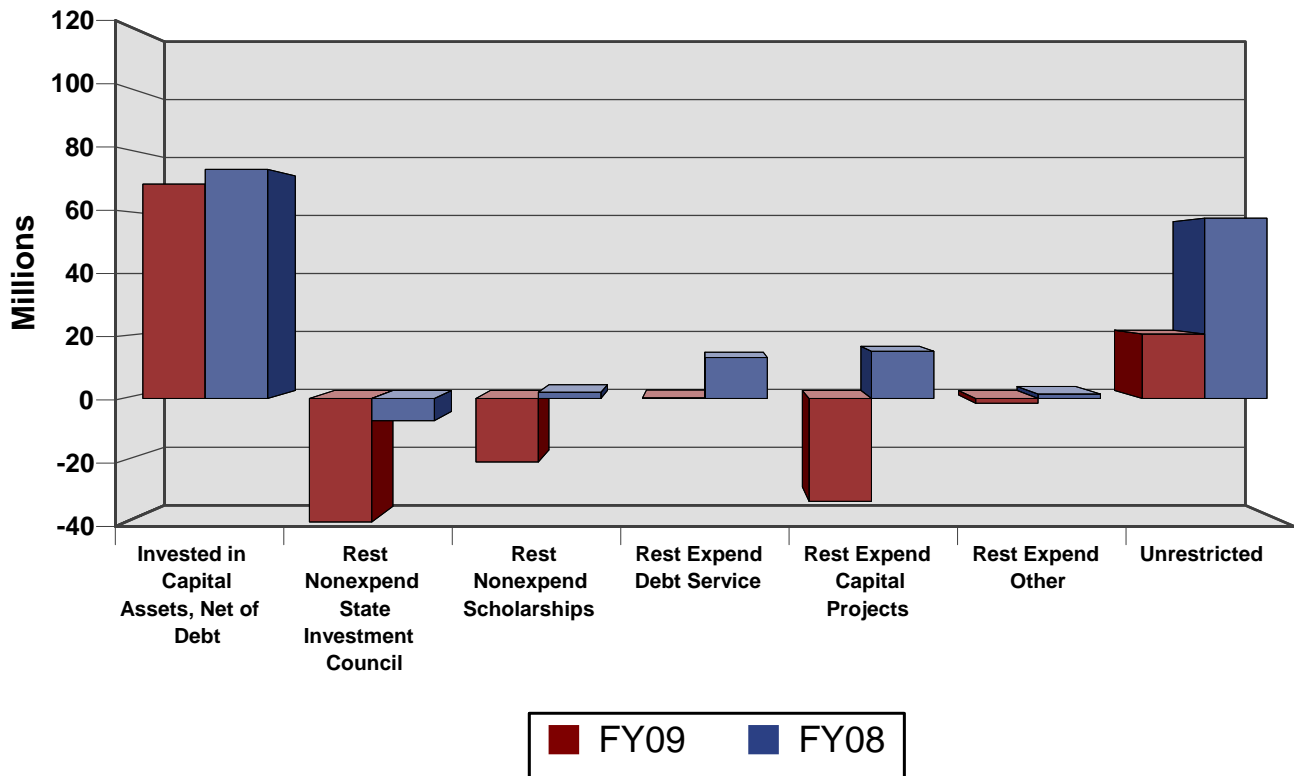
Natural Expense Categories



Change in Net Assets

The University's total change in net assets showed a net decrease of \$5.0 million for FY09 and a net increase of \$155.5 million for FY08. Total net assets (assets minus liabilities) are classified by the University's ability to use these assets to meet operating needs. Net assets that are restricted as to their use by sponsoring agencies, donors or other non-UNM entities are classified as either, "non-expendable" or "expendable". Restricted nonexpendable net assets are true endowments and State Land and Permanent Fund assets. Restricted expendable net assets are those generated by contracts or grants, gifts, and assets required to be set aside for debt service. The restricted net assets are further classified in general terms as to the function for which they must be used. Unrestricted net assets may be used to meet all operating needs of the University. Net Assets decreased approximately \$5 million in FY09. Some of the major reasons for the decrease include a \$39.5 million decrease in the net assets of the State Land and Permanent Fund and a \$20.3 million decrease in the net assets of non-expendable scholarships due to the effect of poor market conditions on endowments. The chart below shows the change in net assets by category for the fiscal years ended June 30, 2009 and 2008.

Change in Net Assets



Budget Activity

Original budgets for each fiscal year are prepared many months in advance based on prior year expenditures and revenue activity as well as best estimates of projected revenue and expenditure activity for the budgeted year. During the fiscal year, it is necessary to revise the original budgets to more accurately reflect current needs of the institution and to highlight unanticipated events in both revenue and expenditures.

The most significant event in FY09 was the state appropriation rescission of 2.5% that affected Instruction and General and Special Project funding for all UNM Campuses. Main Campus and Branch state appropriations were reduced mid-year by \$5.8 million. Actual revenues were less than budgeted revenues mainly due to the fact that contract and grant revenues were lower than expected. For Main Campus, actual expenditures were less than budgeted expenditures largely due to the need to budget enough expenditure authority for unanticipated events.

For the Health Sciences Center, adjustments were made in instruction and general, public service, and independent operations to reflect the 2.5% state appropriation rescission. The public service budget was increased. The increase was due to increases in patient revenue and private gift revenue. In addition, there were increases in clinical expenses and bad debt expenses. In independent operations, sales and services were greater than the original budget for Carrie Tingley Hospital, Children's Psychiatric Hospital, and UNM Medical Group; likewise, the expenses for Carrie Tingley Hospital, Children's Psychiatric Hospital, and UNM Medical Group were greater than the original budget. The instruction and general budget was increased to reflect the Higher Education Department's award to the College of Nursing, the additional Nursing compensation, and an increase in F&A revenue.

Overall, the University's change in net assets on a budgetary basis for unrestricted and restricted funds was a decrease of \$29 million (see Schedule 2). The majority of the change is in the plant fund area and is a result of spending UNM 2005 and 2007 bond proceeds on capital projects and expending 2008 one-time BRR monies.

Endowments

At June 30, 2009, the University of New Mexico's endowment assets totaled more than \$396 million including approximately \$268 million in the Consolidated Investment Fund and more than \$128 million for the University's share of the State Permanent Fund.

The University Of New Mexico Board Of Regents has delegated authority to the UNM Foundation Investment Committee to act as the official "Advisory Committee" to oversee and manage the combined endowment assets of the University and the Foundation. The pooled assets are combined for investment purposes and operated as a unitized pool known as the Consolidated Investment Fund (CIF).

FY09 was an extremely difficult year for the investment markets. The CIF finished the fiscal year with a market value of approximately \$268 million, down from approximately \$330 million at the end of FY08. In FY09, investment returns were down in all asset classes with the exception of the fixed income portion of the portfolio, and overall the portfolio was down -20.5%. U.S. equities and International equities posted returns of -24.0% and -30.0% respectively for the fiscal year. The fixed income portion of the portfolio returned +3.1%. Real assets were down -46.6%. Marketable alternatives provided some downside protection returning -8.6% for the fiscal year. In addition to the

customary investment management expenses, a development funding allocation of 1.15% of the market value was allocated from each participating fund in the CIF for FY09. The CIF is a well-diversified fund with an asset allocation consisting of approximately 19% U.S. equity, 21% international equity, 23% fixed income/cash, 7% private equity, 8% real assets and 22% other marketable alternative investments at June 30, 2009.

The Foundation and the University recognize the need to provide a steady and reasonably predictable stream of income while protecting the real value of the principal of the endowment and has therefore adopted a spending policy that is based on a 12 quarter moving average and a distribution rate in the range of 4 to 6 percent. For FY09, the spending distribution rate was set at 4.65%, which provided approximately \$14.8 million in funding for the various schools, colleges and programs that benefit from the endowment program, up from approximately \$14 million in FY08. This fiscal year was unusual because of a change in New Mexico state law, resulting in a unique event. Approximately \$6.4 million of the spending distribution was made available on June 30th consistent with the conventional practice. Another \$6.5 million was distributed on July 1st (the next fiscal year) to comply with the new law. On August 24th an additional \$1.9 million was distributed from state matching fund endowments. This further delay was necessary in order to make certain that distribution from state matching endowed funds was permissible with the recent changes in state law.

Sponsored Programs

The University of New Mexico is a Carnegie Doctoral-Granting Research University/Very High research activity (RU/VH) - one of 96 nationwide. 63 public and 33 private institutions carry this high distinction. In order to be classified as such an institution, universities must offer a full range of baccalaureate programs, be committed to graduate education through the doctorate, give high priority to research, award 20 or more doctoral degrees each year, and be in the upper third of research expenditures compared to other doctoral granting universities.

During FY09, federal and state agencies, industry, foundations and national laboratories provided \$328.2 million in contract and grant awards to UNM for sponsored projects ranging from engineering to medicine and education to the humanities. The Main Campus and Branches were awarded \$190.1 million, and the Health Sciences Center (HSC) was awarded \$138.1 million.

The majority of contracts and grants, 65%, were awarded by federal agencies, while the remaining came from the following sources: State of New Mexico, 18%; foundations, 5%; industry, 3%; national laboratories, 2%; and other, 7%.

Among UNM Main Campus outstanding research units are the Center for High Technology Materials, the Center for Alcoholism, Substance Abuse and Addictions and the Center for Micro Engineered Materials. HSC's key research programs focus on the health issues of New Mexicans. Major research units at HSC include the Cancer Research and Treatment Center, General Clinical Research Center, and the Center for Infectious Disease and Immunity.

Factors Impacting Future Periods

The University of New Mexico broke ground on the Phase I building of its UNM-West campus in the City of Rio Rancho on February 6, 2009. The Phase I building will provide space for classrooms, a bookstore, a food service area, office space for student support, and for the UNM Medical Group as they

prepare for construction of a hospital at the UNM-West campus site. The 42,000 sq. ft., two-story building will sit on an eight and one-half acre site, master planned to ensure that future buildings will be appropriately sited around a shared parking lot. Estimated construction costs of the Phase I building is \$10.5 million. Sandia Foundation is financing the construction with plans being developed for UNM to purchase the facility post-construction. The initial infrastructure costs of approximately \$860,000 are being paid by the City of Rio Rancho, as well as half the cost for purchasing the building. Funding is being provided from a gross receipt tax that citizens of Rio Rancho voted upon themselves in 2007 to support development of UNM-West. Plans are still being developed for the UNM Sandoval County Regional Medical Center, also to be constructed at the UNM-West campus site.

The State of New Mexico legislature will convene for a special session in October 2009 to discuss balancing the state's fiscal year 2010 budget amid a projected revenue shortfall. There is a probability that the University will incur a mid-year budget rescission in state funding. The amount of the rescission, if any, will be determined during the special session and is unknown at this time.

On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) of 2009 was passed by the United States Congress and signed into law by the President. ARRA is an economic stimulus package that allocates \$787 billion in Recovery funds to twenty-eight different federal agencies, who then award grants and contracts to state governments, schools, hospitals, contractors, or other organizations. To date, the University of New Mexico has been awarded approximately \$34 million in ARRA funding.

In the fall of 2009, Congress will be addressing the President's healthcare reform initiative. The key elements of this reform initiative are (1) to provide universal healthcare coverage to those Americans who are currently uninsured, and (2) to establish cost containment measures for escalating healthcare costs over future years. Finalized plans or acts have not been passed at this time.

The Centers for Medicare and Medicaid Services (CMS) also issued proposed changes to the Medicare Physician Fee Schedule (MPFS) for 2010. After reviewing public comments, CMS will publish a final rule by November 1, 2009, to become effective for services furnished beginning January 1, 2010. Finalized information is not available at this time.

The Governmental Accounting Standards Board (GASB) issued Statement No. 53, Accounting and Financial Reporting for Derivative Instruments in June, 2008. This new accounting standard aims to improve the quality of financial reporting by requiring state and local government to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. GASB Statement No. 53 requires changes in the fair value of hedging derivative instruments to be recognized under hedge accounting, whereby the changes in fair values are reported as either deferred inflows or deferred outflows in the statement of net assets. Changes in the fair value of investment derivative instruments are reported within the investment revenue classification in the statement of revenues, expenses, and changes in net assets. GASB Statement No. 53 is effective for periods beginning after June 15, 2009, and earlier application is encouraged. The University is currently evaluating the impact GASB Statement No. 53 will have on the financial statements.

Requests for Additional Financial Information

This financial report is designed to provide the executive and legislative branches of the State of New Mexico, the public, the University's retailers and vendors and other interested parties with a general overview of the financial position as of June 30, 2009 and 2008, and the results of its operations, cash flows, and variances from the budgets for the years then ended for the University of New Mexico.

If you have any questions about this report or need additional financial information, contact The University of New Mexico, Financial Services, 1700 Lomas NE, Suite 3100, MSC01 1300, Albuquerque, New Mexico 87131.

To download additional copies of this report, or to obtain prior year copies of this report go to <http://www.unm.edu/~conweb/finrep.html> and select the Annual Financial Reports link.

THE UNIVERSITY OF NEW MEXICO

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THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Net Assets as of June 30, 2009 and 2008

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2009	2008	2009	2008
ASSETS				
Current assets				
Cash and cash equivalents (note 3)	\$ 171,350,451	\$ 216,723,607	\$ 42,230,266	\$ 35,143,300
Short-term investments (note 3)	377,636,627	326,306,774	5,763,947	5,192,678
Accounts receivable, net (note 4)	75,349,549	69,802,921	1,875,386	1,904,439
Patient receivables, net (note 4)	82,117,477	76,049,549	-	-
Notes receivable, net (note 5)	5,009,184	6,344,742	-	-
Due from component units	4,306,959	1,118,590	-	-
Estimated third-party payor settlements	15,110,374	23,471,501	-	-
Other receivables, net (note 4)	7,103,766	3,737,631	-	-
Inventories	13,322,561	12,299,996	31,564	20,628
Due from The University of New Mexico	-	-	20,292	57,116
Other current assets	8,592,516	10,164,054	60,532	73,861
Total current assets	\$ 759,899,464	\$ 746,019,365	\$ 49,981,987	\$ 42,392,022
Non-current assets				
Cash and cash equivalents (note 3)	\$ 6,397,871	\$ 3,313,168	\$ -	\$ -
Notes receivable - non-current (note 5)	11,287,149	12,056,789	-	-
State Investment Council assets (note 3)	128,679,553	168,211,831	-	-
Deferred bond issuance costs	4,803,467	5,651,151	-	-
Investments (note 3)	197,899,950	248,488,143	108,927,281	128,213,605
Other non-current assets	8,931,003	7,499,558	9,163,933	6,343,397
Capital assets, net (note 6)	1,143,142,757	1,068,662,755	83,311	125,951
Total non-current assets	\$ 1,501,141,750	\$ 1,513,883,395	\$ 118,174,525	\$ 134,682,953
Total assets	\$ 2,261,041,214	\$ 2,259,902,760	\$ 168,156,512	\$ 177,074,975
LIABILITIES				
Current liabilities				
Accounts payable and accrued payroll (note 7)	\$ 75,616,909	\$ 60,866,399	\$ 966,507	\$ 484,086
Due to The University of New Mexico	-	-	4,306,959	1,118,590
Due to component units	20,292	57,116	-	-
Estimated third-party payor liability	21,814,927	24,001,140	-	-
Accrued compensated absences (note 8)	41,017,962	36,362,136	-	-
Other accrued liabilities (note 9)	40,756,332	38,062,198	-	-
Deferred revenue (note 10)	42,138,396	42,462,316	1,774,259	2,096,053
Bonds payable - current (notes 11 & 12)	14,722,739	14,041,741	-	-
Other current liabilities	3,807,479	3,219,677	693,157	701,347
Deposits and funds held for others	7,180,919	7,344,360	-	-
Total current liabilities	\$ 247,075,955	\$ 226,417,083	\$ 7,740,882	\$ 4,400,076
Non-current liabilities (note 11)				
Bonds payable - non-current (notes 11 & 12)	\$ 640,097,325	\$ 657,991,804	\$ -	\$ -
Student loan program (note 11)	14,539,067	14,793,447	-	-
Net OPEB obligation (note 16)	6,999,000	3,403,000	-	-
Deferred annuities payable	-	145,422	2,766,090	2,547,631
Other non-current liabilities	856,203	718,166	-	-
Total non-current liabilities	\$ 662,491,595	\$ 677,051,839	\$ 2,766,090	\$ 2,547,631
Total liabilities	\$ 909,567,550	\$ 903,468,922	\$ 10,506,972	\$ 6,947,707

EXHIBIT A

Statements of Net Assets as of June 30, 2009 and 2008

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2009	2008	2009	2008
NET ASSETS				
Invested in capital assets, net of related debt	\$ 641,406,303	\$ 572,820,785	\$ 83,311	\$ 125,951
Restricted for:				
Non-expendable:				
State Investment Council	128,679,553	168,211,831	-	-
Scholarships	96,859,297	117,199,275	-	-
Grants, bequests and contributions	-	-	98,973,663	115,346,088
Expendable:				
Scholarships	2,721,984	3,278,916	-	-
Grants, bequests and contributions	2,541,286	3,472,754	-	-
Debt service	20,797,216	20,640,827	-	-
Capital projects	15,974,175	48,885,445	-	-
Other	-	-	46,054,995	40,265,771
Unrestricted	442,493,850	421,924,005	12,537,571	14,389,458
Total net assets	<u>\$ 1,351,473,664</u>	<u>\$ 1,356,433,838</u>	<u>\$ 157,649,540</u>	<u>\$ 170,127,268</u>

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2009 and 2008

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2009	2008	2009	2008
OPERATING REVENUES				
Student tuition and fees (net of scholarship discounts and allowances of \$46,628,284 in 2009 and \$35,398,573 in 2008)	\$ 93,910,782	\$ 94,752,894	\$ -	\$ -
Patient services (net of provision for doubtful accounts of \$23,247,429 in 2009 and \$23,319,707 in 2008) (note 13)	198,766,660	168,189,995	-	-
Federal grants and contracts	211,140,859	203,965,559	-	-
State and local grants and contracts	43,145,857	33,683,548	-	-
State lottery scholarships	25,000,103	22,508,084	-	-
Non-governmental grants and contracts	32,873,390	28,549,340	34,294,000	28,473,828
Sales and services (net of scholarship discounts and allowances of \$7,431,974 in 2009 and \$6,337,933 in 2008)	102,332,413	104,881,546	4,541,653	3,250,631
Other operating revenues	34,621,427	31,989,816	11,570,517	8,574,727
Clinical operations (note 13)				
University of New Mexico Hospital (net of provision for doubtful accounts of \$97,991,199 in 2009 and \$91,412,617 in 2008)	446,299,452	357,842,174	-	-
University of New Mexico Psychiatric Center (net of provision for doubtful accounts of \$351,758 in 2009 and \$704,367 in 2008)	19,753,510	15,549,919	-	-
University of New Mexico Children's Psychiatric Center (net of provision for doubtful accounts of \$385,097 in 2009 and \$607,052 in 2008)	11,838,080	8,118,382	-	-
Total operating revenues	\$ 1,219,682,533	\$ 1,070,031,257	\$ 50,406,170	\$ 40,299,186
OPERATING EXPENSES				
Educational and general				
Instruction	\$ 238,598,428	\$ 224,731,491	\$ -	\$ -
Research	150,673,876	142,389,365	-	-
Public service	299,849,544	262,645,417	-	-
Academic support	43,905,184	40,896,777	-	-
Student services	27,043,487	26,013,764	-	-
Institutional support	61,491,784	58,527,904	-	-
Operations and maintenance of plant	78,536,721	65,504,557	-	-
Depreciation expense	49,356,908	46,993,971	-	-
Student aid	40,802,935	38,494,172	-	-
Student activities	6,561,387	6,122,411	-	-
Intercollegiate athletics	29,110,577	27,856,989	-	-
Auxiliary enterprises	58,797,263	58,249,675	-	-
Other operating expenses	45,535,286	42,619,155	45,916,276	48,928,737
Clinical operations				
University of New Mexico Hospital	478,460,047	419,978,670	-	-
University of New Mexico Psychiatric Center	28,156,742	24,429,970	-	-
University of New Mexico Children's Psychiatric Center	18,039,459	14,720,878	-	-
Total operating expenses	\$ 1,654,919,628	\$ 1,500,175,166	\$ 45,916,276	\$ 48,928,737
Operating income (loss)	\$ (435,237,095)	\$ (430,143,909)	\$ 4,489,894	\$ (8,629,551)

EXHIBIT B

Statements of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2009 and 2008

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2009	2008	2009	2008
NON-OPERATING REVENUES (EXPENSES)				
State appropriations	\$ 323,186,061	\$ 340,410,735	\$ -	\$ -
Local appropriations	6,121,764	5,634,109	-	-
Gifts	24,807,398	35,838,414	-	-
Investment income (loss) (note 3)	(58,056,204)	16,148,502	(24,808,932)	2,786,466
Other non-operating revenues (expenses)	25,391,073	21,256,289	75,376	(93,032)
Interest on capital asset-related debt	(20,922,338)	(18,291,415)	-	-
Loss on disposal of capital assets	(40,764)	(1,092,768)	-	-
Clinical operations				
University of New Mexico Hospital	64,200,002	94,997,396	-	-
University of New Mexico Psychiatric Center	10,557,038	10,083,017	-	-
University of New Mexico Children's Psychiatric Center	7,532,600	7,269,700	-	-
Net non-operating revenues	<u>\$ 382,776,630</u>	<u>\$ 512,253,979</u>	<u>\$ (24,733,556)</u>	<u>\$ 2,693,434</u>
Income (loss) before other revenues, expenses, gains and losses	<u>\$ (52,460,465)</u>	<u>\$ 82,110,070</u>	<u>\$ (20,243,662)</u>	<u>\$ (5,936,117)</u>
Capital appropriations	\$ 38,347,440	\$ 62,580,953	\$ -	\$ -
Capital grants and gifts	9,152,851	10,852,409	-	-
Contributions to permanent endowments	-	-	7,765,934	14,181,638
Total other revenues	<u>\$ 47,500,291</u>	<u>\$ 73,433,362</u>	<u>\$ 7,765,934</u>	<u>\$ 14,181,638</u>
Change in net assets	<u>\$ (4,960,174)</u>	<u>\$ 155,543,432</u>	<u>\$ (12,477,728)</u>	<u>\$ 8,245,521</u>
NET ASSETS				
Net assets at beginning of year	1,356,433,838	1,200,890,406	170,127,268	161,881,747
Net assets at end of year	<u>\$ 1,351,473,664</u>	<u>\$ 1,356,433,838</u>	<u>\$ 157,649,540</u>	<u>\$ 170,127,268</u>

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Cash Flows for the years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 99,911,093	\$ 92,053,801
Grants and contracts	315,298,423	300,733,566
Insurance and patients	677,651,887	501,010,098
Sales and services	101,726,200	103,175,840
Payments to suppliers	(419,109,339)	(365,723,650)
Payments to employees	(879,584,296)	(723,145,364)
Payments for utilities	(37,036,429)	(37,162,425)
Payments for benefits	(157,008,601)	(154,571,171)
Payments for scholarships and fellowships	(45,827,291)	(42,231,434)
Loans issued to students	(3,520)	(4,309,560)
Collection of loans to students	2,957,742	3,915,194
Other payments	(5,048,668)	(2,146,442)
Net cash used by operating activities	<u>\$ (346,072,799)</u>	<u>\$ (328,401,547)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State appropriations	\$ 339,013,844	\$ 351,375,152
Local appropriations	6,121,764	5,634,109
Bernalillo County mill levy	87,473,613	83,734,750
Land and permanent fund	801,477	691,416
Gifts	24,807,398	35,838,414
Other non-operating receipts	6,801,102	16,136,899
Net cash provided by non-capital financing activities	<u>\$ 465,019,198</u>	<u>\$ 493,410,740</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest payments on bonds	\$ (30,005,554)	\$ (26,941,988)
Capital appropriations	38,386,617	63,231,134
Capital gifts and grants	10,555,371	14,354,863
Additions to bonds	-	136,710,000
Principal payments of bonds	(16,731,741)	(11,557,506)
Cash received from cigarette tax bonds	58,886	22,400,291
Cash received from disposal of capital assets	1,425,000	2,447,000
Purchase of capital assets	(168,494,744)	(214,524,225)
Other receipts	187,632	3,720,231
Net cash used by capital and related financing activities	<u>\$ (164,618,533)</u>	<u>\$ (10,160,200)</u>

EXHIBIT C

Statements of Cash Flows for the years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	\$ 596,376,053	\$ 352,056,158
Purchase of investments	(640,038,670)	(478,495,978)
State Investment Council asset income	10,284,371	8,502,365
Investment income	36,761,927	27,043,897
Net cash provided (used) by investing activities	<u>\$ 3,383,681</u>	<u>\$ (90,893,558)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents - beginning of the year	220,036,775	156,081,340
Cash and cash equivalents - end of the year	<u>\$ 177,748,322</u>	<u>\$ 220,036,775</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (435,237,095)	\$ (430,143,909)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	80,012,268	77,070,545
Bad debt expense	129,554,102	94,727,895
Reduction in laboratory expenses of TLSC	(670,641)	-
Changes in assets and liabilities		
Accounts receivable	(22,372,779)	5,941,618
Patient receivables	(123,696,564)	(93,840,750)
Estimated third-party payor settlements	8,361,127	(10,264,029)
Notes receivable	2,105,197	714,863
Inventories	(1,067,511)	458,273
Other assets	284,907	406,553
Due from component units	(1,146,762)	(164,903)
Accounts payable	12,175,471	9,740,432
Accrued expenses and compensated absences	7,542,643	5,340,046
Other current liabilities	592,970	(103,435)
Estimated third-party payor liability	(2,186,213)	6,601,126
Deferred revenue	(323,919)	5,114,128
Net cash used by operating activities	<u>\$ (346,072,799)</u>	<u>\$ (328,401,547)</u>

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Combining Statement of Net Assets as of June 30, 2009 - Discretely Presented Component Units

	The University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	STC.UNM
ASSETS			
Current assets			
Cash and cash equivalents	\$ 32,967,288	\$ 1,194,912	\$ 548,777
Short-term investments	-	431,528	-
Accounts receivable, net	-	1,006,689	404,136
Inventories	-	31,564	-
Due from The University of New Mexico	-	20,292	-
Other current assets	34,870	6,623	-
Total current assets	<u>\$ 33,002,158</u>	<u>\$ 2,691,608</u>	<u>\$ 952,913</u>
Non-current assets			
Investments	\$ 108,364,561	\$ 554,747	\$ 7,973
Other non-current assets	9,163,903	-	-
Capital assets			
Equipment and furnishings, net	-	-	56,740
Other capital assets, net	-	-	-
Total non-current assets	<u>\$ 117,528,464</u>	<u>\$ 554,747</u>	<u>\$ 64,713</u>
Total assets	<u>\$ 150,530,622</u>	<u>\$ 3,246,355</u>	<u>\$ 1,017,626</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 281,699	\$ 115,340	\$ 288,290
Due to The University of New Mexico	125	772,121	90,990
Deferred revenue	-	747,865	1,288
Other current liabilities	408,897	-	284,260
Total current liabilities	<u>\$ 690,721</u>	<u>\$ 1,635,326</u>	<u>\$ 664,828</u>
Non-current liabilities			
Deferred annuities payable	\$ 2,766,090	\$ -	\$ -
Total non-current liabilities	<u>\$ 2,766,090</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>\$ 3,456,811</u>	<u>\$ 1,635,326</u>	<u>\$ 664,828</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 56,740
Restricted non-expendable	98,973,663	-	-
Restricted expendable	45,547,396	440,231	-
Unrestricted	2,552,752	1,170,798	296,058
Total net assets	<u>\$ 147,073,811</u>	<u>\$ 1,611,029</u>	<u>\$ 352,798</u>

See accompanying notes to the basic financial statements.

EXHIBIT D

University of New Mexico Lobo Club	Lobo Development Corp	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Total
\$ 4,835,390	\$ 408,615	\$ 418,203	\$ 1,857,081	\$ 42,230,266
-	-	-	5,332,419	5,763,947
270,515	-	-	194,046	1,875,386
-	-	-	-	31,564
-	-	-	-	20,292
1,684	-	-	17,355	60,532
<u>\$ 5,107,589</u>	<u>\$ 408,615</u>	<u>\$ 418,203</u>	<u>\$ 7,400,901</u>	<u>\$ 49,981,987</u>
\$ -	\$ -	\$ -	\$ -	\$ 108,927,281
-	-	30	-	9,163,933
2,091	-	-	-	58,831
-	-	24,480	-	24,480
<u>\$ 2,091</u>	<u>\$ -</u>	<u>\$ 24,510</u>	<u>\$ -</u>	<u>\$ 118,174,525</u>
<u>\$ 5,109,680</u>	<u>\$ 408,615</u>	<u>\$ 442,713</u>	<u>\$ 7,400,901</u>	<u>\$ 168,156,512</u>
\$ 25,615	\$ 31,822	\$ 222,771	\$ 970	\$ 966,507
3,443,723	-	-	-	4,306,959
724,391	-	-	300,715	1,774,259
-	-	-	-	693,157
<u>\$ 4,193,729</u>	<u>\$ 31,822</u>	<u>\$ 222,771</u>	<u>\$ 301,685</u>	<u>\$ 7,740,882</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,766,090</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,766,090</u>
<u>\$ 4,193,729</u>	<u>\$ 31,822</u>	<u>\$ 222,771</u>	<u>\$ 301,685</u>	<u>\$ 10,506,972</u>
\$ 2,091	\$ -	\$ 24,480	\$ -	\$ 83,311
-	-	-	-	98,973,663
37,843	-	-	29,525	46,054,995
876,017	376,793	195,462	7,069,691	12,537,571
<u>\$ 915,951</u>	<u>\$ 376,793</u>	<u>\$ 219,942</u>	<u>\$ 7,099,216</u>	<u>\$ 157,649,540</u>

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Combining Statement of Net Assets as of June 30, 2008 - Discretely Presented Component Units

	The University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	STC.UNM
ASSETS			
Current assets			
Cash and cash equivalents	\$ 26,586,413	\$ 1,376,861	\$ 773,835
Short-term investments	-	599,187	-
Accounts receivable, net	-	987,279	356,801
Inventories	-	20,628	-
Due from The University of New Mexico	-	57,116	-
Other current assets	44,190	5,318	-
Total current assets	<u>\$ 26,630,603</u>	<u>\$ 3,046,389</u>	<u>\$ 1,130,636</u>
Non-current assets			
Investments	\$ 127,721,289	\$ 488,463	\$ 3,853
Other non-current assets	6,343,367	-	-
Capital assets			
Equipment and furnishings, net	-	-	84,550
Other capital assets, net	-	-	-
Total non-current assets	<u>\$ 134,064,656</u>	<u>\$ 488,463</u>	<u>\$ 88,403</u>
Total assets	<u>\$ 160,695,259</u>	<u>\$ 3,534,852</u>	<u>\$ 1,219,039</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 40,798	\$ 100,080	\$ 241,854
Due to The University of New Mexico	-	927,110	139,341
Deferred revenue	-	922,147	1,000
Other current liabilities	419,342	-	282,005
Total current liabilities	<u>\$ 460,140</u>	<u>\$ 1,949,337</u>	<u>\$ 664,200</u>
Non-current liabilities			
Deferred annuities payable	\$ 2,547,631	\$ -	\$ -
Total non-current liabilities	<u>\$ 2,547,631</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>\$ 3,007,771</u>	<u>\$ 1,949,337</u>	<u>\$ 664,200</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 84,550
Restricted non-expendable	115,346,088	-	-
Restricted expendable	39,766,944	443,355	-
Unrestricted	2,574,456	1,142,160	470,289
Total net assets	<u>\$ 157,687,488</u>	<u>\$ 1,585,515</u>	<u>\$ 554,839</u>

See accompanying notes to the basic financial statements.

EXHIBIT E

University of New Mexico Lobo Club	Lobo Development Corp	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Total
\$ 2,140,569	\$ 427,274	\$ 537,192	\$ 3,301,156	\$ 35,143,300
-	-	-	4,593,491	5,192,678
240,011	-	-	320,348	1,904,439
-	-	-	-	20,628
-	-	-	-	57,116
5,281	-	-	19,072	73,861
<u>\$ 2,385,861</u>	<u>\$ 427,274</u>	<u>\$ 537,192</u>	<u>\$ 8,234,067</u>	<u>\$ 42,392,022</u>
\$ -	\$ -	\$ -	\$ -	\$ 128,213,605
-	-	30	-	6,343,397
2,933	-	-	-	87,483
-	-	38,468	-	38,468
<u>\$ 2,933</u>	<u>\$ -</u>	<u>\$ 38,498</u>	<u>\$ -</u>	<u>\$ 134,682,953</u>
<u>\$ 2,388,794</u>	<u>\$ 427,274</u>	<u>\$ 575,690</u>	<u>\$ 8,234,067</u>	<u>\$ 177,074,975</u>
\$ 62,235	\$ 54	\$ 34,065	\$ 5,000	\$ 484,086
52,139	-	-	-	1,118,590
714,334	-	-	458,572	2,096,053
-	-	-	-	701,347
<u>\$ 828,708</u>	<u>\$ 54</u>	<u>\$ 34,065</u>	<u>\$ 463,572</u>	<u>\$ 4,400,076</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,547,631
\$ -	\$ -	\$ -	\$ -	\$ 2,547,631
<u>\$ 828,708</u>	<u>\$ 54</u>	<u>\$ 34,065</u>	<u>\$ 463,572</u>	<u>\$ 6,947,707</u>
\$ 2,933	\$ -	\$ 38,468	\$ -	\$ 125,951
-	-	-	-	115,346,088
26,216	-	-	29,256	40,265,771
1,530,937	427,220	503,157	7,741,239	14,389,458
<u>\$ 1,560,086</u>	<u>\$ 427,220</u>	<u>\$ 541,625</u>	<u>\$ 7,770,495</u>	<u>\$ 170,127,268</u>

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Combining Statement of Revenues, Expenses and Changes in Net Assets for the year ended June 30, 2009 -
Discretely Presented Component Units

	The University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	STC.UNM
REVENUES			
Operating revenues			
Fees	\$ -	\$ 2,177,739	\$ 264,008
Grants, bequests and contributions	28,833,858	378,941	-
Operational support	6,862,521	-	1,766,200
Other operating revenues	920,808	28,974	805,381
Total operating revenues	<u>\$ 36,617,187</u>	<u>\$ 2,585,654</u>	<u>\$ 2,835,589</u>
EXPENSES			
Operating expenses			
General and administrative	\$ 8,354,242	\$ 1,732,988	\$ 1,334,996
Program expenses	-	717,464	1,720,617
Distributions to the University of New Mexico	22,871,171	-	-
Total operating expenses	<u>\$ 31,225,413</u>	<u>\$ 2,450,452</u>	<u>\$ 3,055,613</u>
Net operating income (loss)	<u>\$ 5,391,774</u>	<u>\$ 135,202</u>	<u>\$ (220,024)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	\$ (23,771,385)	\$ (96,688)	\$ 4,958
Other non-operating revenues	-	(13,000)	13,025
Total non-operating revenues	<u>\$ (23,771,385)</u>	<u>\$ (109,688)</u>	<u>\$ 17,983</u>
Income (loss) before other revenues	<u>\$ (18,379,611)</u>	<u>\$ 25,514</u>	<u>\$ (202,041)</u>
Contributions to permanent endowments	<u>\$ 7,765,934</u>	<u>\$ -</u>	<u>\$ -</u>
Total other revenues	<u>\$ 7,765,934</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net assets	<u>\$ (10,613,677)</u>	<u>\$ 25,514</u>	<u>\$ (202,041)</u>
Net assets at beginning of year	<u>\$ 157,687,488</u>	<u>\$ 1,585,515</u>	<u>\$ 554,839</u>
Net assets at end of year	<u><u>\$ 147,073,811</u></u>	<u><u>\$ 1,611,029</u></u>	<u><u>\$ 352,798</u></u>

See accompanying notes to the basic financial statements.

EXHIBIT F

University of New Mexico Lobo Club	Lobo Development Corp	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Total
\$ 176,306	\$ -	\$ 1,923,600	\$ -	\$ 4,541,653
5,081,201	-	-	-	34,294,000
-	-	-	-	8,628,721
24,180	-	-	1,162,453	2,941,796
<u>\$ 5,281,687</u>	<u>\$ -</u>	<u>\$ 1,923,600</u>	<u>\$ 1,162,453</u>	<u>\$ 50,406,170</u>
\$ 287,488	\$ 31,244	\$ 98,556	\$ 33,554	\$ 11,873,068
5,738,413	29,221	2,159,258	807,064	11,172,037
-	-	-	-	22,871,171
<u>\$ 6,025,901</u>	<u>\$ 60,465</u>	<u>\$ 2,257,814</u>	<u>\$ 840,618</u>	<u>\$ 45,916,276</u>
<u>\$ (744,214)</u>	<u>\$ (60,465)</u>	<u>\$ (334,214)</u>	<u>\$ 321,835</u>	<u>\$ 4,489,894</u>
\$ 100,079	\$ 10,038	\$ 12,531	\$ (1,068,465)	\$ (24,808,932)
-	-	-	75,351	75,376
<u>\$ 100,079</u>	<u>\$ 10,038</u>	<u>\$ 12,531</u>	<u>\$ (993,114)</u>	<u>\$ (24,733,556)</u>
<u>\$ (644,135)</u>	<u>\$ (50,427)</u>	<u>\$ (321,683)</u>	<u>\$ (671,279)</u>	<u>\$ (20,243,662)</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,765,934
\$ -	\$ -	\$ -	\$ -	\$ 7,765,934
\$ (644,135)	\$ (50,427)	\$ (321,683)	\$ (671,279)	\$ (12,477,728)
\$ 1,560,086	\$ 427,220	\$ 541,625	\$ 7,770,495	\$ 170,127,268
<u>\$ 915,951</u>	<u>\$ 376,793</u>	<u>\$ 219,942</u>	<u>\$ 7,099,216</u>	<u>\$ 157,649,540</u>

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Combining Statement of Revenues, Expenses and Changes in Net Assets for the year ended June 30, 2008 -
Discretely Presented Component Units

	The University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	STC.UNM
REVENUES			
Operating revenues			
Fees	\$ -	\$ 2,203,896	\$ 270,882
Grants, bequests and contributions	22,992,282	245,095	-
Operational support	4,338,881	-	1,766,200
Other operating revenues	753,626	25,466	568,194
Total operating revenues	<u>\$ 28,084,789</u>	<u>\$ 2,474,457</u>	<u>\$ 2,605,276</u>
EXPENSES			
Operating expenses			
General and administrative	\$ 5,259,189	\$ 1,708,932	\$ 1,297,004
Program expenses	-	547,419	1,277,001
Distributions to the University of New Mexico	32,183,259	-	-
Total operating expenses	<u>\$ 37,442,448</u>	<u>\$ 2,256,351</u>	<u>\$ 2,574,005</u>
Net operating income (loss)	<u>\$ (9,357,659)</u>	<u>\$ 218,106</u>	<u>\$ 31,271</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	\$ 2,811,404	\$ 18,592	\$ 27,200
Other non-operating revenues	-	(179,416)	7,208
Total non-operating revenues	<u>\$ 2,811,404</u>	<u>\$ (160,824)</u>	<u>\$ 34,408</u>
Income (loss) before other revenues	<u>\$ (6,546,255)</u>	<u>\$ 57,282</u>	<u>\$ 65,679</u>
Contributions to permanent endowments	\$ 14,181,638	\$ -	\$ -
Total other revenues	<u>\$ 14,181,638</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net assets	\$ 7,635,383	\$ 57,282	\$ 65,679
Net assets at beginning of year	<u>\$ 150,052,105</u>	<u>\$ 1,528,233</u>	<u>\$ 489,160</u>
Net assets at end of year	<u><u>\$ 157,687,488</u></u>	<u><u>\$ 1,585,515</u></u>	<u><u>\$ 554,839</u></u>

See accompanying notes to the basic financial statements.

EXHIBIT G

University of New Mexico Lobo Club	Lobo Development Corp	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Total
\$ 240,463	\$ -	\$ 535,390	\$ -	\$ 3,250,631
4,851,451	385,000	-	-	28,473,828
-	-	-	-	6,105,081
2,866	-	-	1,119,494	2,469,646
<u>\$ 5,094,780</u>	<u>\$ 385,000</u>	<u>\$ 535,390</u>	<u>\$ 1,119,494</u>	<u>\$ 40,299,186</u>
\$ 820,998	\$ 1,799	\$ 84,350	\$ 33,110	\$ 9,205,382
4,315,552	-	621,743	778,381	7,540,096
-	-	-	-	32,183,259
<u>\$ 5,136,550</u>	<u>\$ 1,799</u>	<u>\$ 706,093</u>	<u>\$ 811,491</u>	<u>\$ 48,928,737</u>
<u>\$ (41,770)</u>	<u>\$ 383,201</u>	<u>\$ (170,703)</u>	<u>\$ 308,003</u>	<u>\$ (8,629,551)</u>
\$ 187,093	\$ 44,019	\$ 35,505	\$ (337,347)	\$ 2,786,466
-	-	-	79,176	(93,032)
<u>\$ 187,093</u>	<u>\$ 44,019</u>	<u>\$ 35,505</u>	<u>\$ (258,171)</u>	<u>\$ 2,693,434</u>
<u>\$ 145,323</u>	<u>\$ 427,220</u>	<u>\$ (135,198)</u>	<u>\$ 49,832</u>	<u>\$ (5,936,117)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,181,638</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,181,638</u>
\$ 145,323	\$ 427,220	\$ (135,198)	\$ 49,832	\$ 8,245,521
<u>\$ 1,414,763</u>	<u>\$ -</u>	<u>\$ 676,823</u>	<u>\$ 7,720,663</u>	<u>\$ 161,881,747</u>
<u><u>\$ 1,560,086</u></u>	<u><u>\$ 427,220</u></u>	<u><u>\$ 541,625</u></u>	<u><u>\$ 7,770,495</u></u>	<u><u>\$ 170,127,268</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

(1) Creation and Purpose of Entity

The University of New Mexico (the University or UNM) was created by the Constitution of New Mexico, Sections 21-7-4 through 21-7-25, New Mexico Statutes Annotated, 1978 Compilation, under which it is responsible for providing the inhabitants of the State of New Mexico and such others as the Board of Regents may determine with the means of acquiring a thorough knowledge of the various branches of literature, science and the arts.

The University is part of the primary government of the State of New Mexico, and its financial data is included with the financial data in the State of New Mexico's Comprehensive Annual Financial Report. These financial statements present financial information that is attributable to the University and does not purport to present the financial position of the State of New Mexico.

(2) Basis of Presentation and Summary of Significant Accounting Policies

(A) Basis of Presentation

The University of New Mexico and certain component units present their financial statements in accordance with Governmental Accounting Standards Board (GASB) 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; GASB 35 – *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*; GASB 37 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*; and GASB 38 – *Certain Financial Statement Note Disclosures*. This financial report provides an entity-wide perspective of the University's assets, liabilities, and net assets, revenues, expenses and changes in net assets, and cash flows.

The University has adopted Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement 14* (GASB 39). GASB 39 provides additional guidance to determine whether certain organizations for which the University is not financially accountable should be reported as discretely presented component units based on the nature and significance of their relationship with the University. As required by GASB 14 and 39, these basic financial statements present the University and its component units, entities for which the University is considered to be financially accountable. These entities were selected for inclusion based on criteria as set forth in GASB 14 and 39. These entities are discretely presented in the financial statements as component units: The University of New Mexico Foundation, Inc.; The Robert O. Anderson Schools of Management Foundation; STC.UNM (formerly known as Science & Technology Corporation @ UNM); The University of New Mexico Lobo Club; Lobo Development Corporation, Lobo Energy, Inc.; and The University of New Mexico Alumni Association. The University of New Mexico Medical Group (UNMMG) is presented as a blended component unit. In addition, there are various component units operating as foundations that are not included in the financial statements as discretely presented component units due to materiality.

The University adopted GASB 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement 3*. The GASB 40 statement addresses common deposit and investment risks related to custodial credit risk, credit risk, concentration of credit risk, interest rate risk and foreign currency risk. It also requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates as well as identification of deposit and investment policies related to the risks.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

The University adopted GASB 45, Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, required supplementary information (RSI) in the financial reports of state and local governmental employers. This Statement generally provides for prospective implementation—that is, that employers set the beginning net OPEB obligation at zero as of the beginning of the initial year. This Statement was effective with the University's 2008 fiscal year.

The University's basic financial statements also include "clinical operations." Clinical operations include the two health care providers, the University of New Mexico Hospital (Hospital) and the University of New Mexico Psychiatric Center whose operations are summarized to be compatible with University reporting; these operations are not legally separate entities and therefore are operating as divisions of the University. Also included in clinical operations is the University of New Mexico Children's Psychiatric Center that shares a common purpose compatible with the University. The clinical operations, when combined with the University's School of Medicine, College of Nursing and College of Pharmacy, are referred to as the University of New Mexico Health Sciences Center and are included in the Primary Institution financial statement information.

The component units, the Hospital, University of New Mexico Children's Psychiatric Center, and the University of New Mexico Psychiatric Center, have separately audited financial statements, which can be obtained at their separate administrative offices. Addresses for the component units can be found in note 18.

(B) *Basis of Accounting*

For financial reporting purposes, the University is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-entity transactions have been eliminated.

The University has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected not to apply FASB pronouncements issued after the applicable date.

(C) *Significant Accounting Policies*

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ significantly from those estimates.

Cash and cash equivalents: Cash and cash equivalents consist of all highly liquid investments with original maturities of three months or less.

Accounts receivable: The University records student accounts receivable at the time a student registers for classes. Provisions for uncollectible student accounts are recorded to maintain an adequate allowance for probable losses.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Patient receivables: The Hospital and clinical operations receive payment for services rendered to patients under payment arrangements with payors which include (i) Medicare and Medicaid, (ii) other third-party payors including commercial carriers and health maintenance organizations, and (iii) others. The following summarizes the percent of gross patient receivables from all payors as of June 30:

	<u>2009</u>	<u>2008</u>
Medicare and Medicaid	41%	44%
Other third-party payors	44%	42%
Others	15%	14%
	<u>100%</u>	<u>100%</u>

Investments: Stocks, bonds and similar investments are recorded at fair value as determined by quoted market prices. The alternative investments are carried at an estimated fair value that is determined by third-party administrators and University management. The income from the University's interest in the State of New Mexico Permanent Fund, which interests are reported as State Investment Council assets, is distributed monthly to the University.

The endowment spending policy provides that the total annual distribution of spendable income to each unit of the Consolidated Investment Fund (CIF), a unitized investment pool, shall not exceed six percent nor be less than four percent of the average market value of a unit of the CIF. The average market value of a unit will be based on the average unit values of the CIF for the preceding twelve quarters. The target annual distribution rate shall be five percent of the average unit market value. If, in any given twelve-quarter rolling period, total return is less than target annual distribution, actual distribution shall not be less than four percent of the average unit market value for such twelve-quarter rolling period. If in any twelve-quarter rolling period the distribution exceeds five percent of the current market value, the Consolidated Investment Fund Investment Committee will determine the actual distribution.

Assets held by others, which are neither in the possession of nor under the control of the University, are not reflected in the accompanying basic financial statements. The most significant example is assets held by the Sandia Foundation from which UNM is entitled to 45% of the income, but has no title to the assets themselves. However, income earned on such assets upon which the University has claim is recorded in the accompanying basic financial statements.

Inventories: Inventories, consisting mainly of items held for resale, are principally stated at cost using the retail method, or market value if lower.

Capital assets: Capital assets are recorded at original cost, or fair value if donated. Per Section 12-6-10 NMSA 1978, the University's capitalization policy for moveable equipment includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. The University includes software purchased with a piece of equipment in the cost of capitalization. This total cost is depreciated over the useful life of the equipment. In compliance with New Mexico Administrative Code, Title 2 Public Finance, Chapter 20 Accounting by Governmental Entities, Part 1 Accounting and Control of Fixed Assets of State Government, Section 9, software purchased for internal use is capitalized and depreciated. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements and infrastructure, 5 years for library books, and equipment ranges from 3 to 15

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years. Loaned equipment from private and federal sources is not owned by the University, and is not an asset. This equipment is monitored by the Property Accounting Department and totals \$4,426,109 and \$4,450,078 at June 30, 2009 and 2008, respectively.

As an institute of higher education in existence for over 100 years, the University of New Mexico has acquired significant collections of art, rare books, historical treasures and other special collections. The purpose of these collections is for public exhibition, education or research in furtherance of public service rather than financial gain. They are protected and preserved, and subject to the Regents' policies regarding accessioning and de-accessioning. However, because of their invaluable and irreplaceable nature, these collections have not been capitalized.

Bonds Payable: The University has entered into interest rate swap agreements to modify variable rate interest payments into fixed rate interest payments on outstanding bonds payable. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

Annual leave plan: Employees are allowed to accumulate 252 hours of leave. Upon separation from employment for reasons other than retirement, death, or involuntary separation, employees are paid for unused accrued annual leave, not to exceed 168 hours. Upon separation of employment for reasons of retirement, death, or involuntary separation, employees (or their estates in case of death) are paid for unused accrued annual leave, not to exceed 252 hours.

Sick leave plan: Prior to 1984, the University's sick leave plan placed no limitation on the number of hours an employee could accumulate. When the plan was revised, the existing accumulation of hours was placed into separate pools and employees may be paid 28.5% of the value of those hours on retirement from the University. Also under the revised plan, employees are entitled to receive cash payments, at a rate equal to 50% of the employee's hourly wage, for accumulated unused sick leave exceeding 600 hours for full-time employees, 450 hours for employees with a FTE between 0.75 and full-time, and 300 hours for employees with a FTE between 0.5 and 0.75, up to 120 hours per fiscal year. Upon retirement or death, employees are paid, at a rate equal to 50% of the employee's hourly wage, for accumulated unused sick leave exceeding 600 hours for full-time employees, 450 hours for employees with a FTE between 0.75 and full-time, and 300 hours for employees with a FTE between 0.5 and 0.75, not to exceed 440 hours.

Net assets: Are classified as follows:

Invested in capital assets, net of related debt represent the University's total investment in capital assets, net of outstanding debt related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt. Unspent bond proceeds for the University are approximately \$134,766,993 and \$157,027,276 at June 30, 2009 and 2008, respectively. The Hospital had no unspent bond proceeds at June 30, 2009 and 2008.

Restricted net assets represent those operating funds on which external restrictions have been imposed that limit the purposes for which such funds can be used. Restricted *expendable* net assets are resources that the University is legally or contractually obligated to spend in accordance with imposed restrictions by third parties. Restricted *non-expendable* net assets consist of endowment and similar funds in which third parties 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.

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Unrestricted net assets consist of those operating funds over which the governing board retains full control to use in achieving any of its authorized purposes.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

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

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

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as a) appropriations, b) gifts c) investment income, and d) mill levy. These revenue streams are recognized under GASB Statement No. 33 – *Accounting and Financial Reporting for Non-exchange Transactions*. Appropriations are recognized in the year they are appropriated, regardless of when actually received. Gifts are recognized when all applicable eligibility requirements have been met. Investment income is recognized in the period when it is earned. The mill levy is recognized in the period it is levied by Bernalillo County.

Student tuition and fee revenues and auxiliary enterprises revenues from students are reported net of scholarship allowances in the Statements of Revenues, Expenses and Changes in Net Assets. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on students' behalf. To the extent that revenues from such programs are used to satisfy tuition and fees, other student charges, and auxiliary enterprises charges, the University has recorded a scholarship allowance.

Net patient revenues are recorded at the estimated net realizable amount due from patients, third-party payors, and others for services rendered, and a provision for doubtful accounts. Retroactive adjustments under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contractual adjustments resulting from agreements with various organizations to provide services for amounts that differ from billed charges, including services under Medicare, Medicaid, and certain managed care programs, are recorded as deductions from patient revenues. Accounts, when determined to be uncollectible, are charged against the allowance for doubtful accounts.

The hospital and clinical operations provide care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the hospitals do not pursue collection of amounts determined to qualify as charity care, they are not reported as net revenue.

Contract and grant revenues are recognized when all of the eligibility requirements have been met.

Unexpended state appropriations do not revert to the state of New Mexico at the end of the fiscal year and are available to the University in subsequent years according to House Bill 2, Appropriations Act, Section J, found on Page 186.

Deferred revenue consists primarily of advances from contracts and grants.

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

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

Non-operating expenses include activities that have the characteristics of non-exchange transactions, such as interest on capital asset-related debt and bond expenses that are defined as non-operating expenses by GASB 9 – *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB 34.

(D) *Income Taxes*

As an instrumentality of the State of New Mexico, the income generated by the University in the exercise of its essential governmental functions is excluded from federal income tax under Internal Revenue Code (IRC) section 115. However, income generated from activities unrelated to the exempt purpose of the University would be subject to tax under IRC section 511(a)(2)(B).

As part of a state institution of higher education, the income of the University of New Mexico Hospital, University of New Mexico Children's Psychiatric Center and University of New Mexico Psychiatric Center is generally excluded from federal and state income taxes under Section 115(1) of the Internal Revenue Code. However, income generated from activities unrelated to these entities' exempt purpose is subject to income taxes under Internal Revenue Code Section 511(a)(2)(B).

(E) *Budgetary Process*

Operating budgets are submitted for approval to the Board of Regents, the New Mexico Higher Education Department (HED) and the State Budget Division of the Department of Finance and Administration (DFA). Similarly, separate legislative budget requests are submitted to the Board of Regents, HED and the DFA for inclusion in the State of New Mexico Executive Budget for consideration of appropriations by the state legislature.

(F) *Joint Powers Agreements*

- (1) The Regents of The University of New Mexico and the Board of County Commissioners of the County of Bernalillo entered into a lease agreement for operation and lease of county healthcare facilities, effective July 1, 1999, amended June 2004 and terminating June 20, 2040. The purpose of the agreement is to operate and maintain UNM Hospital and UNM Psychiatric Center in accordance with the provisions of the Hospital Funding Act for the term of the agreement. The agreement continues in force until rescinded or terminated by either party. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.
- (2) The University has entered into Joint Powers Agreements with fifty-two (52) Municipal School Districts (the Districts) throughout the state of New Mexico. The University and the Districts have formed an organization for promoting their mutual educational purposes known

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as the New Mexico Research and Study Council (Council). The purpose of this agreement is to create a mechanism by which the Districts can jointly and cooperatively undertake any activities in their function of providing public educational services. The University has entered into this agreement in order to facilitate such joint activities. This agreement remains in force until terminated. The Council may be terminated by a two-thirds vote of all current parties. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an on-going relationship.

- (3) The Regents of the University of New Mexico, the Regents of New Mexico State University and the Regents of the New Mexico Institute of Mining and Technology entered into an agreement to form the New Mexico University Research Consortium effective May 4, 2006. The purpose of the Research Consortium is to promote statewide cooperation in attracting research resources to New Mexico, managing them for the state's higher education research facilities, other New Mexico research facilities and for the benefit of New Mexico economic development. The agreement continues in force indefinitely. Any party may choose to withdraw with sixty days written notice. At such time, the remaining parties have forty-five days to agree to maintain the NMURC or the JPA will terminate on the date of withdrawal.

(G) *Reclassifications*

Certain 2008 amounts have been reclassified in order to be consistent with the 2009 presentation.

(H) *Deferred Bond Issuance Costs*

The deferred bond issuance costs represent the Hospital's bond issuance costs for the Federal Housing Administration (FHA) Insured Hospital Mortgage Revenue Bond. The bond issuance costs are amortized over the terms of the related indebtedness using the interest method.

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(3) Cash, Cash Equivalents and Investments

(A) Cash and Cash Equivalents Custodial Credit Risk

Deposits: University deposits are held in demand and time deposits at local financial institutions. State statutes require financial institutions to pledge qualifying collateral to the University to cover at least 50% of the uninsured deposits; however, the University requires more collateral as it considers prudent. All collateral is held in third-party safekeeping.

Collateralization of deposits: The carrying amounts of the primary institution's deposits with financial institutions at June 30, 2009 and 2008 were \$171,350,451 and \$216,723,607, respectively. The carrying amounts of the component units' deposits with financial institutions at June 30, 2009 and 2008 were \$42,230,266 and \$35,143,300, respectively. Bank balances are categorized as follows:

June 30, 2009

	Cash	Deposits Classified as Investments	Total
Primary Institution			
Amount insured by the FDIC (includes coverage under the FDIC Temporary Liquidity Guarantee Program)	\$ 21,513,970		\$ 21,513,970
Amount collateralized with securities held in the University's name by their agent	218,184,912		218,184,912
	<u>\$ 239,698,882</u>		<u>\$ 239,698,882</u>
Component Units			
Amount insured by the FDIC for Public Money Entity Component Units	\$ 474,833		\$ 474,833
Amount covered by the SIPC Public Money Entity Component Units	876,865		876,865
Amount collateralized with securities held in the University's name by their agent	637,250		637,250
Amount exposed to custodial risk	0		0
	<u>\$ 1,988,948</u>		<u>\$ 1,988,948</u>
Amount insured by the FDIC for Non Public Money Entity Component Units	\$ 835,156		\$ 835,156
Amount collateralized with securities held in the University's name by their agent	Not Required		
Amount exposed to custodial risk	N/A		
Amount not covered by insurance	2,685,936		2,685,936
	<u>\$ 3,521,092</u>		<u>\$ 3,521,092</u>
	<u>\$ 5,510,040</u>		<u>\$ 5,510,040</u>

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June 30, 2008

	Cash	Deposits Classified as Investments	Total
Primary Institution			
Amount insured by the FDIC	\$ 283,385	\$ 100,000	\$ 383,385
Amount collateralized with securities held in the University's name by their agent	267,694,590	4,270,923	271,965,513
	<u>\$ 267,977,975</u>	<u>\$ 4,370,923</u>	<u>\$ 272,348,898</u>
Component Units			
Amount insured by the FDIC for Public Money Entity Component Units	\$ 428,915		\$ 428,915
Amount covered by the SIPC Public Money Entity Component Units	607,591		607,591
Amount collateralized with securities held in the University's name by their agent	609,754		609,754
Amount exposed to custodial risk	360,037		360,037
	<u>\$ 2,006,297</u>		<u>\$ 2,006,297</u>
Amount insured by the FDIC for Non Public Money Entity Component Units	\$ 600,000		\$ 600,000
Amount collateralized with securities held in the University's name by their agent	Not required		Not required
Amount exposed to custodial risk	N/A		N/A
Amount not covered by insurance	4,388,466		4,388,466
	<u>\$ 4,988,466</u>		<u>\$ 4,988,466</u>
	<u>\$ 6,994,763</u>		<u>\$ 6,994,763</u>

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The University does have a custodial risk policy for deposits, which requires collateral in an amount greater than or equal to 50% of the deposit not insured by Federal Insuring Agencies. A greater amount of collateral is required when the University determines it is prudent. Collateral must meet State of New Mexico "Security of Public Money" standards and be held in third party safekeeping.

As of June 30, 2009, the primary institution's and the component units' bank deposits were not exposed to custodial credit risk.

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(B) *Investment Custodial Credit Risk*

Custodial Credit Risk—Investments. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments not exposed to custodial credit risk include mutual funds, external investment pools, and securities underlying reverse repurchase agreements. The summary of investments schedule provides the detail for investments exposed to custodial credit risk.

The University's custodial risk policy for short-term investments requires collateral in an amount greater than or equal to 50% of the deposit not insured by Federal Insuring Agencies. A greater amount of collateral is required when the University determines it is prudent. Collateral must meet State of New Mexico "Security of Public Money" standards and be held in third party safekeeping.

The University's custodial risk policy for investments allows investment in U. S. Treasury Securities, U.S. Government Agency obligations, stocks, securities, bonds, money market funds, commercial paper, foreign currency, certificates of deposits, mutual funds is in accordance with Chapter 6, Article 10, Section 10 of the NMSA, 1978 Compilation. Investments are made through financial institutions and are held in safekeeping in their trust departments. Repurchase agreements are collateralized by U.S. Treasury Securities with a market value of at least 102% of the principal and are used for overnight investment only. The investment of University endowment funds is in accordance with the laws of 1991, Chapter 69 of the State of New Mexico.

In accordance with UNM and the Foundation's Memorandum of Agreement, the endowment assets of the Foundation and UNM are commingled for investment purposes whenever possible in the CIF. The investment of UNM and foundation endowment funds is in accordance with Sections 6-8-10 and 46-9-1 through 46-9-12, NMSA 1978. At June 30, 2009 and 2008, UNM's portion of the CIF was \$162,733,703 and \$205,797,406, respectively.

Net appreciation on investments of donor-restricted endowments of \$9,293,479 are available for authorization for expenditure by the governing board, which are reported in net assets as restricted for purposes for which the endowment was established. The Governing Board, in accordance with NMSA 46-9A, has determined that distributions shall not exceed 6% nor be less than 4% of the Average Market Value of a unit of the CIF. The University has established a CIF Endowment and Management Investment Policy for authorizing and spending investment income.

During the year ended June 30, 2006, the University of New Mexico Board of Regents and Foundation approved several changes to the University's Consolidated Investment Fund Endowment Investment Management Policy. These included changes to the asset allocation policy establishing new minimum and maximum ranges for the various asset classes. The policy allows for maximum allocations of 20% each to real assets, private equity and hedge funds. The hedge fund allocation may include directional strategies, event driven strategies, relative value strategies and fund of hedge funds. The investment policy has been structured in accordance with the Uniform Prudent Investor Act, NMSA 45-7 (601-612).

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A summary of the investments at June 30, 2009 and their exposure to custodial credit risk are as follows:

	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure
	Uninsured, Unregistered, and held by Counterparty not in the University's Name	Uninsured, Unregistered, and held by Counterparty's Agent not in the University's Name	Fair Value
Short-term Investments			
<i>Primary Institution</i>			
Money Market Deposit	\$ -	\$ -	\$ 1,422,750
Money Market			10,233,343
Commercial Paper			9,277,902
U.S. Treasury Securities			149,416,216
U.S. Government Agency Obligations			115,368,217
Corporate Bonds/Notes			65,078,548
Municipal Bonds			26,839,651
Total Short-term Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,636,627</u>
<i>Component Units</i>			
Money Market	\$ -	\$ -	\$ 24,616
Certificate of Deposit			839,867
U.S. Treasury Securities	167,138		167,138
U.S. Government Agency Obligations	225,679		253,054
Corporate Bonds/Notes	460,154		460,154
Mutual Funds	1,024,206		1,231,210
Equity	2,588,000		2,787,908
Total Short-term Investments	<u>\$ 4,465,177</u>	<u>\$ -</u>	<u>\$ 5,763,947</u>

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	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure
	Uninsured, Unregistered, and held by Counterparty not in the University's Name	Uninsured, Unregistered, and held by Counterparty's Agent not in the University's Name	Fair Value
Long-term Investments			
<i>Primary Institution</i>			
Money Market-Deposits	\$ -	\$ -	\$ 4,502
Money Market			18,964,292
Certificate of Deposit			966,538
Repurchase Agreements			13,443,513
Mutual Funds			29,073,960
Equity			80,652,251
Alternative Investments			54,794,894
Total Long-term Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,899,950</u>
<i>Component Units</i>			
Money Market	\$ -	\$ -	\$ 4,487,424
Certificate of Deposit			60,666
U.S. Government Agency Obligations	235,879		235,879
Corporate Bonds	416,450		416,450
Municipal Bonds	2,248,360		2,248,360
Mutual Funds			21,013,663
Equity	790,499		44,580,688
Alternative Investments			35,779,464
Real Estate			104,687
Total Long-term Investments	<u>\$ 3,691,188</u>	<u>\$ -</u>	<u>\$ 108,927,281</u>

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A summary of the investments at June 30, 2008 and their exposure to custodial credit risk are as follows:

	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure
	Uninsured, Unregistered, and held by Counterparty not in the University's Name	Uninsured, Unregistered, and held by Counterparty's Agent not in the University's Name	Fair Value
Short-term Investments			
<i>Primary Institution</i>			
Money Market Deposit	\$ -	\$ -	\$ 38,288
Money Market			3,759,082
Repurchase Agreements			34,236,792
Commercial Paper			16,805,816
U.S. Treasury Securities			123,701,432
U.S. Government Agency Obligations			77,945,471
Corporate Bonds			34,184,330
Municipal Bonds			33,623,282
Equity			2,012,281
Total Short-term Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,306,774</u>
<i>Component Units</i>			
Money Market	\$ -	\$ -	\$ 130,189
Certificate of Deposit			814,227
U.S. Government Agency Obligations	50,657		77,762
Corporate Bonds	49,972		49,972
Mutual Funds			167,673
Equity	3,752,158		3,952,855
Total Short-term Investments	<u>\$ 3,852,787</u>	<u>\$ -</u>	<u>\$ 5,192,678</u>

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	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure
	Uninsured, Unregistered, and held by Counterparty not in the University's Name	Uninsured, Unregistered, and held by Counterparty's Agent not in the University's Name	Fair Value
Long-term Investments			
<i>Primary Institution</i>			
Money Market-Deposits	\$ -	\$ -	\$ 2,112,583
Money Market			18,398,851
Certificate of Deposit			957,755
Repurchase Agreements			13,452,613
Mutual Funds			38,828,169
Equity			94,927,208
Alternative Investments			79,810,964
Total Long-term Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,488,143</u>
<i>Component Units</i>			
Money Market	\$ -	\$ -	\$ 1,594,991
U.S. Government Agency Obligations	130,913		130,913
Corporate Bonds	456,734		456,734
Municipal Bonds	2,553,977		2,553,977
Mutual Funds			24,874,318
Equity	1,331,807		51,217,435
Alternative Investments			47,137,355
Real Estate			90,829
Other			157,053
Total Long-term Investments	<u>\$ 4,473,431</u>	<u>\$ -</u>	<u>\$ 128,213,605</u>

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State Investment Council Assets: The University has an undivided interest in assets of the State of New Mexico Permanent Fund. The cost of such interest is \$128,984,689 and \$128,315,964 at June 30, 2009 and 2008, respectively. The fair value is \$128,679,553 and \$168,211,831 at June 30, 2009 and 2008, respectively. These investments are not categorized by custodial risk.

(C) *Derivatives*

The University does not permit the purchase of high risk (volatile) derivative securities.

- (D) *Credit Risk—Debt Investments.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University is required to disclose credit ratings of debt investments in order to assess credit risk. U.S. obligations, investments explicitly guaranteed by the U.S. Government, and non-debt investments are excluded from this requirement. Currently, the University does have a policy that restricts long-term investments to specific investment ratings issued by nationally recognized statistical rating organizations.

The policy states that cash equivalent reserves shall consist of interest bearing or discount instruments of the U.S. Government or agencies thereof; money market funds, corporate discounted instruments, corporate issued commercial paper rated at least A-1 by Standard & Poors and P-1 by Moody's, time deposits of U.S. or foreign banks, bankers acceptances and fully collateralized repurchase agreements. Both U.S. and foreign offerings are permissible. Exclusive of the U.S. government and agency issues, all other fixed income securities will be A/A2 or better rated as established by at least two Nationally Recognized Statistical Rating Organizations (NRSRO's) and further reinforced by independent credit analyses. If only one NRSRO rates the bond, that rating shall apply.

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A summary of the investments at June 30, 2009 and their exposure to credit risk are as follows:

	Rating	Fair Value
Short-term Investments		
<i>Primary Institution</i>		
Items not subject to credit risk:		
Money Market		\$ 5,346,785
U.S. Treasury Securities		
Treasury Bills		\$ 25,472,942
Treasury Notes		109,374,702
Treasury STRIPS		14,568,572
		<u>\$ 149,416,216</u>
Total items not subject to credit risk		<u>\$ 154,763,001</u>
Items subject to credit risk:		
Money Market Deposit Not Rated		<u>\$ 1,422,750</u>
Money Market Not Rated		<u>\$ 4,886,558</u>
Commercial Paper		
General Electric Not Rated		\$ 749,956
HSBC Finance Corp Not Rated		8,527,946
		<u>\$ 9,277,902</u>
U.S. Government Agency Obligations		
FFCB Not Rated		\$ 2,559,220
FFCB Moody's - Aaa		1,749,125
FHLB Moody's - Aaa		33,920,596
FHLB Not Rated		6,853,169
FHLMC Fitch -AAA		2,853,180
FHLMC Moody's - Aaa		23,821,113
FHLMC Not Rated		8,194,062
FNMA Fitch -AAA		4,737,279
FNMA Moody's - Aaa		26,341,382
FNMA Not Rated		4,339,091
		<u>\$ 115,368,217</u>

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Short-term Investments (con't)	Rating	Fair Value
<i>Primary Institution</i>		
Items subject to credit risk:		
Corporate Bonds/Notes		
Abbott Labs	Moody's - A1	\$ 1,033,950
Alabama Power Company	Moody's - A2	1,036,150
Alabama Power Company Sr Notes	Moody's - A2	193,560
Amgen, Incorporated Sr Notes	Moody's - A3	2,027,140
Bellsouth Telecommunication	Moody's - A2	2,010,740
Brown-Forman Corporation	Moody's - A2	499,335
Catepillar Financial Service Corporation Notes	Moody's - A2	4,192,629
Catepillar Financial Service Corporation	Moody's - A2	1,498,635
John Deere Capital Corporation	Moody's - A2	2,997,151
John Deere Corporation Notes	Moody's - A2	1,000,830
Du Pont E I Denemours Debs-Reg	Moody's - A2	4,086,840
Electronic Data Systems Corp	Moody's - A2	1,018,520
Genentech Incorporated	Moody's - A1	2,571,950
General Dynamics Corporation Notes	Moody's - A2	847,601
General Dynamics Corporation	Moody's - A2	2,290,800
General Electric Capital Corporation	Moody's - Aa2	2,859,546
General Electric Capital Corporation (Float)	Moody's - Aa2	3,812,876
Georgia Power Sr Notes	Moody's - A2	2,505,400
Gillette Company Sr Notes	Moody's - A2	1,006,780
Halliburton Company	Moody's - A2	1,045,890
Hewlett-Packard Company	Moody's - A2	2,044,110
Hewlett-Packard Company Notes	Moody's - A2	790,801
Honeywell International	Moody's - A2	2,501,100
IBM Corporation	Moody's - A1	518,636
Eli Lilly & Company	Moody's - A1	1,759,364
Medtronic Incorporated	Moody's - A1	613,776
Merck & Company	Moody's - Aa3	1,186,517
Occidental Petroleum Corp Med Notes	Moody's - A2	2,042,440
Pfizer Incorporated	Moody's - Aa2	5,116,261
Praxair Incorporated	Moody's - A2	801,552
The Proctor and Gamble Company	Moody's - Aa3	2,002,920
3M Company Notes	Moody's - Aa2	712,068
United Technologies Corporation	Moody's - A2	2,057,740
Verizon Wireless Capital	Moody's - A2	2,061,350
Wal-Mart Stores Incorporated Notes	Moody's - Aa2	2,075,600
Wal-Mart Stores Sr Notes	Moody's - Aa2	257,990
		<u>\$ 65,078,548</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

	Rating	Fair Value
Short-term Investments (con't)		
<i>Primary Institution</i>		
Items subject to credit risk:		
Municipal Bonds		
City Moody's - A1		\$ 776,729
City Moody's - Aa2		1,094,131
Other Moody's - A1		5,542,330
Other Moody's - A2		2,408,381
Other S&P - AA+		333,462
Other Moody's - Aa2		6,461,507
Other Moody's - Aa3		7,103,361
State Moody's - A1		2,388,078
State Moody's - Aa2		731,672
		<u>\$ 26,839,651</u>
Total items subject to credit risk		<u>\$ 222,873,626</u>
Total Short-term Investments		<u><u>\$ 377,636,627</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

	Rating	Fair Value
Short-term Investments (con't)		
<i>Component Units</i>		
Items not subject to credit risk:		
U.S. Treasury Securities		\$ 167,138
Mutual Funds		1,231,210
Equity		<u>2,787,908</u>
Total items not subject to credit risk		<u>\$ 4,186,256</u>
Items subject to credit risk:		
Money Market Not Rated		<u>\$ 24,616</u>
Certificates of Deposit Not Rated		<u>\$ 839,867</u>
U.S. Government Agency Obligations		
Morgan Stanley Dean Witter US		
Govt Sec Trust Not Rated		\$ 27,375
FHLMC Moody's - Aaa		115,126
FNMA Moody's - Aaa		<u>110,553</u>
		<u>\$ 253,054</u>
Corporate Bonds/Notes		
Asian Dev Bank Moody's - Aaa		\$ 31,217
AT&T, Incorporated Moody's - A2		28,131
BP Capital PLC Moody's - Aa1		40,755
Catepillar, Incorporated Moody's - A2		29,928
Chevron Corporation Moody's - Aa1		37,397
Cisco Systems, Incorporated Moody's - A1		46,277
Dow Chemical Company Moody's - Baa3		30,909
Eksporthfinans Moody's - Aa1		26,473
General Electric Capital Corporation Moody's - Aa2		42,827
JP Morgan Chase & Company Moody's - Aa3		45,817
McDonald's Corporation Moody's - A3		16,478
Merck & Company Moody's - Aa3		28,313
MetLife, Incorporated Moody's - A2		38,903
Wal-Mart Stores Incorporated Moody's - Aa2		<u>16,729</u>
		<u>\$ 460,154</u>
Total items subject to credit risk		<u>\$ 1,577,691</u>
Total short-term Investments		<u><u>\$ 5,763,947</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

	Rating	Fair Value
Long-term Investments		
<i>Primary Institution</i>		
Items not subject to credit risk:		
Mutual Funds		\$ 29,073,960
Equity		<u>80,652,251</u>
Total items not subject to credit risk		<u>\$ 109,726,211</u>
Items subject to credit risk:		
Money Market-Deposits Not Rated		<u>\$ 4,502</u>
Money Market Not Rated		<u>\$ 18,964,292</u>
Certificates of Deposit Not Rated		<u>\$ 966,538</u>
Repurchase Agreements Moody's - Aa3		<u>\$ 13,443,513</u>
Alternative Investments Not Rated		
Hedge Funds		\$ 31,170,097
Private Equity		20,389,309
Real Assets		<u>3,235,488</u>
		<u>\$ 54,794,894</u>
Total items subject to credit risk		<u>\$ 88,173,739</u>
Total Long-term Investments		<u><u>\$ 197,899,950</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

	Rating	Fair Value
Long-term Investments (con't)		
<i>Component Units</i>		
Items not subject to credit risk:		
Mutual Funds		\$ 21,013,663
Equity		44,580,688
Real Estate		104,687
Total items not subject to credit risk		<u>\$ 65,699,038</u>
 Items subject to credit risk:		
Money Market Not Rated		<u>\$ 4,487,424</u>
Certificates of Deposit Not Rated		<u>\$ 60,666</u>
 U.S. Government Agency Obligations		
FFCB Moody's - AAA		\$ 50,735
FHLB Moody's - AAA		51,063
FHLBC Moody's - AAA		83,675
FNMA Moody's - AAA		50,407
		<u>\$ 235,879</u>
 Corporate Bonds/Notes		
Bellsouth Corp Moody's - A2		\$ 75,403
Catepillar Financial Services Incorporated S&P- A		52,077
Catepillar Financial Services Incorporated Moody's - A2		52,077
General Electric Capital Corporation		
Med Term Note Moody's - Aa2		20,962
General Dynamics Corporation Moody's - A2		51,683
Goldman Sachs Group, Inc. S&P- A		62,808
HSBC Finance Corporation S&P- A		50,337
Met Life Moody's - A2		51,103
		<u>\$ 416,450</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

	Rating	Fair Value
Long-term Investments (con't)		
<i>Component Units</i>		
Items subject to credit risk:		
Municipal Bonds		
City Not Rated		\$ 51,312
City Moody's - Aaa		65,428
City Moody's - Aa1		15,011
City Moody's - Aa2		10,016
City Moody's - Aa3		135,302
City Moody's - A2		215,148
County Moody's - Aa3		154,608
Other Not Rated		4,192
Other Moody's - Aaa		398,881
Other Moody's - Aa1		10,200
Other Moody's - Aa2		146,668
Other Moody's - Aa3		452,291
Other Moody's - A1		78,156
Other Moody's - A2		50,707
Other Moody's - A3		96,864
Other Moody's - Baa1		113,965
Other Moody's - Baa2		64,251
State Moody's - Aa1		10,200
State Moody's - Aa2		105,546
State Moody's - A2		69,614
		<u>\$ 2,248,360</u>
Alternative Investments Not Rated		
Hedge Funds		\$ 20,267,689
Private Equity		13,387,390
Real Assets		2,124,385
		<u>\$ 35,779,464</u>
Total items subject to credit risk		<u>\$ 43,228,243</u>
Total Long-term Investments		<u><u>\$ 108,927,281</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

A summary of the investments at June 30, 2008 and their exposure to credit risk are as follows:

	Rating	Fair Value
Short-term Investments		
<i>Primary Institution</i>		
Items not subject to credit risk:		
Money Market Deposit		\$ 38,288
U.S. Treasuries		123,701,432
Equity		<u>2,012,281</u>
Total items not subject to credit risk		<u>\$ 125,752,001</u>
Items subject to credit risk:		
Money Market Not Rated		<u>\$ 3,759,082</u>
Repurchase Agreements Not Rated		<u>\$ 34,236,792</u>
Commercial Paper		
AIG Funding Fitch - F1		\$ 8,452,240
American Honda Finance Fitch - F1		1,097,356
Disney (Walt) Company Fitch - F1		997,870
Disney Co Not Rated		1,245,113
Illinois Tool Work Not Rated		999,440
Met-Life Funding Inc Fitch - F1+		399,324
Natl Rural Corp Not Rated		2,246,010
Nestle Fin Intl Ltd Fitch - F1+		1,248,575
Toyota Motor Credit Co Not Rated		<u>119,888</u>
		<u>\$ 16,805,816</u>
U.S. Government Agency Obligations		
FFCB Moody's - Aaa		\$ 2,052,748
FHLB Moody's - Aaa		17,299,155
FHLB Not Rated		7,393,080
FHLMC Fitch -AAA		2,747,224
FHLMC Moody's - Aaa		12,703,350
FHLMC Not Rated		13,044,428
FNMA Fitch -AAA		3,182,956
FNMA Moody's - Aaa		12,756,730
FNMA Not Rated		<u>6,765,800</u>
		<u>\$ 77,945,471</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

	Rating	Fair Value
Short-term Investments (con't)		
<i>Primary Institution</i>		
Items subject to credit risk:		
Corporate Bonds		
Abbott Labs	S&P - A1	\$ 1,251,688
American Honda Finance	S&P - A-1	1,245,694
Amgen, Inc.	S&P - A3	2,002,160
Bellsouth Capital Funding Corp	S&P - A2	1,008,600
Bellsouth Telecommunication	S&P - A2	2,706,537
Berkshire Hathaway Corp	S&P - AAA	2,001,360
Boeing Cap Corp	S&P - A2	2,258,573
Catepillar Fin Svc Corp	S&P - A2	4,581,318
Du Pont E I Denemours Debs-Reg	S&P - A2	3,029,790
Emersen Electric Co	S&P - A2	1,272,765
General Electric Capital Corp	S&P - AAA	994,260
IBM Corp Notes	S&P - A1	2,274,185
John Deere Capital Corp	S&P - A2	1,542,644
Proctor & Gamble Co Global	S&P - AA3	1,753,465
Target Corp	S&P - A2	1,757,823
US Bank	S&P - AA1	1,238,713
Wal-Mart Stores	S&P - AA2	3,264,755
		<u>\$ 34,184,330</u>
Municipal Bonds		
City	S&P - A1	\$ 1,011,160
City	S&P - AA2	5,448,547
City	S&P - AAA	1,254,763
County	S&P - AAA	4,189,923
State	S&P - AA2	738,782
State	S&P - A1	508,050
Other	S&P - A1	6,797,190
Other	S&P - A2	1,103,960
Other	S&P - AA	1,268,363
Other	S&P - AA3	3,015,740
Other	S&P - AAA	8,286,804
		<u>\$ 33,623,282</u>
Total items subject to credit risk		<u>\$ 200,554,773</u>
Total Short-term Investments		<u>\$ 326,306,774</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Short-term Investments (con't)

Component Units

Items not subject to credit risk:	
U.S. Treasuries	\$ -
Mutual Funds	167,673
Equity	<u>3,952,855</u>
Total items not subject to credit risk	<u>\$ 4,120,528</u>
Items subject to credit risk:	
Money Market Not Rated	<u>\$ 130,189</u>
Certificates of Deposit Not Rated	<u>\$ 814,227</u>
U.S. Government Securities	
Morgan Stanley Dean Witter US	
Govt Sec Trust Not Rated	\$ 27,105
FNMA S&P - AAA	<u>50,657</u>
	<u>\$ 77,762</u>
Corporate Bonds	
Merrill Lynch & Co Inc Med Term Note S&P - A	<u>\$ 49,972</u>
Total items subject to credit risk	<u>\$ 1,072,150</u>
Total short-term Investments	<u><u>\$ 5,192,678</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

	Rating	Fair Value
Long-term Investments		
<i>Primary Institution</i>		
Items not subject to credit risk:		
Mutual Funds		\$ 38,828,169
Equity		<u>94,927,208</u>
Total items not subject to credit risk		<u>\$ 133,755,377</u>
Items subject to credit risk:		
Money Market-Deposits Not Rated		<u>\$ 2,112,583</u>
Money Market Not Rated		<u>\$ 18,398,851</u>
Certificates of Deposit Not Rated		<u>\$ 957,755</u>
Repurchase Agreements Moody's - Aa2		<u>\$ 13,452,613</u>
Alternative Investments Not Rated		
Hedge Funds		\$ 44,289,227
Private Equity		12,078,113
Real Assets		<u>23,443,624</u>
		<u>\$ 79,810,964</u>
Total items subject to credit risk		<u>\$ 114,732,766</u>
Total Long-term Investments		<u><u>\$ 248,488,143</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

	Rating	Fair Value
Long-term Investments (con't)		
<i>Component Units</i>		
Items not subject to credit risk:		
Mutual Funds		\$ 24,874,318
Equity		51,217,435
Real Estate		90,829
Other		157,053
		<u> </u>
Total items not subject to credit risk		<u>\$ 76,339,635</u>
 Items subject to credit risk:		
Money Market Not Rated		<u>\$ 1,594,991</u>
 U.S. Government Agency Obligations		
FHLB Moody's - AAA		<u>\$ 130,913</u>
 Corporate Bonds		
Bellsouth Corp Moody's - A2		\$ 75,153
Catepillar Financial Services Moody's - A2		51,360
Coca-Cola Enterprises Moody's - A3		20,144
General Electric Capital Moody's - AAA		20,896
Goldman Sachs Group, Inc. Moody's - AA3		60,188
HSBC Finance Corporation Moody's - AA3		50,120
Lehman Bros. Holdings, Inc. Moody's - A1		128,414
Met Life Moody's - A2		50,459
		<u> </u>
		<u>\$ 456,734</u>
 Municipal Bonds		
City Moody's - Aaa		\$ 60,017
City Moody's - Aa2		296,204
City Moody's - Aa1		15,217
City Moody's - Aa3		198,725
City Moody's - Aaa		73,087
County Moody's - A1		154,197
State Moody's - A1		75,731
State Moody's - Aa1		151,490
State Moody's - Aaa		25,370
Other Moody's - A1		76,539
Other Moody's - A2		259,483
Other Moody's - Aa2		112,101
Other Moody's - Aa3		268,083
Other Moody's - Aaa		743,831
Other Moody's - AAA		43,902
		<u> </u>
		<u>\$ 2,553,977</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

	Rating	Fair Value
Long-term Investments (con't)		
<i>Component Units</i>		
	Alternative Investments Not Rated	
	Hedge Funds	\$ 28,467,205
	Private Equity	7,257,080
	Real Assets	11,413,070
		<u>\$ 47,137,355</u>
	Total items subject to credit risk	<u>\$ 51,873,970</u>
	Total Long-term Investments	<u><u>\$ 128,213,605</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

(E) *Interest Rate Risk—Debt Investments.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Currently, the University does not have a specific policy to limit its exposure to interest rate risk.

A summary of the investments and their respective maturities at June 30, 2009 and their exposure to interest rate risk are as follows:

Short-term Investments <i>Primary Institution</i>	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
Items not subject to interest rate risk:					
Money Market Deposit	\$ 1,422,750				
	<u>\$ 1,422,750</u>				
Items subject to interest rate risk:					
Money Market	\$ 10,233,343	\$ 10,233,343	\$ -	\$ -	\$ -
Commercial Paper					
General Electric	\$ 749,956	\$ 749,956	\$ -	\$ -	\$ -
HSBC Finance Corp	8,527,946	8,527,946	-	-	-
	<u>\$ 9,277,902</u>	<u>\$ 9,277,902</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Treasury Securities					
Treasury Bills	\$ 25,472,942	\$ 25,472,942	\$ -	\$ -	\$ -
Treasury Notes	109,374,702	23,841,804	85,532,898	-	-
Treasury STRIPS	14,568,572	-	14,568,572	-	-
	<u>\$ 149,416,216</u>	<u>\$ 49,314,746</u>	<u>\$ 100,101,470</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Government Agency Obligations					
FFCB	\$ 4,308,345	\$ 2,256,470	\$ 2,051,875	\$ -	\$ -
FHLB	40,773,765	22,850,114	17,923,651	-	-
FHLMC	34,868,355	12,136,801	22,731,554	-	-
FNMA	35,417,752	11,734,673	23,683,079	-	-
	<u>\$ 115,368,217</u>	<u>\$ 48,978,058</u>	<u>\$ 66,390,159</u>	<u>\$ -</u>	<u>\$ -</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Short-term Investments <i>Primary Institution (con't)</i> Items subject to interest rate risk:	Fair Value	Investment Maturities		
		Less than 1 Year	1-5 Years	5-10 Years Greater than 10 Years
Corporate Bonds/Notes				
Abbott Labs	\$ 1,033,950	\$ -	\$ 1,033,950	\$ -
Alabama Power Company	1,036,150		1,036,150	
Alabama Power Company Sr Notes	193,560		193,560	
Amgen, Incorporated Sr Notes	2,027,140	2,027,140		
Bellsouth Telecommunication	2,010,740	2,010,740		
Brown-Forman Corporation	499,335	499,335		
Catepillar Financial Service Corporation Notes	3,519,675	3,519,675		
Catepillar Financial Service Corporation	2,171,589		2,171,589	
John Deere Capital Corporation	2,997,151	1,016,570	1,980,581	
John Deere Corporation Notes	1,000,830	1,000,830		
Du Pont E I Denemours Debs- Reg	4,086,840	4,086,840		
Electronic Data Systems Corp	1,018,520	1,018,520		
Genentech Incorporated	2,571,950		2,571,950	
General Dynamics Corporation Notes	847,601		847,601	
General Dynamics Corporation	2,290,800		2,290,800	
General Electric Capital Corporation	2,859,546	2,859,546		
General Electric Capital Corporation (Float)	3,812,876		3,812,876	
Georgia Power Sr Notes	2,505,400	2,505,400		
Gillette Company Sr Notes	1,006,780	1,006,780		

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Short-term Investments <i>Primary Institution (con't)</i> Items subject to interest rate risk:	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
Corporate Bonds/Notes (con't)					
Halliburton Company	1,045,890		1,045,890		
Hewlett-Packard Company	1,043,200		1,043,200		
Hewlett-Packard Company Notes	1,791,711	1,000,910	790,801		
Honeywell International	2,501,100	2,501,100			
IBM Corporation	518,636	518,636			
Eli Lilly & Company	1,759,364		1,759,364		
Medtronic Incorporated	613,776		613,776		
Merck & Company	1,186,517		1,186,517		
Occidental Petroleum Corp Med Notes	2,042,440	2,042,440			
Pfizer Incorporated	5,116,261		5,116,261		
Praxair Incorporated	801,552	801,552			
The Proctor and Gamble Company	2,002,920	2,002,920			
3M Company Notes	712,068	712,068			
United Technologies Corporation	2,057,740	2,057,740			
Verizon Wireless Capital	2,061,350		2,061,350		
Wal-Mart Stores Incorporated Notes	2,075,600		2,075,600		
Wal-Mart Stores Sr Notes	257,990		257,990		
	<u>\$ 65,078,548</u>	<u>\$ 33,188,742</u>	<u>\$ 31,889,806</u>	<u>\$ -</u>	<u>\$ -</u>
Municipal Bonds					
City	\$ 1,870,860	\$ 1,635,773	\$ 235,087	\$ -	\$ -
County					
Other	21,849,041	18,956,807	2,892,234	-	-
State	3,119,750	731,672	2,388,078	-	-
	<u>\$ 26,839,651</u>	<u>\$ 21,324,252</u>	<u>\$ 5,515,399</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 376,213,877</u>	<u>\$ 172,317,043</u>	<u>\$ 203,896,834</u>	<u>\$ -</u>	<u>\$ -</u>
Total Short-term Investments	<u><u>\$ 377,636,627</u></u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Short-term Investments <i>Component Units</i>	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
Items not subject to interest rate risk:					
Money Market	\$ 24,616				
Mutual Funds	1,231,210				
Equity	2,787,908				
	<u>\$ 4,043,734</u>				
Items subject to interest rate risk:					
Certificates of Deposit	\$ 839,867	\$ 839,867	\$ -	\$ -	\$ -
U.S. Treasury Securities					
Treasury Notes	\$ 167,138	\$ -	\$ 167,138	\$ -	\$ -
U.S. Government Agency Obligations					
Morgan Stanley US Govt Sec Trust	\$ 27,375	\$ 27,375	\$ -	\$ -	\$ -
FHLMC	115,126		115,126		
FNMA	110,553		110,553		
	<u>\$ 253,054</u>	<u>\$ 27,375</u>	<u>\$ 225,679</u>	<u>\$ -</u>	<u>\$ -</u>
Corporate Bonds/Notes					
Asian Dev Bank	\$ 31,217	\$ -	\$ 31,217	\$ -	\$ -
AT&T, Incorporated	28,131		28,131		
BP Capital PLC	40,755		40,755		
Catepillar, Incorporated	29,928		29,928		
Chevron Corporation	37,397			37,397	
Cisco Systems, Incorporated	46,277			46,277	
Dow Chemical Company	30,909		30,909		
Ekspartfinans	26,473		26,473		
General Electric Capital Corporation	42,827			42,827	
JP Morgan Chase & Company	45,817		45,817		
McDonald's Corporation	16,478			16,478	
Merck & Company	28,313				28,313
MetLife, Incorporated	38,903			38,903	
Wal-Mart Stores Incorporated	16,729		16,729		
	<u>\$ 460,154</u>	<u>\$ -</u>	<u>\$ 249,959</u>	<u>\$ 181,882</u>	<u>\$ 28,313</u>
	<u>\$ 1,720,213</u>	<u>\$ 867,242</u>	<u>\$ 642,776</u>	<u>\$ 181,882</u>	<u>\$ 28,313</u>
Total Short-term Investments	<u>\$ 5,763,947</u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Long-term Investments <i>Primary Institution</i>	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
Items not subject to interest rate risk:					
Money Market-Deposits	\$ 4,502				
Mutual Funds	29,073,960				
Equity	80,652,251				
Alternative Investments	54,794,894				
	<u>\$ 164,525,607</u>				
Items subject to interest rate risk:					
Money Market	\$ 18,964,292	\$ 8,685,709	\$ 10,278,583	\$ -	\$ -
Certificates of Deposit	\$ 966,538	\$ 966,538	\$ -	\$ -	\$ -
Repurchase Agreements	\$ 13,443,513	\$ 13,443,413	\$ -	\$ -	\$ -
	<u>\$ 33,374,343</u>	<u>\$ 23,095,660</u>	<u>\$ 10,278,583</u>	<u>\$ -</u>	<u>\$ -</u>
Total Long-term Investments	<u>\$ 197,899,950</u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Long-term Investments <i>Component Units</i>	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
Items not subject to interest rate risk:					
Certificates of Deposit	\$ 60,666				
Mutual Funds	21,013,663				
Equity	44,580,688				
Alternative Investments	35,779,464				
Real Estate	104,687				
	<u>\$ 101,539,168</u>				
Items subject to interest rate risk:					
Money Market	\$ 4,487,424	\$ 4,487,424	\$ -	\$ -	\$ -
U.S. Government Agency Obligations					
FFCB	\$ 50,735	\$ 50,735	\$ -	\$ -	\$ -
FHLB	51,063		51,063		
FHLBC	83,675			83,675	
FNMA	50,407	50,407			
	<u>\$ 235,879</u>	<u>\$ 101,141</u>	<u>\$ 51,063</u>	<u>\$ 83,675</u>	<u>\$ -</u>
Corporate Bonds/Notes					
Bellsouth Corp	\$ 75,403	\$ -	\$ 75,403	\$ -	\$ -
Financial Services Incorporated	52,077	52,077			
Financial Services Incorporated	52,077	52,077			
Capital Corporation Med Term Note	20,962	20,962			
General Dynamics Corporation	51,683	51,683			
Goldman Sachs Group, Inc.	62,808	62,808			
HSBC Finance Corporation	50,337	50,337			
Met Life	51,103	51,103			
	<u>\$ 416,450</u>	<u>\$ 341,047</u>	<u>\$ 75,403</u>	<u>\$ -</u>	<u>\$ -</u>
Municipal Bonds					
City	\$ 492,217	\$ 15,011	\$ 477,206	\$ -	\$ -
County	154,608				154,608
Other	1,416,175		79,496	116,607	1,220,072
State	185,360				185,360
	<u>\$ 2,248,360</u>	<u>\$ 15,011</u>	<u>\$ 556,702</u>	<u>\$ 116,607</u>	<u>\$ 1,560,040</u>
	<u>\$ 7,388,113</u>	<u>\$ 4,944,623</u>	<u>\$ 683,168</u>	<u>\$ 200,282</u>	<u>\$ 1,560,040</u>
Total Long-term Investments	<u>\$ 108,927,281</u>				

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

A summary of the investments and their respective maturities at June 30, 2008 and their exposure to interest rate risk are as follows:

Short-term Investments <i>Primary Institution</i>	Fair Value	Investment Maturities			Greater than 10 Years
		Less than 1 Year	1-5 Years	5-10 Years	
Items not subject to interest rate risk:					
Money Market Deposit	\$ 38,288				
Equity	2,012,281				
	<u>\$ 2,050,569</u>				
Items subject to interest rate risk:					
Money Market	\$ 3,759,082	\$ 3,759,082	\$ -	\$ -	\$ -
Repurchase Agreements	\$ 34,236,792	\$ 34,236,792	\$ -	\$ -	\$ -
Commercial Paper					
AIG Funding	\$ 8,452,240	\$ 8,452,240	\$ -	\$ -	\$ -
American Honda Finance	1,097,356	1,097,356			
Disney (Walt) Company	997,870	997,870			
Disney Co	1,245,113	1,245,113			
Illinois Tool Work	999,440	999,440			
Met-Life Funding Inc	399,324	399,324			
Natl Rural Corp	2,246,010	2,246,010			
Nestle Fin Intl Ltd	1,248,575	1,248,575			
Toyota Motor Credit Co	119,888	119,888			
	<u>\$ 16,805,816</u>	<u>\$ 16,805,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Treasury securities	\$ 123,701,432	\$ 5,639,550	\$ 118,061,882	\$ -	\$ -
U.S. Government Agency Obligations					
FFCB	\$ 2,052,748	\$ 2,052,748	\$ -	\$ -	\$ -
FHLB	24,692,235	22,181,285	2,510,950		
FHLMC	28,495,002	28,495,002			
FNMA	22,705,486	22,705,486			
	<u>\$ 77,945,471</u>	<u>\$ 75,434,521</u>	<u>\$ 2,510,950</u>	<u>\$ -</u>	<u>\$ -</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Short-term Investments	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
<i>Primary Institution (con't)</i>					
Items subject to interest rate risk:					
Corporate Bonds					
Abbott Labs	\$ 1,251,688	\$ 1,251,688	\$ -	\$ -	\$ -
American Honda Finance	1,245,694	1,245,694			
Amgen, Inc.	2,002,160		2,002,160		
Bellsouth Capital Funding Corp	1,008,600	1,008,600			
Bellsouth Telecommunication	2,706,537	702,457	2,004,080		
Berkshire Hathaway Corp	2,001,360	2,001,360			
Boeing Cap Corp	2,258,573	2,258,573			
Catepillar Fin Svc Corp	4,581,318	4,581,318			
Du Pont E I Denemours Debs-Reg	3,029,790		3,029,790		
Emersen Electric Co	1,272,765	1,272,765			
General Electric Capital Corp	994,260	994,260			
IBM Corp Notes	2,274,185	2,274,185			
John Deere Capital Corp	1,542,644	1,542,644			
Proctor & Gamble Co Global	1,753,465	1,753,465			
Target Corp	1,757,823	1,757,823			
US Bank	1,238,713	1,238,713			
Wal-Mart Stores	3,264,755	1,251,075	2,013,680		
	<u>\$ 34,184,330</u>	<u>\$ 25,134,620</u>	<u>\$ 9,049,710</u>	<u>\$ -</u>	<u>\$ -</u>
Municipal Bonds					
City	\$ 7,714,470	\$ 5,595,172	\$ 2,119,298	\$ -	\$ -
County	4,189,923		4,189,923		
State	1,246,832	508,050	738,782		
Other	20,472,057	10,890,931	9,581,126		
	<u>\$ 33,623,282</u>	<u>\$ 16,994,153</u>	<u>\$ 16,629,129</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 324,256,205</u>	<u>\$ 178,004,534</u>	<u>\$ 146,251,671</u>	<u>\$ -</u>	<u>\$ -</u>
Total Short-term Investments	<u>\$ 326,306,774</u>				

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Short-term Investments <i>Component Units</i>	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
Items not subject to interest rate risk:					
Mutual Funds	\$ 167,673				
Equity	3,952,855				
	<u>\$ 4,120,528</u>				
Items subject to interest rate risk:					
Money Market	\$ 130,189	\$ 130,089	\$ -	\$ -	\$ -
Certificates of Deposit	\$ 814,227	\$ 814,227	\$ -	\$ -	\$ -
U.S. Government Agency Obligations					
Morgan Stanley Dean Witter US Govt Sec Trust	\$ 27,105	\$ 27,105	\$ -	\$ -	\$ -
FNMA	50,657	50,657			
	<u>\$ 77,762</u>	<u>\$ 77,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Corporate Bonds					
Ch & Co Inc Med Term Note	\$ 49,972	\$ 49,972	\$ -	\$ -	\$ -
	<u>\$ 1,072,150</u>	<u>\$ 1,072,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Short-term Investments	<u>\$ 5,192,678</u>				

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June 30, 2009 and 2008

Long-term Investments	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
<i>Primary Institution</i>					
Items not subject to interest rate risk:					
Mutual Funds	\$ 38,828,169				
Equity	94,927,208				
Alternative Investments	79,810,964				
	<u>\$ 213,566,341</u>				
Items subject to interest rate risk:					
Money Market-Deposits	\$ 2,112,583	\$ 2,112,583	\$ -	\$ -	\$ -
Money Market	\$ 18,398,851	\$ 18,398,851	\$ -	\$ -	\$ -
Certificates of Deposit	\$ 957,755	\$ 957,755	\$ -	\$ -	\$ -
Repurchase Agreements	\$ 13,452,613	\$ 13,452,613	\$ -	\$ -	\$ -
	<u>\$ 34,921,802</u>	<u>\$ 34,921,802</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Long-term Investments	<u>\$ 248,488,143</u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

Long-term Investments <i>Component Units</i>	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
Items not subject to interest rate risk:					
Mutual Funds	\$ 24,874,318				
Equity	51,217,435				
Alternative Investments	47,137,355				
Real Estate	90,829				
Other	157,053				
	<u>\$ 123,476,990</u>				
Items subject to interest rate risk:					
U.S. Government Agency Obligations					
FHLB	\$ 130,913	\$ -	\$ 81,475	\$ 49,438	\$ -
Corporate Bonds					
Bellsouth Corp	\$ 75,153	\$ -	\$ 75,153	\$ -	\$ -
Catepillar Financial Services	51,360		51,360		
Coca-Cola Enterprises	20,144	20,144			
General Electric Capital	20,896		20,896		
Goldman Sachs Group, Inc.	60,188		60,188		
HSBC Finance Corporation	50,120		50,120		
Lehman Bros. Holdings, Inc.	128,414		128,414		
Met Life	50,459		50,459		
	<u>\$ 456,734</u>	<u>\$ 20,144</u>	<u>\$ 436,590</u>	<u>\$ -</u>	<u>\$ -</u>
Municipal Bonds					
City	\$ 643,250	\$ 50,004	\$ -	\$ 15,217	\$ 578,029
County	154,197				154,197
State	252,591				252,591
Other	1,503,939	5,036	76,953	115,759	1,306,191
	<u>\$ 2,553,977</u>	<u>\$ 55,040</u>	<u>\$ 76,953</u>	<u>\$ 130,976</u>	<u>\$ 2,291,008</u>
Money Market					
	\$ 1,594,991	\$ 1,594,991	\$ -	\$ -	\$ -
	<u>\$ 4,736,615</u>	<u>\$ 1,670,175</u>	<u>\$ 595,018</u>	<u>\$ 180,414</u>	<u>\$ 2,291,008</u>
Total Long-term Investments	<u>\$ 128,213,605</u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

- (F) *Concentration of Credit Risk—Investments.* Concentration Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments in any one issuer that represent 5% or more of all total investments including components unit investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. For long-term investments, the University does have a policy to limit its exposure to concentrated credit risk. It states that investments shall be diversified with the intent to minimize the risk of large investment losses. Consequently, the portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in individual issues, corporations or industries.

For the year ended June 30, 2009, the University has 44.19% of its investments in U.S. Treasuries, U.S. government agencies or mutual funds. Of the remaining 55.81%, the largest concentration, 6.96%, is in The Vanguard Group, Inc.; this is classified in equities.

- (G) *Foreign Currency Risk—Investments and Deposits.* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Currently, the University does have a long-term investment policy that limits its exposure to foreign currency risk. As of June 30, 2009 the University was not exposed to foreign currency fluctuations.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

(H) *Investment Income (Loss)*

At June 30, 2009 and 2008, investment income (loss) consists of the following:

	<u>2009</u>	<u>2008</u>
Primary Institution Investment Income (Loss)		
<i>Investment Revenue</i>		
Investment income	\$ 15,319,046	\$ 18,261,942
State Investment Council Permanent Fund distribution	10,284,371	8,502,365
<i>Realized Gains</i>		
State Investment Council Permanent Fund distribution	0	0
<i>Realized Gains/Losses</i>		
Endowments-Common Investment Fund	(7,995,999)	9,628,100
Non-Endowment Investments	(670,777)	7,634
<i>Unrealized Gains/Losses</i>		
State Investment Council Permanent Fund distribution	(39,532,277)	(7,101,688)
<i>Unrealized Gains/Losses</i>		
Endowments-Common Investment Fund	(37,545,829)	(13,054,195)
Non-Endowment Investments	2,085,261	(95,656)
	<u>\$ (58,056,204)</u>	<u>\$ 16,148,502</u>
Component Units Investment Income (Loss)	<u>\$ (24,808,932)</u>	<u>\$ 2,786,466</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

(4) Accounts Receivable, Patient Receivables and Other Receivables

Accounts receivable, patient receivables and other receivables are shown net of allowances for doubtful accounts in the accompanying Statements of Net Assets. At June 30, 2009 and 2008, receivables consisted of the following:

	<u>2009</u>	<u>2008</u>
Primary Institution		
Contracts and grants	\$ 38,474,925	\$ 33,199,358
HSC health services	1,347,463	1,183,713
Sales and services	20,155,843	17,604,483
Auxiliaries	11,469,706	11,948,178
Tuition and fees	11,311,606	9,418,266
State of New Mexico bonds	9,437,606	4,194,914
Other	1,330,010	852,167
	<u>\$ 93,527,159</u>	<u>\$ 78,401,079</u>
Less: Allowances for doubtful accounts	<u>(18,177,610)</u>	<u>(8,598,158)</u>
	<u>\$ 75,349,549</u>	<u>\$ 69,802,921</u>
Component Units accounts receivable, net	<u>\$ 1,875,386</u>	<u>\$ 1,904,439</u>
Primary Institution patient receivables, net		
Patient receivables	\$ 260,715,432	\$ 264,651,135
Less: Allowance for doubtful accounts	<u>(178,597,955)</u>	<u>(188,601,587)</u>
	<u>\$ 82,117,477</u>	<u>\$ 76,049,549</u>
Primary Institution other receivables		
Bernalillo County Treasurer	\$ 1,481,242	\$ 1,190,664
Other receivables	5,622,524	2,546,967
	<u>\$ 7,103,766</u>	<u>\$ 3,737,631</u>

(5) Notes Receivable

Current notes receivable are shown net of allowance for doubtful accounts in the accompanying Statements of Net Assets. At June 30, 2009 and 2008, notes receivable consisted of the following:

	<u>2009</u>	<u>2008</u>
Primary Institution notes receivable, net		
Current notes receivable		
Student loans	<u>\$ 5,009,184</u>	<u>\$ 6,344,742</u>
Non-current notes receivable		
Student loans	<u>\$ 11,287,149</u>	<u>\$ 12,056,789</u>

Federal Perkins Loans make up approximately 73% and 72% of the student loans at June 30, 2009 and 2008, respectively. Under this program, the federal government provides funds for approximately 75% of the total contribution for student loans, with the University providing the balance. Under certain conditions such loans can be forgiven at annual rates of 10% to 30% of the original balance up to maximums of 50% to 100% of the original loan. The federal government reimburses the University 10% for the amounts cancelled on loans originated prior to July 1, 1993 under the Federal Perkins Loan Program.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

(6) Capital Assets (in thousands)

	Year Ended June 30, 2009				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
University capital assets not being depreciated					
Land	\$ 37,924	2,127	-	(542)	\$ 39,509
Construction in-progress	115,108	85,712	(69,302)	-	131,518
	<u>\$ 153,032</u>	<u>87,839</u>	<u>(69,302)</u>	<u>(542)</u>	<u>\$ 171,027</u>
University depreciable capital assets					
Land improvements	\$ 38,400	-	33	-	\$ 38,433
Infrastructure	125,877	-	1,757	-	127,634
Buildings	698,717	7,424	67,512	-	773,653
Equipment and furnishings	226,665	18,168	-	(9,769)	235,064
Library books	122,798	7,741	-	-	130,539
Total depreciable capital assets	<u>\$ 1,212,457</u>	<u>33,333</u>	<u>69,302</u>	<u>(9,769)</u>	<u>\$ 1,305,323</u>
Less: Accumulated depreciation for					
Land improvements	\$ (28,441)	(747)	-	-	\$ (29,188)
Infrastructure	(39,275)	(6,140)	-	-	(45,415)
Buildings	(256,956)	(19,063)	-	-	(276,019)
Equipment and furnishings	(162,924)	(17,049)	-	8,886	(171,087)
Library books	(109,749)	(6,357)	-	-	(116,106)
Total accumulated depreciation	<u>\$ (597,345)</u>	<u>(49,356)</u>	<u>-</u>	<u>8,886</u>	<u>\$ (637,815)</u>
University depreciable capital assets, net	<u>\$ 615,112</u>	<u>(16,023)</u>	<u>69,302</u>	<u>(883)</u>	<u>\$ 667,508</u>
Capital asset summary					
University capital assets not being depreciated	\$ 153,032	87,839	(69,302)	(542)	\$ 171,027
University depreciable capital assets at cost	1,212,457	33,333	69,302	(9,769)	1,305,323
University total cost of capital assets	\$ 1,365,489	121,172	-	(10,311)	\$ 1,476,350
Less: Accumulated depreciation	(558,726)	(46,705)	-	8,090	(597,341)
Less: Accumulated depreciation-Auxiliaries	(38,619)	(2,651)	-	796	(40,474)
University capital assets, net	<u>\$ 768,144</u>	<u>71,816</u>	<u>-</u>	<u>(1,425)</u>	<u>\$ 838,535</u>
Clinical Operations capital assets	\$ 521,130	35,279	-	(6,573)	\$ 549,836
Less: Accumulated depreciation	(220,611)	(30,655)	-	6,038	(245,228)
Clinical Operations capital assets, net	<u>\$ 300,519</u>	<u>4,624</u>	<u>-</u>	<u>(535)</u>	<u>\$ 304,608</u>
Primary Institution capital assets, net	<u>\$ 1,068,663</u>	<u>76,440</u>	<u>-</u>	<u>(1,960)</u>	<u>\$ 1,143,143</u>
Component Units capital assets, net	<u>\$ 126</u>	<u>(43)</u>	<u>-</u>	<u>-</u>	<u>\$ 83</u>

The University capitalizes interest expense incurred during the period an asset is being prepared for its intended use. For the years ended June 30, 2009 and 2008, the University capitalized interest expense of approximately \$367,360 and \$631,000, respectively.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

(6) Capital Assets (in thousands)

	Year Ended June 30, 2008				
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
University capital assets not being depreciated					
Land	\$ 36,722	1,701		(499)	\$ 37,924
Construction in-progress	103,501	109,155	(97,548)		115,108
	<u>\$ 140,223</u>	<u>110,856</u>	<u>(97,548)</u>	<u>(499)</u>	<u>\$ 153,032</u>
University depreciable capital assets					
Land improvements	\$ 37,550	-	850	-	\$ 38,400
Infrastructure	112,654	-	13,223	-	125,877
Buildings	600,918	14,582	83,475	(258)	698,717
Equipment and furnishings	230,744	18,907	447	(23,433)	226,665
Library books	114,729	8,069	-	-	122,798
Total depreciable capital assets	<u>\$ 1,096,595</u>	<u>41,558</u>	<u>97,995</u>	<u>(23,691)</u>	<u>\$ 1,212,457</u>
Less: Accumulated depreciation for					
Land improvements	\$ (27,688)	(753)	-	-	\$ (28,441)
Infrastructure	(33,275)	(6,000)	-	-	(39,275)
Buildings	(239,849)	(17,365)	-	258	(256,956)
Equipment and furnishings	(167,229)	(17,180)	-	21,485	(162,924)
Library books	(104,053)	(5,696)	-	-	(109,749)
Total accumulated depreciation	<u>\$ (572,094)</u>	<u>(46,994)</u>	<u>-</u>	<u>21,743</u>	<u>\$ (597,345)</u>
University depreciable capital assets, net	<u>\$ 524,501</u>	<u>(5,436)</u>	<u>97,995</u>	<u>(1,948)</u>	<u>\$ 615,112</u>
Capital asset summary					
University capital assets not being depreciated	\$ 140,223	110,856	(97,548)	(499)	\$ 153,032
University depreciable capital assets at cost	1,096,595	41,558	97,995	(23,691)	1,212,457
University total cost of capital assets	<u>\$ 1,236,818</u>	<u>152,414</u>	<u>447</u>	<u>(24,190)</u>	<u>\$ 1,365,489</u>
Less: Accumulated depreciation	(531,606)	(45,317)	-	18,197	(558,726)
Less: Accumulated depreciation-Auxiliaries	(40,488)	(1,677)	-	3,546	(38,619)
University capital assets, net	<u>\$ 664,724</u>	<u>105,420</u>	<u>447</u>	<u>(2,447)</u>	<u>\$ 768,144</u>
Clinical Operations capital assets	\$ 479,813	41,317	-	-	\$ 521,130
Less: Accumulated depreciation	(190,534)	(30,077)	-	-	(220,611)
Clinical Operations capital assets, net	<u>\$ 289,279</u>	<u>11,240</u>	<u>-</u>	<u>-</u>	<u>\$ 300,519</u>
Primary Institution capital assets, net	<u>\$ 954,003</u>	<u>116,660</u>	<u>447</u>	<u>(2,447)</u>	<u>\$ 1,068,663</u>
Component Units capital assets, net	<u>\$ 478</u>	<u>95</u>	<u>(447)</u>	<u>-</u>	<u>\$ 126</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009 and 2008

(7) Accounts Payable and Accrued Payroll

At June 30, 2009 and 2008, accounts payable and accrued payroll consisted of the following:

	<u>2009</u>	<u>2008</u>
Primary Institution accounts payable		
Trade payables	\$ 20,168,111	\$ 14,324,786
Clinical operations-trade payables	25,136,231	22,159,834
Accrued payroll and benefits	7,996,898	6,272,057
Clinical operations-accrued payroll and benefits	22,315,669	18,109,723
	<u>\$ 75,616,909</u>	<u>\$ 60,866,399</u>
Component Units accounts payable	<u>\$ 966,507</u>	<u>\$ 484,086</u>

(8) Accrued Compensated Absences

During the years ended June 30, 2009 and 2008, the following changes occurred in accrued compensated absences:

Fiscal Year	Balance <u>July 1</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30</u>
2009	\$36,362,136	\$53,308,449	\$ (48,652,623)	\$ 41,017,962
2008	31,254,280	48,477,619	(43,369,763)	36,362,136

The portion of accrued compensated absences due after one year is not material, and therefore, is not presented separately.

(9) Other Accrued Liabilities

At June 30, 2009 and 2008, other accrued liabilities consisted of the following:

	<u>2009</u>	<u>2008</u>
Primary Institution other accrued liabilities		
Employer/Employee - payroll tax liability	\$ 22,441,284	\$ 18,404,626
Clinical operations - payroll tax liability	-	600,173
Utilities	1,335,279	2,070,038
Bond interest	6,235,100	6,414,014
Other	10,744,669	10,573,347
	<u>\$ 40,756,332</u>	<u>\$ 38,062,198</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

(12) Bonds Payable

The bonds are collateralized by substantially all unrestricted revenues excluding state appropriations and clinical operations. Bonds payable consist of the following:

	<u>2009</u>	<u>2008</u>
Subordinate Lien System Improvement Revenue Bonds Series 2007 A&B with interest ranging from 4.096% to 5.28%-final maturity 2036	\$ 136,710,000	\$ 136,710,000
Subordinate Lien System Improvement Revenue Bonds Series 2005 with interest ranging from 3.0% to 5.0% - final maturity 2035	123,910,000	124,490,000
FHA Insured Hospital Mortgage Revenue Bonds Series 2004 with interest ranging from 2.00% to 5.00% - final maturity 2031	183,395,000	190,210,000
Subordinate Lien System Refunding Revenue Bonds Series 2003A with interest ranging from 2.00% to 5.25% - final maturity 2018.	14,655,000	16,555,000
Subordinate Lien System Revenue Bonds (Taxable) Series 2003B with interest ranging from 1.35% to 5.625% - final maturity 2024	5,585,000	5,585,000
Subordinate Lien System Revenue Bonds Series 2003C with interest ranging from 4.5% to 4.6% - final maturity 2033	4,940,000	5,170,000
Subordinate Lien System Refunding & Improvement Revenue Bonds Series 2002A with interest ranging from 2.5% to 5.25% - final maturity 2032	49,325,000	51,200,000
Subordinate Lien System Refunding Revenue Bonds Series 2002B (Variable) with a synthetic fixed interest rate of 3.83% achieved through an interest rate exchange agreement with final maturity 2026	25,275,000	25,375,000
Subordinate Lien System Refunding Revenue Bonds Series 2002C (Variable) with a synthetic fixed interest rate of 3.94% achieved through an interest rate exchange agreement - final maturity 2030	36,840,000	36,840,000
Subordinate Lien System Improvement Revenue Bonds Series 2001 with interest at a variable rate with a ceiling of 12% - final maturity 2026	42,780,000	44,470,000
System Revenue Bonds Series 2000 with interest ranging from 4.65% to 6.35% - final maturity 2029	4,959,683	7,136,424
System Revenue Refunding Bonds Series 1992-A with interest ranging from 5.60% to 6.25% - final maturity 2021	23,810,000	25,175,000
	<u>\$ 652,184,683</u>	<u>\$ 668,916,424</u>
Add: Bond premium	12,125,189	13,232,894
Less: Loss on defeased bonds	(4,639,157)	(5,062,694)
Bond discounts	(2,319,385)	(2,423,212)
Current portion of bonds payable	(14,722,739)	(14,041,741)
Bond insurance and surety premiums	(1,442,683)	(1,497,730)
Original issue discount	(1,088,583)	(1,132,137)
Long term bonds payable	<u>\$ 640,097,325</u>	<u>\$ 657,991,804</u>

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Future debt service as of June 30, 2009 for the bonds is as follows:

Year ending June 30	Principal	Interest	Total
2010	14,722,739	30,987,668	45,710,407
2011	16,947,231	30,378,796	47,326,027
2012	17,676,584	29,656,945	47,333,529
2013	18,404,310	28,930,808	47,335,118
2014	19,218,652	28,169,199	47,387,851
2015-2019	110,515,167	126,522,441	237,037,608
2020-2024	142,070,000	93,802,505	235,872,505
2025-2029	151,670,000	58,493,434	210,163,434
2030-2034	135,710,000	24,318,587	160,028,587
2035-2036	25,250,000	1,692,725	26,942,725
	<u>\$ 652,184,683</u>	<u>\$ 452,953,108</u>	<u>\$ 1,105,137,791</u>

Defeased Bonds:

The University has defeased certain System Revenue Bonds as follows:

On November 13, 2002, the University of New Mexico defeased \$30,030,000 of the 2000A series. Sinking fund monies in the amount of \$35,060,001 from the Series 2002C Refunding Revenue Bonds were placed in an irrevocable trust to provide for all future debt service payments. Total cash flow savings to the University from this defeasance are \$3,215,000. Remaining principal outstanding at June 30, 2009 is \$30,030,000.

The liability for defeased bonds and the related assets held in trust are not included in the accompanying basic financial statements since the University has satisfied its obligation for payment of the defeased bonds.

Interest Rate Swap Agreement:

The University has entered into interest rate swap agreements for portions of its variable-rate bonds payable. The University continues to pay interest to the bondholders at the variable rate provided by the bonds. However, during the term of the swap agreements, the University effectively pays a fixed rate on the debt. In return, the counterparty to the swap agreement owes the University interest based on a variable rate that matches the rate required by the bonds; only the net difference in interest payments is actually exchanged with the counterparty. The bond principal is not exchanged; it is only the basis on which the interest payments are calculated.

The debt service requirements to maturity for these bonds [presented in this note] are based on the fixed rate per the swap agreements. The University will be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated. A termination of the swap agreement may also result in the University making or receiving a termination payment.

The notional amounts of the swap agreements match the percentage of bonds payable principal amounts that are protected by the swap agreements. Because interest rates have declined, all swaps had a negative fair value as of June 30, 2009. As a result, the University is not exposed to credit risk as of June 30, 2009. However, should interest rates change and the fair values of the swaps become positive, the University would be exposed to credit rate risk in the amount of the interest swaps' fair value.

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The swap agreements are summarized as follows:

	Fixed interest rate per swap agreement	Portion of outstanding bond issue protected by swap agreement	Swap agreement expiration date	Counter party Standard & Poor's rating
Subordinate Lien System Refunding Revenue Bonds Series 2002B	3.83%	100%	Expires in 2026. May be terminated by either party after 2006 if specified conditions are met.	AA-
Subordinate Lien System Refunding Revenue Bonds Series 2002C	3.94%	100%	Expires in 2030. May be terminated by either party after 2010 if specified conditions are met.	AA-
Subordinate Lien System Improvement Revenue Bonds Series 2001	4.16%	25%	Expires in 2026.	AA-
	4.19%	25%	Expires in 2026.	AA-

2006 Constant Maturity Basis Swaps (the "Five-Year LIBOR Swaps") – In addition to existing interest rate swap agreements on the Series 2001 and 2002C bonds, the University of New Mexico entered into two Constant Maturity Basis Overlay Swap agreements (through the competitive bid process) with JPMorgan Chase, N.A. for notional amounts of \$22,235,000 and \$36,840,000 respectively. (Notional principal amount – in a constant maturity basis swap is predetermined DOLLAR amount on which the exchanged interest payments are based.) The effective date for these agreements is September 15, 2006 and terminates on June 1, 2026 subject to adjustment in accordance with the Modified Following Business Day Convention.

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(13) Health Care Revenue

A summary of net patient service revenues follows for the years ended June 30:

Primary Institution	2009	2008
Charges at established rates	\$ 375,572,604	\$ 325,334,961
Charity care	(45,583,724)	(39,121,826)
Contractual adjustments	(107,974,791)	(94,703,433)
Provision for doubtful accounts, net	(23,247,429)	(23,319,707)
Total net patient services revenues	<u>\$ 198,766,660</u>	<u>\$ 168,189,995</u>

Below is a breakdown of the hospital and clinical operations operating revenues

Clinical Operations	2009	2008
Charges at established rates	\$1,146,251,000	\$ 943,078,371
Charity care	(188,246,901)	(145,430,642)
Contractual adjustments	(396,381,206)	(336,878,076)
Provision for doubtful accounts, net	(98,728,054)	(92,724,036)
Net patient services revenues	<u>\$ 462,894,839</u>	<u>\$ 368,045,617</u>
Other operating revenues	<u>14,996,203</u>	<u>13,464,858</u>
Total operating revenues	<u>\$ 477,891,042</u>	<u>\$ 381,510,475</u>

The Hospital is reimbursed from the Medicare and Medicaid programs for certain reimbursable items at an interim rate with final settlement determined after submission of annual cost reports by the Hospital. The annual cost reports are subject to audit by the Medicare intermediary and the Medicaid audit agent. Cost reports through 2004 have been final settled for the Medicaid programs. Cost reports through 2004, 2006 and 2007 have been final settled for the Medicare program. Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

In the 2003 legislative session, the New Mexico State Legislature amended Section 7-1-6.11, NMSA 1978, to provide, in part, for a distribution of 14.52% of the net receipts of cigarette excise tax revenues to the New Mexico Finance Authority (NMFA) for the benefit of the University of New Mexico Health Sciences Center. The act permits the NMFA to issue and sell revenue bonds in an amount not to exceed \$60.0 million for a term not to exceed 15 years, for the purpose of designing, constructing, equipping and furnishing additions and improvements to the Hospital and the Cancer Research Treatment Center at the University of New Mexico Health Sciences Center.

The principal and interest on both the 2004A and 2004B bonds are payable from and secured by a distribution of certain cigarette excise taxes imposed and collected in the State of New Mexico. The 2004A and 2004B bonds, together with interest thereon, are not an indebtedness of the University of New Mexico, or the Hospital, but are special limited obligations of the NMFA payable solely from and secured solely by the cigarette tax revenues and amounts in certain funds and accounts created under the indenture.

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(14) Leases

At June 30, 2009 and 2008, the University and the clinical operations had various lease arrangements summarized as follows:

(A) *University and clinical operations as Lessees*

(a) Capital Leases

The University and the clinical operations have no capital leases to report at June 30, 2009 and 2008.

(b) Operating Leases

The University's rent expense for operating leases amounted to \$6,062,864 and \$6,646,047 for the years ended June 30, 2009 and 2008, respectively.

The clinical operations are committed under various leases for building and office space and data processing equipment. Rental expenses on operating leases and other non-lease equipment were \$10,357,000 and \$9,399,000 in 2009 and 2008, respectively, and includes amounts paid to the University of \$2,364,177 and \$2,359,611 in 2009 and 2008, respectively, which is eliminated in the government-wide financial statements.

(c) Minimum Lease Payments

The following is a schedule of future minimum lease payments for Primary Institution operating leases at June 30, 2009:

Year ending	Lease
<u>June 30</u>	<u>Payments</u>
2010	\$4,557,984
2011	2,242,771
2012	1,537,849
2013	732,178
2014	248,762
2015-2019	424,335
2020-2024	176,989
2025-2029	126,026
2030-2034	126,026
2035-	31
	<u>\$10,172,951</u>

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(B) *University as Lessor*

The University is lessor of various properties. For the years ended June 30, 2009 and 2008, respectively, total lease income, which includes annually renewable lease agreements, was \$5,983,042 and \$5,781,907.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2009:

Year ending <u>June 30</u>	Lease <u>Payments</u>
2010	\$4,366,236
2011	2,513,583
2012	2,472,981
2013	2,441,973
2014	2,439,955
2015-2019	491,360
2020-2024	298,410
2025-2029	378,810
2030-2034	780,810
2035-	780,810
	<u>\$16,964,928</u>

(15) **Risk Management**

The University currently is a party to various litigation claims in the ordinary course of business. The University participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability, auto liability, medical malpractice, physical damage and workers' compensation insurance. The Risk Management program liability insurance coverage includes most employee liability claims; those claims falling outside this state program are in limited amounts and are covered by the University from its operating budget. During fiscal year 2008-2009, the University paid Risk Management \$19,951,249 in insurance premiums. During fiscal year 2007-2008, the University paid Risk Management \$17,049,466 in insurance premiums. The University's exposure is limited to \$1,000 per any first party incurred property loss, with the exception of theft, which has a \$5,000 deductible. After conferring with legal counsel concerning pending litigation and claims, the University administration believes that the outcome of pending litigation should not have a materially adverse effect on the financial position or operations of the University.

As a part of the University of New Mexico, the Hospital enjoys sovereign immunity from suit for tort liability except as waived by the New Mexico legislature. In this connection, under the New Mexico Tort Claims Act, the New Mexico Legislature waived the State's and the Hospital's sovereign immunity for claims arising out of negligence out of the operation of the Hospital, the treatment of the Hospital's patients, and the healthcare services provided by Hospital employees. In addition, the New Mexico Tort Claims Act limits, as an integral part of this waiver of sovereign immunity, the amount of damages that can be assessed against the Hospital on any tort claim including medical malpractice or professional liability claims.

The New Mexico Tort Claims Act provides that total liability for all claims that arise out of a single occurrence shall not exceed \$750,000 set forth as follows: (a) \$200,000 for real property; (b) up to \$300,000 for past and future medical and medically related expenses; and (c) up to \$400,000 for past and future noneconomic losses (such as pain and suffering) incurred or to be incurred by the claimant. The language of the New Mexico Tort Claims Act does not provide for claims of loss of consortium, however, New Mexico appellate court decisions have allowed claimants to seek consortium. Risk Management Division of the State of New Mexico General Services Department (State RMD) and UNM contend that these damages are contained within the \$750,000 cap. The New Mexico Tort Claims Act prohibits the award of punitive or exemplary damages against the Hospital. The New Mexico Tort Claims Act requires the State

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RMD to provide coverage to the Hospital for those torts where the Legislature has waived the State's sovereign immunity up to the damages limits of the New Mexico Tort Claims Act plus the cost incurred in defending any claims and/or lawsuits (including attorney's fees and expenses), with no deductible and with no self-insured retention by the Hospital. As a result of the foregoing, the Hospital is fully covered for claims and/or lawsuits relating medical malpractice or professional liability.

The University receives grants and other forms of reimbursement from various federal and state agencies. These activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. University administration believes that the liability, if any, for reimbursement that may arise as the results of audits, would not be material to the financial position or operations of the University.

The UNM Hospital sponsors a self-insured health plan in which UNM Psychiatric Center and UNM Children's Psychiatric Center also participate, as all employees are under the centralized umbrella of UNM Hospital. Blue Cross and Blue Shield of New Mexico and HMO New Mexico (BCBSNM and HMONM) provide administrative claim payment services for the Hospital's plan. Liabilities are based on an estimate of claims that have been incurred but not reported and invoices received but not yet paid. At June 30, 2009 and 2008, the estimated amount of the Hospital's claims and accrued invoices was \$3.7 million and \$2.7 million, respectively, which is included in accrued payroll. The liability for claims incurred but not reported was based on an actuarial analysis calculated using information provided by BCBSNM. Changes in the reported liability since June 30, 2008 resulted from the following:

	<u>Beginning of Fiscal -Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal-Year End</u>
2008-2009	\$ 2,705,475	\$ 23,189,007	\$ (22,200,645)	\$3,693,837
2007-2008	2,459,377	17,962,734	(17,716,636)	2,705,475

(16) Retirement Plans and Post-Employment Benefits

(A) University

Plan Description

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

Plan members are required to contribute 7.9% of their gross salary. The University is required to contribute 11.65% of the gross covered salary. Effective July 1, 2009, plan members are required to contribute 9.4% of their gross salary and the University is required to contribute 10.9% of the gross covered salary. The contribution requirements of plan members and the University are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The University's contributions to ERB for the fiscal years ending June 30, 2009, 2008, and 2007, were \$43,803,696, \$38,968,790, and \$34,005,127, respectively, which equal the amount of the required contributions for each fiscal year.

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Post-Employment Benefits

Vesting in Retirement Benefits: A member becomes vested once he/she has met service requirements and has made contributions to the retirement plan for at least five years. Service requirements are satisfied by five or more years of "earned service credit" (actual service) or an "allowed service credit."

Determination of Benefits: The annual benefit is equal to 2.35% of the average of the five highest consecutive years' salary multiplied by the number of years of service (earned and allowed credit). Benefit may be reduced by election of an option that guarantees continuous income to a surviving beneficiary. The benefit may also be reduced if the member has less than 25 years service and is less than age 60.

Eligibility for Retirement Benefits: Eligibility follows the Rule of 75. Employees whose age plus the number of years of earned service credit equals 75 are eligible for retirement benefits. Eligibility for retirement benefits also occurs for employees having a combination of 25 years of earned and allowed service credit. Employees with less than 25 years of earned service credit are also eligible for limited retirement benefits at age 65 with five years of earned service credit.

Allowed Service Credit: Up to five years of allowed service credit may be purchased by an administrator, teacher or employee in one of the following: any public educational system in the United States, any U.S. Military Dependent school, any accredited private school or Federal Education program in New Mexico. The cost of purchase is 12% of member's current annualized New Mexico salary for each year of credit purchased. Up to five years of active military service may be purchased if payment is made within three years of the effective date of coverage under the Educational Retirement Act. The cost of purchase is 10.5% of member's average annual salary for all years of covered employment for each year purchased.

(B) Hospital

The Hospital has a defined contribution plan covering eligible employees, which provides retirement benefits. The name of the plan is UNM Hospital Tax Sheltered Annuity Plan, formerly known as the University of New Mexico Hospital/Bernalillo Medical Center Tax Sheltered Annuity Plan. The Hospital contributes either 5.5% or 7.5% of an employee's salary to the plan, depending on employment level. The Plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. The Plan is administered by the Hospital's Human Resources Department.

In addition, the Hospital has a deferred compensation plan, called the UNM Hospitals 457 (b) Deferred Compensation Plan, which provides employees with additional retirement savings plan. The Hospital does not contribute to this plan. Employees can make voluntary contributions to this plan. The Plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. The Plan is administered by the Hospital's Human Resources Department.

The Hospital also has a defined benefit plan that covers all employees who were members of the clerical and service worker collective bargaining unit as of June 30, 1977 and had completed a year of service prior to June 30, 1977. The name of the plan is University of New Mexico/BCMC Retirement Plan B. There are currently 119 participants included in this plan. Actuarial pension data for this plan may be obtained by writing to UNM Hospital's Human Resources Department, P.O. Box 80600, Albuquerque, NM 87198-0600.

Total employer expense under the plans was \$9,299,000 and \$7,934,000 in 2009 and 2008, respectively. Total employee contributions under the plans were \$12,434,000 and \$11,140,000 in 2009 and 2008, respectively.

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(C) Other Post Employment Benefits

Plan Description. The University and the UNM Hospital, UNM Psychiatric Center and UNM Children's Psychiatric Center are single employers that offer employees and their eligible dependents retiree benefits. The UNM Hospital, UNM Psychiatric Center and UNM Children's Psychiatric Center employees and retirees participate under the same benefit plan. Therefore, for the purpose of this consolidated footnote, "the Hospital", refers to these three reporting entities. For the University, the authority to establish and amend the benefit provisions and contribution requirements rests with the Board of Regents. For the Hospital, the authority to establish and amend the benefit provisions rests with the Human Resource Administrator and the Chief Executive officer.

Retirees of the University are offered a choice of two medical plans, including prescription drugs: a fully insured plan through United Healthcare and a minimum premium plan through Lovelace Health Plan. Medicare retirees (for retirees 65 years of age and over) are offered a choice of three fully insured medical plans, including prescription drugs, of which two are through Lovelace Health Plan and one is through Presbyterian Health Plans. Medicare retirees are also offered two Medicare Advantage plans, and a Supplemental plan administered by AARP / United Healthcare. Retirees are also offered two self-funded dental plans, and basic life insurance benefits through age 65. The University pays the same percent of the premium for medical, dental and life insurance that the employee was eligible for at the time of retirement, until age 65 when some coverage may change.

Employees of the University who choose to participate in the New Mexico Educational Retirement Board (ERB) pension plan are eligible to retire when one of the following criteria is met:

- Age and earned service credits equal 75 or more
- Earned service credit and/or allowed service credit total 25 years or more
- Age 65 with at least 5 years of earned service credit

Alternatively, certain eligible employees may choose to participate in the Alternative Retirement Plan (ARP), a defined contribution plan, and are eligible to retire when all of the following criteria are met:

- Completion of 5 consecutive years of service with the University immediately prior to retirement
- At least age 59 ½ at the time of application for retirement
- Have been actively enrolled in health, dental and life insurance by a local group health insurance policy for at least 4 of the last 5 years and are presently enrolled in one of UNM's health insurance plans during the last 12 consecutive months of employment at UNM

For the University, at the valuation date of July 1, 2007, there were 1,908 retirees, 5,666 not fully eligible active employees, and 742 fully eligible employees.

Eligible retired employees of the Hospital are offered combined medical/prescription drug benefits through the Hospital's self-insured health plan administered by Blue Cross and Blue Shield of New Mexico. Eligible retired employees are also offered dental insurance through the Hospital's self-insured Dental plan insurance.

Employees are eligible to retire from UNM Hospital when:

- The employee reaches the minimum age of 50; and
- The employee has at least five years of continuous employment; and
- The employee has a combined age plus year of service sum of at least 70.

For the Hospital, at the date of valuation July 1, 2008, there were a total of 21 retirees, 378 active fully eligible and 4,611 not fully eligible plan participants.

Funding Policy. The University and the Hospital do not use a trust fund to administer the financing and payment of benefits. The retired employees that elect to participate in post employment benefits are required to make contributions in the form of monthly premiums based on current rates established under the medical and dental plans.

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The University and Hospital fund the plans on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits, and includes all expected claims and related expenses and is offset by retiree contributions. The pay-as-you-go expense of the University for fiscal year 2009 was \$5,261,000, net of retiree contributions. The pay as you go expense of the Hospital for fiscal year 2009 was \$109,000, net of retiree contributions.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2007 actuarial valuations, the unit credit actuarial cost method was used. The actuarial assumptions included a 5.0% percent annual discount rate assuming that the Primary Institution funds the retirement benefit on a pay-as-you go basis. Currently, the plans are considered to be unfunded as there are no assets, and retiree benefits are expected to be paid annually on a cash basis. The actuarial valuation assumes an annual health care cost trend on a select and ultimate basis: medical benefits on a select basis at 11% and on an ultimate basis at 6%, and dental benefits on a select and ultimate basis at 6%. The select trend rates are reduced .5% each year until reaching the ultimate trend. The unfunded actuarial accrued liability (UAAL) is amortized over the maximum acceptable period of 30 years and is calculated assuming a level percentage of projected payroll. Payroll is projected to increase 4% per year.

Annual OPEB Cost and Net OPEB Obligation. The Primary Institution's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the University's and Hospital's annual OPEB cost for the year, the amounts actually contributed to the plans, and changes in the University's and Hospital's net OPEB obligation.

	University	Hospital	Total
Annual required contribution	\$ 8,179,000	\$ 784,000	\$ 8,963,000
Interest on net OPEB obligation	-	22,000	22,000
Adjustment to annual required contribution	-	(19,000)	8,985,000
Annual OPEB cost (expense)	8,179,000	787,000	8,966,000
Contributions made	5,261,000	109,000	5,370,000
Increase in net OPEB obligation	2,918,000	678,000	3,596,000
Net OPEB obligation beginning of year	2,918,000	485,000	3,403,000
Net OPEB obligation end of year	<u>\$ 5,836,000</u>	<u>\$ 1,163,000</u>	<u>\$ 6,999,000</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the OPEB obligation for fiscal year 2009 is as follows:

	University	Hospital	Total
Annual OPEB Cost	\$ 8,179,000	\$ 787,000	\$ 8,966,000
% of Annual OPEB Cost Contributed	64.3%	13.9%	59.9%
Net OPEB Obligation	\$ 5,836,000	\$ 1,163,000	\$ 6,999,000

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Funded Status and Funding Progress. As of July 1, 2007, the initial actuarial valuation date, the plans were not funded. The University's actuarial accrued liability (AAL), the present value of all future expected postretirement health payments and administrative costs attributable to past service, was \$91,344,000, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of the full \$91,344,000, or a funded ratio of 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$482,462,487, and the ratio of the UAAL to the covered payroll was 18.9%.

The Hospital's AAL was \$5,767,000, and the actuarial value of assets was zero, resulting in an UAAL of the full \$5,767,000 or a funded ratio of 0%. The covered payroll was \$249,548,339 and the ratio of the UAAL to the covered payroll was 2.3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress and Employer Contributions (Schedule 1), presented as required supplemental information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(17) Commitments and Contingencies

(A) Commitments

In addition to the lease commitments in Note 14, the Primary Institution had commitments totaling \$374,802,753 and \$456,664,645 for the years ended June 30, 2009 and 2008, respectively. These commitments consisted of the following:

	<u>2009</u>	<u>2008</u>
Materials and Services	\$ 165,121,851	\$ 154,089,462
Construction Projects	209,680,902	302,575,183
Total	<u>\$ 374,802,753</u>	<u>\$ 456,664,645</u>

(B) Contingencies

The University is liable or contingently liable in connection with certain claims that arise in the normal course of its activities. It is the opinion of management that uninsured losses resulting from these claims would not be material to the University's financial position or operations.

The University receives governmental grants that may be refundable in the event that all terms of the grants are not complied with.

(C) Mortgage Reserve Fund

On November 15, 2004, the Hospital established a mortgage reserve fund in accordance with the requirements and conditions of the Federal Housing Administration (FHA) Regulatory Agreement. Future Mortgage Reserve Fund contributions are summarized as follows:

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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	<u>Annual</u> <u>Contribution</u>
2010	\$ 2,518,920
2011	2,621,545
2012	2,728,351
2013	2,325,566
2014	2,420,313
2015-2017	7,868,817
	<u>\$ 20,483,512</u>

(18) Component Units

Blended Component Units

(A) University of New Mexico Medical Group

University of New Mexico Medical Group (UNMMG) is a non-profit corporation that was organized to promote, advance, and support the clinical scientific, educational, research, and charitable purposes of the School of Medicine (SOM) and the University of New Mexico Health Sciences Center (UNM HSC.) UNMMG is a blended component unit of the University of New Mexico (UNM) and is reported as such in the basic financial statements of UNM. University of New Mexico Medical Group, 1650 University Boulevard, NE, Albuquerque, NM 87102.

Discretely Presented Component Units

(B) The University of New Mexico Foundation, Inc.

The University of New Mexico Foundation, Inc. (Foundation) is a non-profit corporation, organized to solicit, receive, hold, invest and transfer funds for the benefit of the University of New Mexico. The majority of the Foundation's investments are managed by the University. The University of New Mexico Foundation, Inc., Two Woodward Center, 700 Lomas Blvd. NE, Suite 108, Albuquerque, NM 87131.

(C) The Robert O. Anderson Schools of Management Foundation

The Robert O. Anderson Schools of Management Foundation (ASMF) is a non-profit corporation organized in 1971 to promote continued education to the business community. ASMF provides professional workshops, seminars, guest symposiums, a master's degree program and funding for various faculty fellowships, research grants and student scholarships. The University of New Mexico, The Robert O. Anderson Schools of Management Foundation, 1924 Las Lomas, NE, Albuquerque, NM 87131.

(D) STC.UNM (formerly known as Science & Technology Corporation @ UNM)

STC.UNM (formerly known as Science & Technology Corporation @ UNM), is a non-profit corporation formed under the auspices of the 1989 New Mexico University Research Park Act and the New Mexico Non-profit Corporation Act. The business of the corporation is to manage the commercialization of technologies developed by the University's faculty and manage the real estate development of the Science & Technology Park at The University of New Mexico on the South Campus. STC.UNM (formerly Science & Technology Corporation @ UNM), 801 University Blvd. SE, Suite 101, Albuquerque, NM 87106.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

(E) *University of New Mexico Lobo Club*

The University of New Mexico Lobo Club (Club) is a non-profit corporation established to operate as a fund-raising entity in support of the athletic program at the University. The Club operates on a fiscal year-end of May 31. From its annual fundraising activities, the Club accrued an annual contribution to the University of \$3.44 million as of May 31, 2009, which was paid in July of 2009. Although the Club's fiscal year-end is different than the University's fiscal year-end, there is generally no significant impact to the financial statements. However, the Club's fiscal year 2008 annual contribution of \$2.69 million to the University was paid in June 2009 and therefore is not reported as a Due to The University of New Mexico as of June 30, 2008. The amount is a reconciling item between the Club's fiscal year May 31, 2008 financial statements and the University's fiscal year June 30, 2008 financial statements. The University of New Mexico Lobo Club, Department of Athletics, Albuquerque, NM 87131.

(F) *Lobo Development Corporation*

Lobo Development Corporation was established in October 2007, under the State of New Mexico's University Research Park and Economic Development Act. Lobo Development Corporation was established to benefit UNM's Regents in the management and development of University-owned real estate. The activities of Lobo Development Corporation include the acquisition, development, disposition and rental of University real estate. Lobo Development Corporation, 801 University Blvd. SE, Suite 207, Albuquerque, NM 87106.

(G) *Lobo Energy, Inc.*

Lobo Energy, Inc. (LEI) was formed by the UNM Regents in June 1998, under the University Research Park Act to be a separate 501(c)(3) corporation wholly owned by UNM. Its responsibilities include the procurement of natural gas and electricity, operations and maintenance of all production facilities, and energy measurement and management systems. Lobo Energy, Inc., 801 University Blvd. SE, Suite 207, Albuquerque, NM 87106.

(H) *The University of New Mexico Alumni Association*

The University of New Mexico Alumni Association (the Association) is a not-for-profit organization that was incorporated August 29, 1962 to provide and coordinate events and activities for the purpose of maintaining a positive relationship between the University and its alumni. The University of New Mexico Alumni Association at Hodgin Hall, Albuquerque, NM 87131.

These entities were selected for inclusion based on criteria as set forth in GASB 14 and GASB 39. Complete financial statements for these component units can be obtained from their respective administrative offices at the address listed above. Additionally, UNMMG meets the requirements for blended presentation under GASB 14, The Financial Reporting Entity.

(19) Impact of Recently Issued Accounting Standards

(A) GASB 53 - The GASB issued GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. This new accounting standard aims to improve the quality of financial reporting by requiring state and local governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. GASB Statement No. 53 requires changes in the fair value of hedging derivative instruments to be recognized under hedge accounting, whereby the changes in fair values are reported as either deferred inflows or deferred outflows in the statement of net assets. Changes in the fair value of investment derivative instruments are reported within the investment revenue classification in the statement of revenues, expenses, and changes in net assets. GASB Statement No. 53 is effective for periods beginning after June 15, 2009, and earlier application is encouraged. The University is currently evaluating the impact GASB Statement No. 53 will have on the financial statements.

(B) GASB 55 - The GASB issued GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This new accounting standard aims to improve financial reporting by

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009 and 2008

incorporating accounting and reporting standards included in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards (SASs) into GASB's authoritative literature. GASB Statement No. 55 is effective upon issuance (March 2009). The University does not expect that GASB 55 will result in a change in current practice.

- (C) GASB 56 - The GASB issued GASB Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards. This new accounting standard aims to improve financial reporting by incorporating guidance that previously was only contained in the AICPA's auditing literature into GASB's accounting and financial reporting literature for governmental entities. This statement specifically addresses three issues; related party transactions, going concern considerations, and subsequent events. GASB Statement No. 56 is effective upon issuance (March 2009). The University does not expect that GASB 56 will result in a change in current practice.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Funding Progress and Employer Contributions
For the years ended June 30, 2009 and 2008

The Schedule of Funding Progress and the Schedule of Employer Contributions present multi-year trend information comparing the actuarial value of plan assets to the actuarial accrued liability, and the actual contributions of UNM to the annual required contributions.

Schedule of Funding Progress

	<u>Fiscal Year Ending</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
University	6/30/2009	\$ -	\$ 91,344,000	\$ 91,344,000	0%	\$ 482,462,487	18.9%
Clinical Operations	6/30/2009	\$ -	\$ 5,767,000	\$ 5,767,000	0%	\$ 249,548,339	2.3%
University	6/30/2008	\$ -	\$ 91,344,000	\$ 91,344,000	0%	\$ 456,876,882	20.0%
Clinical Operations	6/30/2008	\$ -	\$ 4,353,000	\$ 4,353,000	0%	\$ 213,286,680	2.0%

Schedule of Employer Contributions

	<u>Fiscal Year Ending</u>	<u>Annual Required Contributions (ARC)</u>	<u>Actual Contributions</u>	<u>% Contributed</u>
University	6/30/2009	\$ 8,179,000	\$ 5,261,000	64%
Clinical Operations	6/30/2009	\$ 784,000	\$ 109,000	14%
University	6/30/2008	\$ 8,179,000	\$ 5,261,000	64%
Clinical Operations	6/30/2008	\$ 583,000	\$ 98,000	17%

Summary of Key Actuarial Methods and Assumptions

Valuation Year	July 1, 2007 to June 30, 2008
Actuarial Cost Method	Unit Credit Actuarial Cost Method
Amortization Method	30 Years
Discount Rate	5%
Projected Payroll Growth Rate	4%
Health Care Cost Trend Rate	Medical on a select basis at 11% and on an ultimate basis at 6%, and dental benefits on a select and ultimate basis at 6%. The select trend rates are reduced .5% each year until reaching the ultimate trend.

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THE UNIVERSITY OF NEW MEXICO

SCHEDULE 2

Budget Comparison - Unrestricted and Restricted - All Operations
For the year ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Favorable/ (Unfavorable)</u>
Unrestricted and Restricted Beginning Net Assets	\$ 329,699,654	\$ 420,235,306	\$ 422,909,544	\$ 2,674,238
Unrestricted and Restricted Revenues:				
Tuition and Fees	\$ 105,537,550	\$ 107,282,550	\$ 109,815,049	\$ 2,532,499
Miscellaneous Fees	25,570,896	25,570,896	26,436,620	865,724
Federal Government Appropriations	29,111,557	30,921,410	31,373,566	452,156
State Government Appropriations	327,712,262	316,670,260	313,636,421	(3,033,839)
State Lottery Appropriations	22,060,491	22,060,491	25,000,103	2,939,612
Local Government Appropriations	5,471,875	5,537,878	6,121,763	583,885
Federal Government Contracts/Grants	178,505,804	169,604,831	159,684,592	(9,920,239)
State Government Contracts/Grants	76,255,621	76,268,256	75,242,562	(1,025,694)
Local Government Contracts/Grants	5,467,141	7,256,257	4,669,648	(2,586,609)
Private Contracts/Grants	61,475,996	58,145,295	43,983,524	(14,161,771)
Endowments	4,143,600	4,106,400	3,687,783	(418,617)
Land and Permanent Fund	8,410,605	8,494,191	11,084,469	2,590,278
Private Gifts	-	-	105,102	105,102
Sales and Services	314,586,542	350,301,899	317,334,376	(32,967,523)
Other	155,167,276	141,249,883	164,350,993	23,101,110
Total Unrestricted and Restricted Revenues	<u>\$ 1,319,477,216</u>	<u>\$ 1,323,470,497</u>	<u>\$ 1,292,526,571</u>	<u>\$ (30,943,926)</u>
Unrestricted and Restricted Expenditures:				
Instruction	\$ 249,065,854	\$ 254,159,139	\$ 239,578,080	\$ 14,581,059
Academic Support	51,013,840	51,306,945	48,888,854	2,418,091
Student Services	29,015,760	29,707,329	27,450,651	2,256,678
Institutional Support	65,390,750	64,004,669	61,651,448	2,353,221
Operations and Maintenance	46,612,959	50,288,587	49,044,313	1,244,274
Student Social and Cultural	7,362,922	7,882,322	6,780,953	1,101,369
Research	168,542,369	181,721,382	161,910,780	19,810,602
Public Service	301,420,849	319,108,074	299,583,048	19,525,026
Internal Services	6,665,089	7,470,041	1,617,523	5,852,518
Student Aid, Grants & Stipends	93,164,922	96,449,428	87,322,097	9,127,331
Auxiliary Services	59,091,290	62,529,090	59,113,434	3,415,656
Intercollegiate Athletics	26,804,104	30,717,304	29,093,078	1,624,226
Independent Operations	94,893,500	95,059,500	88,273,888	6,785,612
Capital Outlay	211,421,913	143,978,937	122,856,875	21,122,062
Building Renewal & Replacement	15,099,861	15,099,861	12,160,844	2,939,017
Retirement of Indebtedness	34,916,228	34,916,228	31,443,439	3,472,789
Total Unrestricted and Restricted Expenditures	<u>\$ 1,460,482,210</u>	<u>\$ 1,444,398,836</u>	<u>\$ 1,326,769,305</u>	<u>\$ 117,629,531</u>
Net Transfers	<u>\$ 8,079,802</u>	<u>\$ 8,918,165</u>	<u>\$ 5,078,222</u>	<u>\$ (3,839,943)</u>
Change in Net Assets (Budgetary Basis)	<u>\$ (132,925,192)</u>	<u>\$ (112,010,174)</u>	<u>\$ (29,164,512)</u>	<u>\$ 82,845,662</u>
Ending Net Assets	<u>\$ 196,774,462</u>	<u>\$ 308,225,132</u>	<u>\$ 393,745,032</u>	<u>\$ 85,519,900</u>

Under title 5 of the New Mexico Administrative Code, chapter 3, part 4, paragraph 10 - Items of Budgetary Control: The total expenditures in each of the following budgetary functions will be used as the items of budgetary control. Total expenditures or transfers in each of these items of budgetary control may not exceed the amounts shown in the approved budget: A. Unrestricted expenditures and restricted expenditures. B. Instruction and general. C. Each budget function in current funds other than instruction and general. D. Within the plant funds budget: major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements, and debt service. E. Each individual item of transfer between funds and/or functions.

See accompanying Independent Auditors' Report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 3

Budget Comparison - Unrestricted - Non-Instruction & General
For the year ended June 30, 2009

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable/ (Unfavorable)
Unrestricted Beginning Net Assets	\$ 310,878,877	\$ 391,535,747	\$ 394,209,944	\$ 2,674,197
Unrestricted Revenues:				
Tuition and Fees	\$ 336,600	\$ 331,600	\$ 203,791	\$ (127,809)
Miscellaneous Fees	20,794,771	20,794,771	20,858,537	63,766
Federal Government Appropriations	-	719,257	-	(719,257)
State Government Appropriations	61,758,151	56,868,465	57,227,422	358,957
Local Government Appropriations	-	-	-	-
Federal Government Contracts/Grants	20,437,935	7,415,173	9,455,182	2,040,009
State Government Contracts/Grants	47,817,486	43,445,845	47,297,784	3,851,939
Local Government Contracts/Grants	258,941	284,057	479,448	195,391
Private Contracts/Grants	33,866,750	36,149,507	23,818,102	(12,331,405)
Endowments	79,000	79,000	5,907	(73,093)
Land and Permanent Fund	733,360	816,946	800,098	(16,848)
Private Gifts	-	-	105,102	105,102
Sales and Services	313,641,585	348,753,442	315,761,699	(32,991,743)
Other	97,197,707	82,476,014	113,629,676	31,153,662
Total Unrestricted Revenues	<u>\$ 596,922,286</u>	<u>\$ 598,134,077</u>	<u>\$ 589,642,748</u>	<u>\$ (8,491,329)</u>
Unrestricted Expenditures:				
Student Social and Cultural	\$ 6,912,922	\$ 7,432,322	\$ 6,555,786	\$ 876,536
Research	41,457,313	47,110,813	38,041,918	9,068,895
Public Service	236,208,976	258,591,203	239,506,080	19,085,123
Internal Services	6,465,089	7,270,041	1,580,889	5,689,152
Student Aid, Grants & Stipends	49,870,630	51,160,084	46,688,181	4,471,903
Auxiliary Services	58,737,290	62,175,090	58,941,616	3,233,474
Intercollegiate Athletics	26,759,104	30,672,304	29,065,105	1,607,199
Independent Operations	94,893,500	95,059,500	88,271,018	6,788,482
Capital Outlay	211,421,913	143,978,937	122,856,875	21,122,062
Building Renewal & Replacement	15,099,861	15,099,861	12,160,844	2,939,017
Retirement of Indebtedness	34,916,228	34,916,228	31,443,439	3,472,789
Total Unrestricted Expenditures	<u>\$ 782,742,826</u>	<u>\$ 753,466,383</u>	<u>\$ 675,111,751</u>	<u>\$ 78,354,632</u>
Net Transfers	\$ 54,740,244	\$ 53,044,644	\$ 57,721,636	\$ 4,676,992
Change in Net Assets (Budgetary Basis)	\$ (131,080,296)	\$ (102,287,662)	\$ (27,747,367)	\$ 74,540,295
Ending Net Assets	<u>\$ 179,798,581</u>	<u>\$ 289,248,085</u>	<u>\$ 366,462,577</u>	<u>\$ 77,214,492</u>

See accompanying Independent Auditors' Report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 4

Budget Comparison - Restricted - Non-Instruction & General
For the year ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Favorable/ (Unfavorable)</u>
Restricted Beginning Net Assets	\$ -	\$ -	\$ -	\$ -
Restricted Revenues:				
Tuition and Fees	\$ -	\$ -	\$ -	\$ -
Miscellaneous Fees	-	-	-	-
Federal Government Appropriations	28,994,531	30,085,127	31,288,060	1,202,933
State Government Appropriations	1,071,767	1,071,800	567,341	(504,459)
Local Government Appropriations	-	-	-	-
Federal Government Contracts/Grants	146,597,591	150,770,603	140,460,672	(10,309,931)
State Government Contracts/Grants	24,232,486	28,306,099	25,583,802	(2,722,297)
Local Government Contracts/Grants	4,265,500	6,076,671	3,990,358	(2,086,313)
Private Contracts/Grants	26,528,246	20,843,588	19,260,441	(1,583,147)
Endowments	374,600	337,400	327,370	(10,030)
Land and Permanent Fund	-	-	-	-
Private Gifts	-	-	-	-
Sales and Services	-	3,000	3,000	-
Other	-	10,000	(60,477)	(70,477)
Total Restricted Revenues	<u>\$ 232,064,721</u>	<u>\$ 237,504,288</u>	<u>\$ 221,420,567</u>	<u>\$ (16,083,721)</u>
Restricted Expenditures:				
Student Social and Cultural	\$ 450,000	\$ 450,000	\$ 225,167	\$ 224,833
Research	127,085,056	134,610,569	123,868,862	10,741,707
Public Service	65,211,873	60,516,871	60,076,968	439,903
Internal Services	200,000	200,000	36,634	163,366
Student Aid, Grants & Stipends	43,294,292	45,289,344	40,633,916	4,655,428
Auxiliary Services	354,000	354,000	171,818	182,182
Intercollegiate Athletics	45,000	45,000	27,973	17,027
Independent Operations	-	-	2,870	(2,870)
Capital Outlay	-	-	-	-
Building Renewal & Replacement	-	-	-	-
Retirement of Indebtedness	-	-	-	-
Total Restricted Expenditures	<u>\$ 236,640,221</u>	<u>\$ 241,465,784</u>	<u>\$ 225,044,208</u>	<u>\$ 16,421,576</u>
Net Transfers	<u>\$ 4,575,500</u>	<u>\$ 3,961,496</u>	<u>\$ 3,623,641</u>	<u>\$ (337,855)</u>
Change in Net Assets (Budgetary Basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 5

Budget Comparison - Unrestricted - Instruction & General
For the year ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Favorable/ (Unfavorable)</u>
Unrestricted Beginning Net Assets	\$ 18,820,777	\$ 28,699,559	\$ 28,699,600	\$ 41
Unrestricted Revenues:				
Tuition and Fees	\$ 105,200,950	\$ 106,950,950	\$ 109,611,258	\$ 2,660,308
Miscellaneous Fees	4,776,125	4,776,125	5,578,083	801,958
Federal Government Appropriations	-	-	47,425	47,425
State Government Appropriations	264,828,684	258,578,174	255,769,710	(2,808,464)
State Lottery Appropriations	22,060,491	22,060,491	25,000,103	2,939,612
Local Government Appropriations	5,471,875	5,537,878	6,121,763	583,885
Federal Government Contracts/Grants	250,000	250,000	172,728	(77,272)
State Government Contracts/Grants	-	-	62,600	62,600
Local Government Contracts/Grants	-	-	-	-
Private Contracts/Grants	-	-	22,675	22,675
Endowments	3,690,000	3,690,000	3,354,506	(335,494)
Land and Permanent Fund	7,677,245	7,677,245	10,284,371	2,607,126
Private Gifts	-	-	-	-
Sales and Services	944,957	1,545,457	1,569,677	24,220
Other	57,969,569	58,763,869	50,781,794	(7,982,075)
Total Unrestricted Revenues	<u>\$ 472,869,896</u>	<u>\$ 469,830,189</u>	<u>\$ 468,376,693</u>	<u>\$ (1,453,496)</u>
Unrestricted Expenditures:				
Instruction	\$ 235,115,831	\$ 239,817,947	\$ 228,796,842	\$ 11,021,105
Academic Support	50,211,764	50,456,185	48,354,485	2,101,700
Student Services	26,494,318	27,208,305	25,580,843	1,627,462
Institutional Support	64,927,139	63,565,809	61,474,674	2,091,135
Operations and Maintenance	46,507,798	50,168,827	49,026,861	1,141,966
Total Unrestricted Expenditures	<u>\$ 423,256,850</u>	<u>\$ 431,217,073</u>	<u>\$ 413,233,705</u>	<u>\$ 17,983,368</u>
Net Transfers	<u>\$ (51,457,942)</u>	<u>\$ (48,335,628)</u>	<u>\$ (56,560,133)</u>	<u>\$ (8,224,505)</u>
Change in Net Assets (Budgetary Basis)	<u>\$ (1,844,896)</u>	<u>\$ (9,722,512)</u>	<u>\$ (1,417,145)</u>	<u>\$ 8,305,367</u>
Ending Net Assets	<u>\$ 16,975,881</u>	<u>\$ 18,977,047</u>	<u>\$ 27,282,455</u>	<u>\$ 8,305,408</u>

See accompanying Independent Auditors' Report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 6

Budget Comparison - Restricted - Instruction & General
For the year ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Favorable/ (Unfavorable)</u>
Restricted Beginning Net Assets	\$ -	\$ -	\$ -	\$ -
Restricted Revenues:				
Tuition and Fees	\$ -	\$ -	\$ -	\$ -
Miscellaneous Fees	-	-	-	-
Federal Government Appropriations	117,026	117,026	38,081	(78,945)
State Government Appropriations	53,660	151,821	71,948	(79,873)
Local Government Appropriations	-	-	-	-
Federal Government Contracts/Grants	11,220,278	11,169,055	9,596,010	(1,573,045)
State Government Contracts/Grants	4,205,649	4,516,312	2,298,376	(2,217,936)
Local Government Contracts/Grants	942,700	895,529	199,842	(695,687)
Private Contracts/Grants	1,081,000	1,152,200	882,306	(269,894)
Endowments	-	-	-	-
Land and Permanent Fund	-	-	-	-
Private Gifts	-	-	-	-
Sales and Services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	<u>\$ 17,620,313</u>	<u>\$ 18,001,943</u>	<u>\$ 13,086,563</u>	<u>\$ (4,915,380)</u>
Restricted Expenditures:				
Instruction	\$ 13,950,023	\$ 14,341,192	\$ 10,781,238	\$ 3,559,954
Academic Support	802,076	850,760	534,369	316,391
Student Services	2,521,442	2,499,024	1,869,808	629,216
Institutional Support	463,611	438,860	176,774	262,086
Operations and Maintenance	105,161	119,760	17,452	102,308
Total Restricted Expenditures	<u>\$ 17,842,313</u>	<u>\$ 18,249,596</u>	<u>\$ 13,379,641</u>	<u>\$ 4,869,955</u>
Net Transfers	<u>\$ 222,000</u>	<u>\$ 247,653</u>	<u>\$ 293,078</u>	<u>\$ 45,425</u>
Change in Net Assets (Budgetary Basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

THE UNIVERSITY OF NEW MEXICO

Reconciliation of Budgetary Basis to Financial Statement Basis

Unrestricted and Restricted - All Operations

For the year ended June 30, 2009

Total Unrestricted and Restricted Revenues:

Budgetary Basis	\$ 1,292,526,571
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	492,044,550
University of New Mexico Psychiatric Center (amount not in budgetary basis)	30,310,548
University of New Mexico Children's Psychiatric Center (amount not in budgetary basis)	2,603,456
University of New Mexico Medical Group (amount not in budgetary basis)	(592,644)
Scholarship allowance (amount not in budgetary basis)	(46,968,522)
Endowment fund items (amount not in budgetary basis)	(40,004,769)
Land and permanent fund loss (amount not in budgetary basis)	(39,532,277)
Other fund items (amount not in budgetary basis)	5,352,784
Adjustments subsequent to Actuals submission to HED (amount not in budgetary basis)	(7,091,736)
Revenue/expenditure classification differences	(11,595,588)
Other	(6,125,459)
Total reconciling items	<u>\$ 378,400,343</u>
Total reconciled unrestricted and restricted revenues per Budgetary Basis	<u>\$ 1,670,926,914</u>

Basic Financial Statements

Operating revenues	\$ 1,219,682,533
Non-operating revenues	403,744,090
Other revenues	47,500,291
Total unrestricted and restricted revenues per Financial Statements	<u>\$ 1,670,926,914</u>

Difference

\$ -

Total Unrestricted and Restricted Expenditures:

Budgetary Basis	\$ 1,326,769,305
Reconciling items:	
Capital outlay/renewal & replacement (amount not in financial statements)	(126,594,552)
University of New Mexico Hospital (amount not in budgetary basis)	460,161,257
University of New Mexico Psychiatric Center (amount not in budgetary basis)	28,156,742
University of New Mexico Children's Psychiatric Center (amount not in budgetary basis)	2,762,362
University of New Mexico Medical Group (amount not in budgetary basis)	(5,218,507)
Scholarship allowance (amount not in budgetary basis)	(46,968,522)
Endowment fund items (amount not in budgetary basis)	10,230
Other fund items (amount not in budgetary basis)	1,078,773
Depreciation expense (amount not in budgetary basis)	49,022,990
Adjustments subsequent to Actuals submission to HED (amount not in budgetary basis)	(30,000)
Revenue/expenditure classification differences	(11,595,588)
Other	(1,667,402)
Total reconciling items	<u>\$ 349,117,783</u>
Total reconciled unrestricted and restricted expenditures per Budgetary Basis	<u>\$ 1,675,887,088</u>

Basic Financial Statements

Operating expenditures	\$ 1,654,919,628
Non-operating expenditures	20,967,460
Total unrestricted and restricted expenditures per Financial Statements	<u>\$ 1,675,887,088</u>

Difference

\$ -

See accompanying Independent Auditors' Report.

THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Collateral as of June 30, 2009 - Primary Institution

Pledged Collateral					
Financial Institution	CUSIP Identification	Maturity Date	Type of Securities	Account Type	Account Name
Bank of America				Checking	General Depository
				Checking	Gallup Campus Depository
	31385XAZ0	05/01/2033	U.S. FNMA		
	314168SU3	12/01/2038	FNCL POOL-995231		
Bank of America*				Checking	UNMH Operating Account
				Repo Agreement	UNMH Consolidated Automated Overnight Investment
				Checking	Other Clinical Operation Account
	31385XAZ0	05/01/33	U.S. FNMA		
First Community Bank				Checking	Taos Harwood Depository
				Checking	Taos Harwood Petty Cash
				Checking	Taos Education Center Depository
				Checking	Taos Education Center Petty Cash
				Checking	Valencia Campus Depository
				Checking	Valencia Campus Petty Cash
First Community Bank*				Checking	UNMH Change Campaign
Los Alamos National Bank				Checking	Los Alamos Campus Depository
				Checking	Los Alamos Campus Petty Cash
Wells Fargo Bank				Checking	Gallup Campus Petty Cash
Wells Fargo Bank**				Checking	UNMMG Operating Account
				Checking	UNMMG Board Designated Assets
				Savings	UNMMG Savings
	31409VDH3	3/01/2036	FNCL 879504		
	31410EN46	6/01/2036	FNCL 887011		
	36202DPS4	9/20/2031	G2SF 3133		
	36202DT68	8/20/2032	G2SF 3273		
Total Primary Institution					
					UNMH Petty Cash
					Component Unit deposits held by UNM
					Net non-depository cash and cash equivalents
Total Cash and Cash Equiv. Primary Institution					

* UNM Hospital

** UNMMG

*** This includes coverage from the FDIC's Temporary Liquidity Guarantee Program

See accompanying Independent Auditors' Report.

SCHEDULE 7

Total Book	Bank	FDIC	SIPC	Repurchase Agreement		Uninsured	50%		Over (under)
				Collateral	Public Funds		Collateral Requirement	Fair Value of Collateral	
Balance	Balance	Insurance***	Insurance	Collateral	Public Funds	Requirement	Collateral	Collateralized	Collateralized
\$ 101,891,570	\$ 98,983,101	\$ 250,000	\$ -	\$ -	\$ 98,733,101	\$ 49,366,551	\$ -	\$ -	\$ (49,366,551)
1,461	710,725	-	-	-	710,725	355,363	-	-	(355,363)
-	-	-	-	-	-	-	34,634,545	-	34,634,545
-	-	-	-	-	-	-	85,724,763	-	85,724,763
\$ 101,893,031	\$ 99,693,826	\$ 250,000	\$ -	\$ -	\$ 99,443,826	\$ 49,721,914	\$ 120,359,308	\$ -	\$ 70,637,394
\$ 97,814,326	\$ 117,349,390	\$ 250,000	\$ -	\$ -	\$ 117,099,390	\$ 58,549,695	\$ -	\$ -	\$ (58,549,695)
1,638,570	1,638,572	-	-	1,638,572	-	-	-	-	-
3,124	3,124	-	-	-	3,124	1,562	-	-	(1,562)
							\$ 142,060,425		142,060,425
\$ 99,456,020	\$ 118,991,086	\$ 250,000	\$ -	\$ 1,638,572	\$ 117,102,514	\$ 58,551,257	\$ 142,060,425	\$ -	\$ 83,509,168
\$ 1,186	\$ 3,801	\$ 3,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
850	33	33	-	-	-	-	-	-	-
3,098	2,167	2,167	-	-	-	-	-	-	-
3,000	893	893	-	-	-	-	-	-	-
6,899	6,717	6,717	-	-	-	-	-	-	-
5,000	1,261	1,261	-	-	-	-	-	-	-
\$ 20,033	\$ 14,872	\$ 14,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 16,916	\$ 16,916	\$ 16,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 16,916	\$ 16,916	\$ 16,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,407	\$ 3,407	\$ 3,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,500	2,113	2,113	-	-	-	-	-	-	-
\$ 5,907	\$ 5,520	\$ 5,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,000	\$ 488	\$ 488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,000	\$ 488	\$ 488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 14,124,139	\$ 14,555,759	\$ 14,555,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,397,871	6,397,871	6,397,871	-	-	-	-	-	-	-
22,544	22,544	22,544	-	-	-	-	-	-	-
							4,841,167		4,841,167
							4,920,969		4,920,969
							111,693		111,693
							197,427		197,427
\$ 20,544,554	\$ 20,976,174	\$ 20,976,174	\$ -	\$ -	\$ -	\$ -	\$ 10,071,256	\$ -	\$ 10,071,256
\$ 221,941,461	\$ 239,698,882	\$ 21,513,970	\$ -	\$ 1,638,572	\$ 216,546,340	\$ 108,273,171	\$ 272,490,990	\$ -	\$ 164,217,819
	30,959								
\$ (35,280,338)									
(8,943,760)									
\$ 177,748,322	\$ 239,698,882								

THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Collateral as of June 30, 2009 - Component Units

Financial Institution	Pledged Collateral			Account Type	Account Name
	CUSIP Identification	Maturity Date	Type of Securities		
Bank of America				Money Market	Scholarship Fund
				Money Market	Scholarship Trust
Morgan Stanley				Money Market	UNM Foundation Inc. TTEE
Southwest Securities				Money Market	Charitable Trust Fund
UBS Financial Services				Money Market	Endowed Chair
				Money Market	Endowed Professorship
Wells Fargo				Money Market	Irrevocable Trust Fund
Total Foundation					
Foundation deposits held by UNM					
Total Cash and Cash Equiv. Foundation					
Compass Bank				Checking	Business Checking
Total Lobo Development					
Lobo Development deposits held by UNM					
Total Cash and Cash Equiv. Lobo Development					
Compass Bank				Checking	Business Checking
Total Lobo Energy					
Lobo Energy deposits held by UNM					
Total Cash and Cash Equiv. Lobo Energy					
Bank of America				Checking	Operating
	31385XLY1	09/01/33	FNCL	Checking	Payroll
	31385XAZO	05/01/33	FNMA		
Total STC.UNM					
STC.UNM Petty Cash					
Total Cash and Cash Equiv. STC.UNM					
Component Units - Public Money Entities					
Component Units - Non--Public Money Entities					
Total Component Units					

See accompanying Independent Auditors' Report.

SCHEDULE 7

Total Book	Bank	FDIC	SIPC	Repurchase Agreement		Uninsured	50%		Over (under)
				Collateral	Public Funds		Collateral Requirement	Fair Value of Collateral	
Balance	Balance	Insurance*	Insurance	Collateral	Public Funds	Requirement	Collateral	Collateralized	
\$ 47,097	\$ 47,104	\$ 47,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,536	17,539	17,539	-	-	-	-	-	-	-
\$ 64,633	\$ 64,643	\$ 64,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 470	\$ 470	\$ 470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 470	\$ 470	\$ 470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,297	\$ 10,297	\$ 10,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,297	\$ 10,297	\$ 10,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 794,272	\$ 794,272	\$ -	\$ 794,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82,593	82,593	-	82,593	-	-	-	-	-	-
\$ 876,865	\$ 876,865	\$ -	\$ 876,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 99,505	\$ 99,505	\$ 99,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 99,505	\$ 99,505	\$ 99,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,051,770	\$ 1,051,780	\$ 174,915	\$ 876,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 31,915,518									
\$ 32,967,288	\$ 1,051,780								
\$ 21,784	\$ 21,784	\$ 21,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 21,784	\$ 21,784	\$ 21,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 386,831									
\$ 408,615	\$ 21,784								
\$ 28,134	\$ 28,134	\$ 28,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 28,134	\$ 28,134	\$ 28,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 390,069									
\$ 418,203	\$ 28,134								
\$ 533,222	\$ 871,795	\$ 250,000	\$ -	\$ -	\$ 621,795	\$ 310,898	\$ -	\$ -	\$ (310,898)
15,455	15,455	-			15,455	7,727	-	-	(7,727)
-							423,325		423,325
-							265,455		265,455
\$ 548,677	\$ 887,250	\$ 250,000	\$ -	\$ -	\$ 637,250	\$ 318,625	\$ 688,780	\$ 370,155	\$ 370,155
\$ 100									
\$ 548,777	\$ 887,250								
\$ 34,342,883	\$ 1,988,948	\$ 474,833	\$ 876,865	\$ -	\$ 637,250	\$ 318,625	\$ 688,780	\$ 370,155	\$ 370,155
\$ 7,887,183	\$ 3,521,092	\$ 835,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 42,230,066	\$ 5,510,040	\$ 1,309,989	\$ 876,865	\$ -	\$ 637,250	\$ 318,625	\$ 688,780	\$ 370,155	\$ 370,155

THE UNIVERSITY OF NEW MEXICO

Schedule of Individual Deposit and Investment Accounts as of June 30, 2009 - Primary Institution

Individual Deposit Accounts

Name of Bank/Broker		Account Type	Balance per bank statement	Reconciled Balance per books
Bank of America	General Depository	Checking	\$ 98,983,101	101,891,570
	Gallup Campus Depository	Checking	710,725	1,461
	UNMH Operating Account	Checking	117,349,390	97,814,326
	UNMH consolidated Automated Overnight Investment	Repo Agreement	1,638,572	1,638,570
	Other Clinical Operation Account	Checking	3,124	3,124
First Community Bank	Taos Harwood Depository	Checking	3,801	1,186
	Taos Harwood Petty Cash	Checking	33	850
	Taos Education Center Depository	Checking	2,167	3,098
	Taos Education Center Petty Cash	Checking	893	3,000
	Valencia Campus Depository	Checking	6,717	6,899
	Valencia Campus Petty Cash	Checking	1,261	5,000
Los Alamos National Bank	UNMH Change Campaign	Checking	16,916	16,916
	Los Alamos Campus Depository	Checking	3,407	3,407
Los Alamos National Bank	Los Alamos Campus Petty Cash	Checking	2,113	2,500
	Wells Fargo Bank	Gallup Campus Petty Cash	Checking	488
Wells Fargo Bank	UNMMG Operating Accounting	Checking	14,555,759	14,124,139
	# UNMMG Board Designated Assets	Checking	6,397,871	6,397,871
	UNMMG Savings	Savings	22,544	22,544
Other	UNMH/OCO Petty Cash	Cash on Hand	-	30,959
	Component Unit deposits held by UNM			(35,280,338)
	Net non-depository cash and cash equivalents			(8,943,760)
Primary Institution - Cash			\$ 239,698,882	177,748,322

- Listed as Non-Current Asset - Cash/CE on Balance Sheet

SCHEDULE 8

Individual Investment Accounts

Name of Bank/Broker	Account Type	Account Type	Balance per bank statement	Reconciled Balance per books
Bank of Albuquerque	Bldg, Renewal & Replacement	Money Market	\$ 1,269,621	1,269,621
Fidelity Investments	ASM Endowment Account	Equity	1,545,417	1,545,417
	ASM Endowment Account	Money Market	155,052	155,052
Morgan Stanley Smith Barney	Bond Proceeds	Corporate Bonds	38,158,573	38,158,573
	Bond Proceeds	Money Market	1,672,804	1,672,804
	Bond Proceeds	Municipal Bonds	23,559,451	23,559,451
	Bond Proceeds	U.S. Gov't Obligations	71,887,687	71,887,687
	Operating Investment Account	Corporate Bonds	22,733,621	22,733,621
	Operating Investment Account	Money Market	1,600,467	1,600,467
	Operating Investment Account	U.S. Gov't Obligations	14,772,608	14,772,608
	Operating Investment Account	U.S. Treasury Securities	70,947,369	70,947,369
	Retirement of Indebtedness	Money Market	57,569	57,569
	Retirement of Indebtedness	Municipal Bonds	3,280,200	3,280,200
	Retirement of Indebtedness	U.S. Gov't Obligations	3,920,944	3,920,944
	UNMH Investment Account	Money Market	1,415,877	1,415,877
	UNMH Investment Account	U.S. Gov't Obligations	4,406,044	4,406,044
	UNMH Investment Account	U.S. Treasury Securities	26,750,139	26,750,139
Northern Trust	Primary Institution CIF	Alternative Investments	54,794,894	54,794,894
	Primary Institution CIF	Equity	66,681,340	66,681,340
	Primary Institution CIF	Money Market	6,834,451	6,834,451
	Primary Institution CIF	Mutual Funds	29,073,960	29,073,960
PFM Asset Management LLC	Operating Investment Account	Money Market	2,015,945	2,015,945
	Operating Investment Account	Corporate Bonds	3,812,876	3,812,876
	Operating Investment Account	U.S. Gov't Obligations	28,983,759	28,983,759
	Operating Investment Account	U.S. Treasury Securities	35,072,670	35,072,670
Wells Fargo	Bond Proceeds	Commercial Paper	8,527,946	8,527,946
	Bond Proceeds	Money Market	1,791,483	1,791,483
	Bond Proceeds	U.S. Gov't Obligations	5,982,232	5,982,232
	Primary Institution CIF	Equity	359,510	359,510
	Primary Institution CIF	Money Market	227,975	227,975
	UNMMG	Certificate of Deposit	966,538	966,538
	UNMH Investment Account	Money Market	13,583,643	13,583,643
	UNMH Investment Account	Repurchase Agreement	13,443,513	13,443,513
	UNMH Investment Account	U.S. Gov't Obligations	3,184,414	3,184,414
Other				
Investment in TLSC	UNMH Investment Account	Equity	4,533,694	4,533,694
Investment in TriWest	UNMH Investment Account	Equity	2,612,500	2,612,500
Investment in TRL (TriCore)	UNMH Investment Account	Equity	4,919,791	4,919,791
			\$ 575,536,577	575,536,577
State Investment Council		See Note Below	\$ 128,679,553	128,679,553
			\$ 704,216,130	704,216,130

Note: The University has an undivided interest in the State of New Mexico Land Grant Permanent Fund. For further detail for the types of investments held in the Land Grant Permanent Fund, please refer to the separately issued June 30, 2009 financial statements of the State Investment Council.

THE UNIVERSITY OF NEW MEXICO

Schedule of Individual Deposit and Investment Accounts as of June 30, 2009 - Component Units

Individual Deposit Accounts

Name of Bank/Broker	Account Type	Balance per bank statement	Reconciled Balance per books
Component Units - Public Money Entities			
University of New Mexico Foundation, Inc.			
Bank of America	Scholarship Fund	\$ 47,104	47,097
	Scholarship Trust	17,539	17,536
Morgan Stanley	UNM Foundation Inc. TTEE	470	470
Southwest Securities	Charitable Trust Fund	10,297	10,297
UBS Financial Services	Endowed Chair	794,272	794,272
	Endowed Professorship	82,593	82,593
Wells Fargo	Irrevocable Trust Fund	99,505	99,505
Other*	UNM Operating	-	2,806,334
	UNM Development	-	29,109,184
	UNM Development - Specific uses	-	-
University of New Mexico Foundation, Inc. - Cash		\$ 1,051,780	32,967,288
Lobo Development, Inc.			
Compass Bank	Business Checking	\$ 21,784	21,784
Other*	UNM Operating	-	386,831
Lobo Development, Inc. - Cash		\$ 21,784	408,615
Lobo Energy, Inc.			
Compass Bank	Business Checking	\$ 28,134	28,134
Other*	UNM Operating	-	390,069
Lobo Energy, Inc. - Cash		\$ 28,134	418,203
STC.UNM			
Bank of America	Operating	\$ 871,795	533,222
	Payroll	15,455	15,455
	Petty Cash	-	100
STC.UNM - Cash		\$ 887,250	548,777
Component Units - Public Money Entities		\$ 1,988,948	34,342,883
Component Units - Non-Public Money Entities		\$ 3,521,092	7,887,383
Total Component Units - Cash		\$ 5,510,040	42,230,266

* - Held by Primary Institution in General Depository Account

SCHEDULE 8

Individual Investment Accounts

Name of Bank/Broker	Account Type	Balance per bank statement	Reconciled Balance per books
Component Units - Public Money Entities			
University of New Mexico Foundation, Inc.			
Bank of America	Scholarship Trust	\$ 281,405	281,405
	Scholarship Trust	146,268	146,268
	Scholarship Fund	587,291	587,291
	Scholarship Fund	254,412	254,412
Morgan Stanley	UNM Foundation, Inc.	60,666	60,666
Northern Trust	Foundation CIF	35,684,511	35,684,511
	Foundation CIF	43,782,215	43,782,215
	Foundation CIF	4,487,424	4,487,424
	Foundation CIF	19,089,635	19,089,635
Southwest Securities	Charitable Trust Fund	59,799	59,799
	Charitable Trust Fund	238,815	238,815
UBS Financial Services	Endowed Chair	1,942,540	1,942,540
	Endowed Professorship	305,820	305,820
Wells Fargo	Charitable Trust Fund	251,228	251,228
	Charitable Trust Fund	379,518	379,518
	Charitable Trust Fund	235,879	235,879
	Charitable Trust Fund	125,690	125,690
	Charitable Trust Fund	290,147	290,147
	Charitable Trust Fund	94,954	94,954
	Charitable Trust Fund	66,344	66,344
University of New Mexico Foundation, Inc. - Investments		\$ 108,364,561	108,364,561
STC.UNM			
Other	Private Equity	7,973	7,973
STC.UNM - Investments		\$ 7,973	7,973
Component Units - Public Money Entities		\$ 108,372,534	108,372,534
Component Units - Non-Public Money Entities		\$ 6,318,694	6,318,694
Total Component Unit - Investments		\$ 114,691,228	114,691,228

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 9

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
MAJOR PROGRAMS			
<i>Research & Development</i>			
Department of Agriculture	10		\$ 270,896
Department of Commerce	11		\$ 80,812
Department of Defense			
DARPA	12		\$ 582,218
DTRA	12		7,202,029
Department of the Air Force	12		7,731,839
Department of the Army	12		2,380,557
Department of the Navy	12		3,463,133
Other Departments	12		1,831,530
Total Department of Defense			<u>\$ 23,191,306</u>
Department of Education	84		\$ 156,119
Department of Energy	81		\$ 12,356,915
Department of Health & Human Services			
AHRQ	93		\$ 2,342
Centers for Disease Control	93		1,940,313
Health Resources & Services Admin	93		205,289
Indian Health Services	93		694,950
National Institutes of Health	93		66,887,463
Other Departments	93		3,204,601
Total Department of Health & Human Services			<u>\$ 72,934,958</u>
Department of the Interior	15		\$ 1,963,417
Department of Justice	16		\$ 77,667
Department of Transportation	20		\$ 1,067,034
National Aeronautics & Space Administration	43		\$ 2,979,942
National Foundation on the Arts & the Humanities	45		\$ 10,078
National Science Foundation	47		\$ 18,684,037
Department of Veterans Affairs	64		\$ 322,101
U.S. Environmental Protection Agency	66		\$ 165,692
Other Agencies			\$ 364,497
<i>Subtotal Research and Development - Non-ARRA</i>			<u>\$ 134,625,471</u>
<i>American Recovery and Reinvestment Act (ARRA)</i>			
National Science Foundation	47		\$ 5,413
Department of Health & Human Services - NIH	93		\$ 9,656
<i>Subtotal Research & Development - ARRA</i>			<u>\$ 15,069</u>
<i>Total Research and Development</i>			<u>\$ 134,640,540</u>
<i>Student Financial Aid</i>			
Department of Education			
Federal Supplemental Educational Opportunity Grants	84.007		\$ 1,134,939
Federal Work-Study Program	84.033		1,796,092
Pell Grants	84.063		30,084,767
Academic Competitiveness Grants	84.375		379,351
SMART	84.376		332,437
TEACH Grant Program	84.379		80,279
Total Department of Education			<u>\$ 33,807,865</u>
Department of Health & Human Services			
Professional Nurse Traineeships	93.358		\$ 62,751
Scholarships for Health Professions Students from Disadvantaged Background	93.925		616,530
Total Department of Health & Human Services			<u>\$ 679,281</u>
<i>Total Student Financial Aid</i>			<u>\$ 34,487,146</u>
<i>Other</i>			
Department of Health & Human Services			
Project Grants for Renovation or Construction of Non-Acute Health Care Facilities	93.887		\$ 5,935,037
<i>Total Other</i>			<u>\$ 5,935,037</u>
TOTAL MAJOR PROGRAMS			<u><u>\$ 175,062,723</u></u>

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 9

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
NONMAJOR PROGRAMS			
Department of Agriculture	10.000	04-VCT-CA-001 TASK ORDER 5	\$ 12,107
Department of Agriculture	10.000	0577	4,437
Department of Agriculture	10.000	06-521-0400-0026	46,753
Department of Agriculture	10.000	58-6201-1-002	(1,464)
Department of Agriculture	10.000	AGREEMENT # 3178	16,797
Department of Agriculture	10.000	AGREEMENT #3177	7,699
Department of Agriculture	10.000	AGREEMENT 091608	12,014
Agricultural Research_Basic and Applied Research	10.001	58-6201-7-028	11,508
Hispanic Serving Institutions Education Grants	10.223	2005-38422-15954	17,285
WIC Grants To States (WGS) (B)	10.578	09 UNM 02 1002	30,069
International Agricultural Research Program	10.961	58-3148-4-083	3,686
Investments for Public Works and Economic Development Facilities	11.300	08-01-04119	514,708
Public Telecommunications Facilities Planning and Construction	11.550	NM08T80954	4,000
Department of Defense	12.000	FA9401-07-P-0247	(185)
Department of Defense	12.000	IPA WELCH	70,159
Department of Defense	12.000	IPA- GLASS	12,700
Department of Defense	12.000	LTR DATED 9/28/07	800
Department of Defense	12.100	W912PP-06-P-0068	407
Basic Scientific Research	12.431	LTR. DATED 09/01/08	1,584
Air Force Defense Research Sciences Program	12.800	F2KTAT8143A003 SHELL	171,253
Air Force Defense Research Sciences Program	12.800	FA3300-07-P-0113	(124)
Air Force Defense Research Sciences Program	12.800	FA3300-08-P-0116	33,741
Air Force Defense Research Sciences Program	12.800	FA9401-06-C-0022, MOD P0002	(10,219)
Department of Defense	12.800	FA9401-06-P-0005	4,943
Air Force Defense Research Sciences Program	12.800	IPA-ALAN LYNN	58,516
Air Force Defense Research Sciences Program	12.800	IPA-PETER JONES	190,049
Department of Defense	12.800	IPA-RAZANI	70,740
Department of Housing and Urban Development	14.000	HSIAC-04-NM-03	25
Department of Housing and Urban Development	14.000	HSIAC-08-NM-24	30,891
Department of the Interior	15.000	#GDA070010	6,063
Department of the Interior	15.000	H1212060017	42,606
Bureau of Indian Affairs Facilities_Operations and Maintenance	15.048	6TGS240008/9/10/11	7,052
Department of Justice	16.000	2004-DN-BX-0221	210
Department of Justice	16.000	AGREEMENT 09/18/06	(2,621)
Department of Justice	16.000	PSA 12-22-09	10,925
Desegregation of Public Education	16.100	08-PC-OMI-F709	47,996
Desegregation of Public Education	16.100	2003-DN-BX-0097	(4)
Desegregation of Public Education	16.100	5P-CIV01-0050,6P-CIV01-1032	1,201
Desegregation of Public Education	16.100	8P-CIV01-0016	267
Desegregation of Public Education	16.100	9P-CIV01-0005	27
Crime Victim Assistance	16.575	2008-VA-341, 2009-VA-440 SHELL	51,005
Crime Victim Assistance	16.575	2008-VA-344, A	(685)
Crime Victim Assistance	16.575	2008-VA-344A, 2009-VA-442	22,783
Violence Against Women Formula Grants	16.588	2007-WF-223	150
Department of Labor	17.000	090808	5,734
H-1B Job Training Grants	17.268	WR-16380-07-60-A-35	52,500
Community Based Job Training Grants (B)	17.269	CB-18183-0960-A35	43,101
Department of State	19.000	S-NEAPI-06-CA-182	281,614
International Education Training and Research (B)	19.430	MEMO DATED 1/4/07	3,382
Department of Transportation	20.000	C04653	711
Highway Training and Education	20.215	C05188	35,165
Highway Training and Education	20.215	C05220	129,215
Public Transportation for Nonurbanized Areas	20.509	741-99-0159/LA-18-X019	12,895
Department of the Treasury	21.000	20008089	46,390
National Aeronautics and Space Administration	43.000	SPAS 22407	2,743
Aerospace Education Services Program	43.001	NNJ04JL36G	(17)
Promotion of the Arts_Grants to Organizations and Individuals	45.024	07-3446-7132	5,161
National Science Foundation	47.000	071029	3,151
National Science Foundation	47.000	AGMNT 04/22/09 + PREAWARD	25,708
National Science Foundation	47.000	CBET-0736692	216,873
National Science Foundation	47.000	CF65C-2004	(2,516)
National Science Foundation	47.000	DGE-0237002	173,703

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	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
National Science Foundation	47.000	Q00894	\$ 15,801
Engineering Grants	47.041	CBET-0813521	15,750
Engineering Grants	47.041	ECCS-0901623	13,750
Science and Education Problem Assessment and Experimental Project	47.046	Q01314	8,588
Computer and Information Science and Engineering	47.070	CNS-0539982	9,315
Computer and Information Science and Engineering	47.070	HS-0734784	39,651
Biological Sciences	47.074	99-007	185
Biological Sciences	47.074	DUE-0433818	20,292
Biological Sciences	47.074	OISE-0436605	(717)
Social Behavioral and Economic Sciences	47.075	BCS-0505107	43,479
Education and Human Resources	47.076	08-995	23,900
Education and Human Resources	47.076	DGE-0237002	12,827
Education and Human Resources	47.076	DGE-0338283	(2,460)
Education and Human Resources	47.076	DGE-0504276	667,664
Education and Human Resources	47.076	DGE-0538396	477,856
Education and Human Resources	47.076	DGE-0549500	427,702
Education and Human Resources	47.076	DGE-0903444	78,226
Education and Human Resources	47.076	DUE-0422096	83,240
Education and Human Resources	47.076	DUE-0630836	121,307
Education and Human Resources	47.076	KMS0019-21-47/SUB	305
Education and Human Resources	47.076	KMS0019-21-50/SUB	144
Small Business Administration	59.000	6-603001-Z-0032-18	818
Small Business Administration	59.000	7-603001-Z-0032-19	350
Small Business Administration	59.000	8-603001-Z-0032-20	243,247
Sharing Specialized Medical Resources	64.018	9957/MA	287
Sharing Specialized Medical Resources	64.018	9959/MA IPA/DOKLADNY	44,278
Sharing Specialized Medical Resources	64.018	HARTSHORNE IPA	45,826
Sharing Specialized Medical Resources	64.018	IPA ETHAN SIMS	7,265
Sharing Specialized Medical Resources	64.018	IPA JOANN HARNER	20,843
Sharing Specialized Medical Resources	64.018	IPA MARMAN,11386/PIEPER	503
Sharing Specialized Medical Resources	64.018	IPA/MCQUADE	4,228
Sharing Specialized Medical Resources	64.018	IPA/MYERS	4,569
Sharing Specialized Medical Resources	64.018	IPA/ZIMA	23,358
Sharing Specialized Medical Resources	64.018	PO#C80570	33,346
Sharing Specialized Medical Resources	64.018	VETERANS/	35,769
Environmental Protection Agency	66.000	2008 HSC-11239 EERG, TO#1,2	78,705
Environmental Protection Agency	66.000	PO 81687/AMD #4	(703)
Department of Energy	81.000	2000070550	21,855
Department of Energy	81.000	408825	17,762
Department of Energy	81.000	61241-001-08	813
Department of Energy	81.000	63802-0001-09	90,130
Department of Energy	81.000	73267-001-09	31,178
Department of Energy	81.000	739523	2,549
Department of Energy	81.000	739618	12,105
Department of Energy	81.000	770508	15,755
Department of Energy	81.000	793958	66,657
Department of Energy	81.000	848059	22,201
Department of Energy	81.000	AGMT 68732	173
Department of Energy	81.000	DE-FC01-08ED80524	40,752
Department of Energy	81.000	DOCUMENT NO. 751878	(5,812)
Department of Energy	81.000	FA9401-089-P-0111	3,806
Department of Energy	81.000	LANS IA-0050	82,826
Department of Energy	81.000	NONE	18,030
Department of Energy	81.000	NRC-02-02-016	(96)
Department of Energy	81.000	PO 99112	(16)
Department of Energy	81.000	SG #07-570003-NEP-UNM-NM	38,184
Department of Energy	81.000	SUBAWARD AGMT 6002-01	167,056
Basic Energy Sciences University and Science Education	81.049	6003-013	21,423
Basic Energy Sciences University and Science Education	81.049	6003-022	31,696
Basic Energy Sciences University and Science Education	81.049	6003-023	50,000
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and	81.106	DEF28-05RW12347	6,987
Nuclear Energy Research, Development and Demonstration	81.121	08-7396-00	15,352
Federal Emergency Management Agency	83.000	06-790, 5000-0028, 07,A2	28,850
Federal Emergency Management Agency	83.000	PSA-07-02	125,301
Department of Education	84.000	#07-924-0074	174,125
Department of Education	84.000	#09 924 0097	132,889

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SCHEDULE 9

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
Department of Education	84.000	014.5.4.1.855	\$ 15,874
Department of Education	84.000	016-7-6-1-858	15,386
Department of Education	84.000	06-NM07	18,990
Department of Education	84.000	07-924-P527-0097	155,340
Department of Education	84.000	07UNM/07.0014 A1	184
Department of Education	84.000	089240114	32,998
Department of Education	84.000	089240115	36,520
Department of Education	84.000	09-924-0170	72,969
Department of Education	84.000	09UNM/07.0009	18,466
Department of Education	84.000	09UNM/07.0010	100,980
Department of Education	84.000	09UNM/07.0012	95,603
Department of Education	84.000	2008-09 FEDERAL ABE	159,939
Department of Education	84.000	2008-09 FEDERAL ABE ALLOCATION	57,477
Department of Education	84.000	ABE: 2006-2008	(6,525)
Department of Education	84.000	ABE-FY09	62,351
Department of Education	84.000	AGMT # 09 924 0096	120,311
Department of Education	84.000	AGREEMENT DATED 10/23/07	15,773
Department of Education	84.000	AMERICAN INDIAN TEACHER QUALIT	75,686
Department of Education	84.000	BAR 06/26/06	(960)
Department of Education	84.000	BAR 07/12/07	(325)
Department of Education	84.000	BAR DATED 07/05/07	(269)
Department of Education	84.000	BAR DATED 07/05/2007	(239)
Department of Education	84.000	BENSON/10633	5,189
Department of Education	84.000	FEDERAL ABE 2008-2009	89,307
Department of Education	84.000	H325D020033-03	21,130
Department of Education	84.000	P031S060059	212,651
Department of Education	84.000	P116Z080145	149,574
Department of Education	84.000	P335A050374	338,038
Department of Education	84.000	PED#92086	5,109
Department of Education	84.000	T195N070259	287,914
Department of Education	84.000	V048A080031	130,417
Adult Education - Basic Grants to States	84.002	ABE - INSTRUCTIONAL MATERIALS	7,802
National Resource Centers and Fellowships Program for Language and Area of	84.015	P0155B030096-04	113
Undergraduate International Studies and Foreign Language	84.016	P016A070093	54,191
Overseas Programs - Doctoral Dissertation Research Abroad	84.022	P022A070027	4,183
Special Education Grants to States	84.027	673/24108	(638)
Special Education Grants to States	84.027	CONTRACT #08-243-0193	10,341
Special Education Grants to States	84.027	CONTRACT #08-924-0195	43,215
Special Education Grants to States	84.027	IGA#08-924-0200	14,034
Higher Education Institutional Aid	84.031	P031A040058	276,559
Higher Education Institutional Aid	84.031	P031C080092	1,195,521
Higher Education Institutional Aid	84.031	P031C080114	148,961
Higher Education Institutional Aid	84.031	P031S040017-05	629,188
Higher Education Institutional Aid	84.031	P031S0600009	555,751
Higher Education Institutional Aid	84.031	P031S060022	705,166
TRIO Student Support Services	84.042	P042A050666	223,541
TRIO Student Support Services	84.042	P042A051018-01 - 08	250,127
TRIO Upward Bound	84.047	P047A070127	234,712
TRIO Upward Bound	84.047	P047A070683	456,998
TRIO Educational Opportunity Centers	84.066	P042A050588	282,522
TRIO Educational Opportunity Centers	84.066	P066A02011903	29
TRIO Educational Opportunity Centers	84.066	P066A070157	226,799
Fund for the Improvement of Postsecondary Education	84.116	P116N070002 (ACTION NO. 03)	14,610
Fund for the Improvement of Postsecondary Education	84.116	P116Z030273	(93)
Fund for the Improvement of Postsecondary Education	84.116	SUBAWARD #21D036-01	6,273
Fund for the Improvement of Postsecondary Education	84.116	SUBAWARD NO. 226783-01	12,662
Fund for the Improvement of Postsecondary Education	84.116	W000108745/PO 1000664002	5,987
Migrant Education High School Equivalency Program	84.141	S141A020003-03	211
Migrant Education High School Equivalency Program	84.141	S141A070006	498,484
Migrant Education College Assistance Migrant Program	84.149	S149A060032	377,558
Business and International Education	84.153	P153A060041	48,507
Special Education Preschool Grants	84.173	NM PED 673/24136	98,429
Vocational Education Community Based Organizations	84.174	0018001	(490)
Vocational Education Community Based Organizations	84.174	2007-2008 PERKINS	13,824
Vocational Education Community Based Organizations	84.174	2008-09 CARL PERKINS ALLOCATIO	68,851
Special Education-Grants for Infants and Families	84.181	09UNM.007.0018	1,012,079

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	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
Special Education-Grants for Infants and Families	84.181	09UNM/07.0016	\$ 4,844
Special Education-Grants for Infants and Families	84.181	09UNM/07.005	457,034
Drug-Free Schools and Communities National Programs	84.184	Q184T080034	157,193
Bilingual Education Training Grants	84.195	T195B010022-03	5,508
Bilingual Education Training Grants	84.195	T195NO20043-06	112,361
Fund for the Improvement of Education	84.215	Q 125 MO 70027	35,821
McNair Post-Baccalaureate Achievement	84.217	P217A030012	(25)
McNair Post-Baccalaureate Achievement	84.217	P217A070135	214,673
Ready to Teach	84.286	SUBCONTRACT AGMT 5/31/06	325
Ready-To-Learn Television	84.295	U295A05004	31,448
Special Education - Personnel Development to Improve Services and Results f	84.325	H325E040062-05,07	49,299
Special Education Technical Assistance and Dissemination to Improve Service	84.326	09-924-0129 SHELL	540,556
Special Education Technical Assistance and Dissemination to Improve Service	84.326	H326C030020-06, 07	37,217
Special Education Technical Assistance and Dissemination to Improve Service	84.326	H326C080057-01	76,423
Special Education-Studies and Evaluations (B)	84.329	H98230-08-1-0240	33,160
Special Education-Studies and Evaluations (B)	84.329	H98230-09-1-0218	60,580
International Education-Technological Innovation and Cooperation for Foreign	84.337	P337A050005	194,917
Department of Education	84.928	06-NM07	25,849
National Writing Project	84.928A	96-NM04	60,673
Department of Health & Human Services	93.000	04-0037	4,453
Department of Health & Human Services	93.000	05/UNM/03.0040	(13,300)
Department of Health & Human Services	93.000	05UNM/01.0006A1, 06UNM/01.0012	(38,981)
Department of Health & Human Services	93.000	05UNM/01.0017	(60)
Department of Health & Human Services	93.000	06.UNM/05.0001R	(19,510)
Department of Health & Human Services	93.000	06UNM/01.0016R	(1,531)
Department of Health & Human Services	93.000	06UNM/01/0024RA1	(19,062)
Department of Health & Human Services	93.000	07.UNM/05.0005	(399)
Department of Health & Human Services	93.000	07UNM.02.0045, 08UNM.02.1004	3,156
Department of Health & Human Services	93.000	07UNM/01.0012, .02.0012.A1	(8,998)
Department of Health & Human Services	93.000	07UNM/02.0008 A1, A2	(522)
Department of Health & Human Services	93.000	07UNM/02.0011.A1	(376)
Department of Health & Human Services	93.000	07UNM/02.0013 A1	(6,770)
Department of Health & Human Services	93.000	07UNM/02.0014 A2	716
Department of Health & Human Services	93.000	07UNM/02.0016/AMENDMENT 1,A2	5,106
Department of Health & Human Services	93.000	07UNM/02.0019 A4	261
Department of Health & Human Services	93.000	07UNM/02.0020 A1,A2	293
Department of Health & Human Services	93.000	07UNM/02.0031 A2	(22,812)
Department of Health & Human Services	93.000	07UNM/02.0048, A1	2,326
Department of Health & Human Services	93.000	07UNM/02/0002A3	(11,538)
Department of Health & Human Services	93.000	07UNM/03.0009	79
Department of Health & Human Services	93.000	07UNM/03.0021.A1	2,285
Department of Health & Human Services	93.000	07UNM/03.0025.A1	640
Department of Health & Human Services	93.000	07UNM/07.0001	(13,480)
Department of Health & Human Services	93.000	07UNM/07.0001 A1,A2,A3	24,160
Department of Health & Human Services	93.000	07UNM/07.0008 A1	(24,545)
Department of Health & Human Services	93.000	08IPA 899126	17,254
Department of Health & Human Services	93.000	08UNM/02.1000	340
Department of Health & Human Services	93.000	08UNM/03.0032A1	682
Department of Health & Human Services	93.000	08UNM/03.0090	7,867
Department of Health & Human Services	93.000	08UNM/03.0093	100
Department of Health & Human Services	93.000	09-630-8000-0090	8,521
Department of Health & Human Services	93.000	09UNM/02.0007, SHELL FY10	127,381
Department of Health & Human Services	93.000	09UNM/02.1020A1	1,427
Department of Health & Human Services	93.000	09UNM/07.0001	956,479
Department of Health & Human Services	93.000	09UNM020027	96,634
Department of Health & Human Services	93.000	102101400UP	653
Department of Health & Human Services	93.000	10-647-P739-0200	65,930
Department of Health & Human Services	93.000	10-647-P739-0203	49,030
Department of Health & Human Services	93.000	10UNM02.0002	59,980
Department of Health & Human Services	93.000	122211/122209 AMEND #3	52,779
Department of Health & Human Services	93.000	14B42373	680
Department of Health & Human Services	93.000	17679/2U10 CA098543-06 SHELL	9,714
Department of Health & Human Services	93.000	242-03-0051	26
Department of Health & Human Services	93.000	242-03-0055	(17,833)
Department of Health & Human Services	93.000	2507044-08	13,280
Department of Health & Human Services	93.000	3025003400	486

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	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
Department of Health & Human Services	93.000	467-MZ-501807	\$ (29,495)
Department of Health & Human Services	93.000	467-MZ-601754	558
Department of Health & Human Services	93.000	5 MRCSG030055-03	(772)
Department of Health & Human Services	93.000	5 R01 HL068429-05 104407	700
Department of Health & Human Services	93.000	5F31CA132628-02	11,028
Department of Health & Human Services	93.000	604CCOP	885
Department of Health & Human Services	93.000	7020046000	(13,918)
Department of Health & Human Services	93.000	ALTTO N0630	866
Department of Health & Human Services	93.000	BEI-1033-2007-UNM	211,529
Department of Health & Human Services	93.000	CA098543, 98543-1058 AMD 1	2,833
Department of Health & Human Services	93.000	CFDA 93.853	5,047
Department of Health & Human Services	93.000	DOH 08UNM/02.1008	24,120
Department of Health & Human Services	93.000	F709 003.004	15,727
Department of Health & Human Services	93.000	FY04.011.013UNM	(1,971)
Department of Health & Human Services	93.000	GSA 05-0001	812
Department of Health & Human Services	93.000	GSA 05-630-8000-0014	(2,241)
Department of Health & Human Services	93.000	GSA 09-630-7903-0032	17,976
Department of Health & Human Services	93.000	GSA-04-16-A1	(815)
Department of Health & Human Services	93.000	HIS-2009-01	26,074
Department of Health & Human Services	93.000	HMS 2010 REACH, MOD 1 & 2, 3	48,651
Department of Health & Human Services	93.000	MCC-05-01 AMD 2 A-13	(1,771)
Developmental Disabilities Basic Support and Advocacy	93.000	MSU FY10 PA#12486	384
Department of Health & Human Services	93.000	N01-LM-6-3505	5,064
Department of Health & Human Services	93.000	N01-LM-6-3505 HHSN27620066 350	11,525
Department of Health & Human Services	93.000	NO2-CO-51111	81,844
Department of Health & Human Services	93.000	NONE	(1,134)
Department of Health & Human Services	93.000	PO 9000006023 #2, #3	(6,352)
Department of Health & Human Services	93.000	PO# 60200009100, MOD 1,2,3	2,719
Department of Health & Human Services	93.000	PSA-02-22,PSA AMEND3,PSA-06-42	(13,718)
Department of Health & Human Services	93.000	PSA-2007-44	6,876
Department of Health & Human Services	93.000	PSA-UNM-00	7,089
Department of Health & Human Services	93.000	R25 ES013292-01	35,416
Department of Health & Human Services	93.000	RTOG 98-04	1,925
Department of Health & Human Services	93.000	SHELL	(10,749)
Department of Health & Human Services	93.000	VEN 54450 - CON 2122 - PO 3603	(1,190)
Medical Reserve Corps Small Grant Program (B)	93.008	MRC 07409	125
Medical Reserve Corps Small Grant Program (B)	93.008	MRC 09 0014	7,588
Public Health Emergency Preparedness	93.069	09UNM/03.0094	27,553
Public Health Emergency Preparedness	93.069	10UNM/03.0033	106,197
Area Health Education Centers - Model Programs	93.107	6U77HP03032(09,10)-11-00,12-14	158,194
Maternal and Child Health Federal Consolidated Programs	93.110	1920GKB349	12,070
Maternal and Child Health Federal Consolidated Programs	93.110	5 T73MC00025-13-00	505,481
Maternal and Child Health Federal Consolidated Programs	93.110	5-T72-MC00004-18-00	356,138
Biological Response to Environmental Health Hazards	93.113	1F31ES017196-01	15,800
Biological Response to Environmental Health Hazards	93.113	R25 ES014347-01.03	49,194
Emergency Medical Services for Children	93.127	5H33MC07873-03-00	116,330
Centers for Research and Demonstration for Health Promotion and Disease Pre	93.135	07UNM/03.0083 A1	4,028
Centers for Research and Demonstration for Health Promotion and Disease Pre	93.135	08 UNM/03.0091	5,308
Injury Prevention and Control Research and State Grants	93.136	097UNM/03.0009	83,721
Injury Prevention and Control Research and State Grants	93.136	09UNM/03/0032 AMD2	64,075
National AIDS Education and Training Centers	93.145	FY06.163.007 2H4AHA00064-06-00	169,055
National AIDS Education and Training Centers	93.145	PO#0000323745	4,381
HIV Demonstration Program for Children Adolescents and	93.153	5 H12HA23021-06-00, 07,08,SHEL	298,008
Programs of Excellence in Health Professions Education for	93.157	5 D34 HP 04055-06-01	(739)
Programs of Excellence in Health Professions Education for	93.157	D34HP04055-07	(3,111)
Telehealth Network Grants	93.211	H2ATH00989-01	(747)
Health Services Research and Development Grants	93.226	5 UC1 HS015135-03	109,218
Health Services Research and Development Grants	93.226	HSQ16510-02 SHELL	505,604
Epidemiology Cooperative Agreements	93.231	CONTRACT 05-6296-3, AMD. 1, 3	89,650
Mental Health Research Grants	93.242	2 R25 MH060288-07	163,426
Substance Abuse and Mental Health Services-Projects of Regional and Nation	93.243	07-690 -7000-7060, -1366-1	87
Substance Abuse and Mental Health Services-Projects of Regional and Nation	93.243	09/UNM.02.0029 A1	578,490
Substance Abuse and Mental Health Services-Projects of Regional and Nation	93.243	09-950-1000-00004	251,023
Substance Abuse and Mental Health Services-Projects of Regional and Nation	93.243	09UNM.02.1004	43,854
Substance Abuse and Mental Health Services-Projects of Regional and Nation	93.243	1H13SM058922-01	16,802
Substance Abuse and Mental Health Services-Projects of Regional and Nation	93.243	1H79TI020504-01	5,888

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 9

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
Substance Abuse and Mental Health Services-Projects of Regional and National	93.243	CIRCLES OF CARE/ALTSCHUL	\$ 48,858
Substance Abuse and Mental Health Services-Projects of Regional and National	93.243	GSA 09-630-7903-0106	33,409
Substance Abuse and Mental Health Services-Projects of Regional and National	93.243	SCPAU-2009-02-01	134,374
Poison Control Stabilization and Enhancement Grants (B)	93.253	H4BHS00001-07-00	129,246
Poison Control Stabilization and Enhancement Grants (B)	93.253	U4BHS08565-01-02	33,478
Department of Health and Human Services	93.257	06UNM/03.0077R	(10,800)
Department of Health and Human Services	93.257	H1GCS00007 AND H1GRH00007	37,230
Occupational Safety and Health Program	93.262	5 U60 OH008486-02, 03	28,902
Alcohol National Research Service Awards for Research	93.272	1F30AA017813-01 SHELL FY10	23,083
Alcohol National Research Service Awards for Research	93.272	2T32 AA014127-04, 05,06 SHELL	98,845
Alcohol National Research Service Awards for Research	93.272	5F31AA016880-02	506
Alcohol National Research Service Awards for Research	93.272	5F31AA017001-02	23,758
Mental Health National Research Service Awards for Research Training	93.282	09UNM/02.0001	85,000
Centers for Disease Control and Prevention Investigations	93.283	07,08, 09UNM/03.0029 SHELL	2,877
Centers for Disease Control and Prevention Investigations	93.283	08UNM/03.0092	25,340
Centers for Disease Control and Prevention Investigations	93.283	09UNM/02.0019	24,820
Centers for Disease Control and Prevention Investigations	93.283	09UNM/03.0020	206,274
Centers for Disease Control and Prevention Investigations	93.283	09UNM/03.0021	7,277
Centers for Disease Control and Prevention Investigations	93.283	10UNM/03.0026	353,683
Centers for Disease Control and Prevention Investigations	93.283	AI024-21/22 AMD #1	(1)
Centers for Disease Control and Prevention Investigations	93.283	F708.003.006 SHELL	26,529
Centers for Disease Control and Prevention Investigations	93.283	RS20051890-08, RS20080230-01	34,612
Centers for Disease Control and Prevention Investigations	93.283	U36/CCU319276	41,655
Minority Health and Health Disparities Research	93.307	OUSHC RS20081697-05	9,486
Biomedical Research Support	93.337	RTSF 04/09/09	337,093
Cancer Cause and Prevention Research	93.393	2006119247	4
Cancer Treatment Research	93.395	CA98543-02	14,037
Cancer Treatment Research	93.395	U10 CA98543-04/15339,05/16532	(5,312)
Cancer Research Manpower	93.398	1F31CA132628-01	11,755
Abandoned Infants	93.551	90CB0119	(48,856)
Child Care Mandatory and Matching Funds of the Child Care and Development	93.596	06-690-0817-1	(4,645)
Child Care Mandatory and Matching Funds of the Child Care and Development	93.596	08-690-4712	(9,137)
Child Care Mandatory and Matching Funds of the Child Care and Development	93.596	08-690-5418	239,295
Head Start	93.600	09-690-7812	8,969
Developmental Disabilities Projects of National Significance	93.631	90DN0187 / 05	244,774
Developmental Disabilities University Affiliated Programs	93.632	90DD0611	522,166
State Children's Insurance Program (A)	93.767	GSA 05-0001 05-630-8000-0001A5	953,615
Medicaid Infrastructure Grants To Support the Competitive Employment of People	93.768	06.665.0007.3080	(26,895)
Medical Assistance Program	93.778	06.665.0007.3080	916,647
Medical Assistance Program	93.778	GSA09-630-7903-0082	11,077
Cardiovascular Diseases Research	93.837	11211/IMEDIATETRIAL/AMEND 3	227,330
Cardiovascular Diseases Research	93.837	1K01HL092598-01	140,050
Lung Diseases Research	93.838	23063609	174,892
Lung Diseases Research	93.838	23063610/1U01HL064288	42,622
Lung Diseases Research	93.838	CAMP CONTINUATION STUDY/PHASE3	102,429
Blood Diseases and Resources Research	93.839	1 F31 H2090024-01	25,215
Blood Diseases and Resources Research	93.839	5T35HL076595-03, 04,05	42,946
Arthritis Musculoskeletal and Skin Diseases Research	93.846	PO 1000650770	15,451
Kidney Diseases Urology and Hematology Research	93.849	U01DK63455/FSGSV3C	2,100
Clinical Research Related to Neurological Disorders	93.853	002072J/5U01NS04335304/AMEND#2	(1,281)
Clinical Research Related to Neurological Disorders	93.853	5U01NS044876-05 A07223 M05A003	12,749
Clinical Research Related to Neurological Disorders	93.853	SA-NIH 5U01NS042167	16,601
Clinical Research Related to Neurological Disorders	93.853	U01 NS 045719	86,889
Allergy Immunology and Transplantation Research	93.855	1F32AI074246-01A1	15,136
Allergy Immunology and Transplantation Research	93.855	2T32AI007538-11	150,591
Pharmacology Physiology and Biological Chemistry	93.859	1R25GM075149-01	119,210
Pharmacology Physiology and Biological Chemistry	93.859	2R25 GM060201-09	194,496
Child Health and Human Development Extramural Research	93.865	5 U10 HD053089-04	276,147
Medical Library Assistance	93.879	1R13LM010054-01	31
Grants for Training in Primary Care Medicine and Dentistry	93.884	1 D56HP08339-01-00,02, SHELL 3	221,158
Grants for Training in Primary Care Medicine and Dentistry	93.884	1 D58HP08296-01-00, 02	54,612
Grants for Training in Primary Care Medicine and Dentistry	93.884	6D57HP09963-01-01, SHELL YR 2	153,608
Grants for Training in Primary Care Medicine and Dentistry	93.884	D54 HP00032-04, 05, 06,07,SHELL	151,988
HIV Care Formula Grants	93.917	09UNM/02.0024	87,379
Grants to Provide Outpatient Early Intervention Services	93.918	6 H76HA00130-18-01	725,140
Special Projects of National Significance	93.928	2162-7	(795)

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 9

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

	<u>FEDERAL CFDA NUMBER</u>	<u>CONTRACT/GRANT NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Research and Demonstration Projects for Indian Health	93.933	070042002	\$ 330,330
Research and Demonstration Projects for Indian Health	93.933	N01-A1-45250	26,877
Trauma Care Systems Planning and Development	93.952	07UNM/03.0082	(4,400)
Block Grants for Community Mental Health Services	93.958	MCC-05-01	589,961
Block Grants for Prevention and Treatment of Substance Abuse	93.959	MCC-05-01	835,099
Grants for Geriatric Education Centers	93.969	D31 HP08820-01,02, SHELL	410,884
National Health Promotion	93.990	HHSN2762008005555P	32,141
Preventive Health and Health Services Block Grant	93.991	07UNM/02.0024	36,434
Maternal and Child Health Services Block Grant to the States	93.994	09UNM/02.0016.A1	18,990
Maternal and Child Health Services Block Grant to the States	93.994	09UNM/02.101041	1,029
Maternal and Child Health Services Block Grant to the States	93.994	09UNM/02.0025	188,694
Maternal and Child Health Services Block Grant to the States	93.994	09UNM/02.0026	40,030
Maternal and Child Health Services Block Grant to the States	93.994	09UNM/02.0037	101,565
Maternal and Child Health Services Block Grant to the States	93.994	HHSP233200700442G	59,549
Bioterrorism Training and Curriculum Development Program (B)	93.996	5T01HP01421-04,05	454,078
Planning and Program Development Grants	94.007	05EDHNM001	17,520
Planning and Program Development Grants	94.007	08EDHNM001	6,031
Homeland Security	97.000	EMT-2008-GR-0007	26,741
Homeland Security	97.000	HSFEHQ-05-L-0202	37,804
Homeland Security	97.000	PSA-04-27	1,067
Map Modernization Management Support (B)	97.070	EMT-2007-GR-0010	72,738
Federal Appropriation	99.999	08/01/08 AGREEMENT	34,640
Federal Appropriation	99.999	1507	23,267
Federal Appropriation	99.999	1810	392,680
Federal Appropriation	99.999	77000767	5,044
Federal Appropriation	99.999	AGREEMENT DATED 08/15/08	24,999
Federal Appropriation	99.999	CK #453306	21,300
Federal Appropriation	99.999	CONTRACT 10727	15,614
Federal Appropriation	99.999	CPB # 11463	11,758
Federal Appropriation	99.999	GRANT 1810	604,009
Federal Appropriation	99.999	SERVICE GRANT AGR 2009	190,073
TOTAL NONMAJOR PROGRAMS			<u>\$ 35,906,595</u>
TOTAL FEDERAL AWARDS			<u>\$ 210,969,318</u>
 Reconciliation to Exhibit B - Statement of Revenues, Expenditures and Changes in Net Assets			
Federal awards (per Exhibit B):			
Federal grants and contracts revenues	\$	211,140,859	
Portion of capital grants and gifts revenues that are federal		9,106,996	
Total federal awards		<u>220,247,855</u>	
 Reconciling items:			
Fee for service federal contract revenues - not reportable on Schedule 9		(7,263,097)	
Residual balances on federal grants and contracts		(2,015,440)	
Total federal expenditures per Schedule 9	<u>\$</u>	<u>210,969,318</u>	

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Note 1: Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

Note 2: Student Financial Aid

Perkins loans advanced to students in fiscal year 2009 totaled \$226,683. The outstanding Perkins loan balance at June 30, 2009 was \$11,948,551. FFEL loans advanced to students in fiscal year 2009 totaled \$92,103,331.

Note 3: Department of Housing and Urban Development 242 Loan Guarantee

During fiscal year 2005, the Regents of the University of New Mexico issued FHA Insured Hospital Mortgage Revenue Bonds for the construction of the Children's Hospital and Critical Care Pavilion. In conjunction with the construction project, the Department of Housing and Urban Development, under Section 242 CFDA number 14.128, issued a loan guarantee for the mortgage amount of \$183,399,000.

Note 4: Of the federal expenditures presented in the schedule, the University provided federal awards to subrecipients as follows:

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Air Force Office of Scientific Research	12.000	\$ 665,428
Defense Advanced Research Projects Agency	12.000	57,426
Defense Threat Reduction Agency	12.000	872,365
Army Research Office	12.300	83,128
Office of Naval Research	12.300	1,557,285
Defense Threat Reduction Agency	12.351	1,546,278
Army Research Office	12.431	110,984
Air Force Office of Scientific Research	12.800	468,585
Defense Advanced Research Projects Agency	12.910	280,985
Department of State	19.000	149,990
Department of Transportation	20.000	851,728
NASA - Goddard	43.000	60,314
NASA - Stennis	43.002	198,443
National Science Foundation	47.000	136,756
National Science Foundation	47.041	16,021
National Science Foundation	47.049	40,563
National Science Foundation	47.070	106,000
National Science Foundation	47.074	65,128
National Science Foundation	47.076	210,689
National Science Foundation	47.079	217,515
National Science Foundation	47.080	216,181
Santa Fe Community College	59.000	17,729
ERRG, Incorporated	66.000	32,980
Environmental Protection Agency	66.509	26,799
Argonne National Laboratory	81.000	144,893
Department of Energy	81.000	218,410
Los Alamos National Laboratory	81.000	41,929
Oak Ridge Associated Universities	81.000	19,956
Department of Energy	81.049	39,378
Department of Energy	81.113	14,380
Department of Energy	81.121	56,953
NM Public Education Department	84.000	74,388
National Heart Lung And Blood Institute	93.000	17,137
National Institute of General Medical Sciences	93.000	138,510
Technology Research Collaborative	93.000	(23,100)
National Institute of Allergy and Infectious Diseases	93.063	289,024
Health Resources and Services Administration	93.107	126,543
National Institute of Environmental Health Science	93.113	49,413
National Institute of Environmental Health Science	93.115	123,733
Health Resources and Services Administration	93.153	181,452
National Institute of Mental Health	93.242	351,959
Centers for Disease Control and Prevention	93.262	6,624

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
University of Texas Health Center at Tyler	93.262	\$ 77,748
Department of Health and Human Services	93.273	74,163
National Institute on Alcohol Abuse and Alcoholism	93.273	1,161,549
National Institutes of Health	93.273	86,208
National Institute on Drug Abuse	93.279	208,903
National Institutes of Health	93.279	144,772
National Institutes of Health	93.286	9,494
National Institute of Mental Health	93.310	162,244
National Institutes of Health	93.310	25,000
National Cancer Institute	93.393	171,300
National Cancer Institute	93.394	374,108
National Institutes of Health	93.394	40,655
National Institutes of Health	93.395	47,232
National Cancer Institute	93.396	10,828
National Cancer Institute	93.397	36,283
Administration for Children & Families	93.631	87,411
National Heart Lung And Blood Institute	93.837	133,776
New England Medical Center	93.837	9,889
National Heart Lung And Blood Institute	93.838	(57,426)
National Institutes of Health	93.839	56,635
National Institute of Diabetes Digestive & Kidney Dis	93.848	1,592
Department of Health and Human Services	93.849	448,826
National Institute of Diabetes Digestive & Kidney Dis	93.849	184,220
National Cancer Institute	93.855	39,345
National Institute of Allergy and Infectious Diseases	93.855	952,549
National Institutes of Health	93.855	243,000
National Institute of Allergy and Infectious Diseases	93.856	5,046,896
University of Texas Medical Branch	93.856	199,992
National Institute of General Medical Sciences	93.859	120,979
National Institutes of Health	93.859	175,747
National Institutes of Health	93.866	6,077
National Institute of General Medical Sciences	93.960	51,780
Health Resources and Services Administration	93.969	23,661
Fogarty International Center	93.989	24,742
National Institutes of Health	93.989	86,929
Health Resources and Services Administration	93.996	165,660
TOTAL PASSED THROUGH TO SUBRECIPIENTS		<u><u>\$ 20,493,649</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Note 5: Amounts passed through to UNM from other prime contractors

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Middle Rio Grande Conservancy District	10.000	AGREEMENT 091608	\$ 12,014
New Mexico Children Youth and Family Department	10.000	0577	4,437
New Mexico Children Youth and Family Department	10.000	AGREEMENT # 3178	16,797
New Mexico Children Youth and Family Department	10.000	AGREEMENT #3177	7,699
New Mexico Energy Minerals and Natural Resources Dept	10.000	06-521-0400-0026	46,753
University of Nebraska	10.000	25-0511-0053-008	12,699
New Mexico Department of Health	10.578	09 UNM 02 1002	30,069
Avacore Technologies	12.000	30185	14,926
BAE Systems	12.000	316097	319,288
Catholic University of America	12.000	408264	105,662
CU Aerospace	12.000	SUBAWARD #07-01-UNM	23,809
Gulf South Research Corporation	12.000	80302015S-UNM	87,801
Gulf South Research Corporation	12.000	80302024S - UNM	102,892
Gulf South Research Corporation	12.000	80302024S-UNM	87,283
Gulf South Research Corporation	12.000	80302309S-UNM	26,996
Gulf South Research Corporation	12.000	80316001S-UNM	400,858
Gulf South Research Corporation	12.000	80320014S-UNM	9,244
Johns Hopkins University	12.000	CONTRACT NO. 939973	13,972
KTECH Corporation	12.000	SUBAWARD NO. KS07-015	237,733
Lockheed Martin Corporation	12.000	PO# 88MHTIR01	(42,076)
Management Sciences	12.000	09-1434	1,489
MIND Research Network	12.000	6037-002	132,836
Miratek Corporation	12.000	SC AGMT DTD 10/25/02	21,906
Moberg Research Inc	12.000	SC#W81XWH08C0091-S	29,363
Precision Photonics Corp	12.000	MOA DATED 9/20/08	10,520
QmagiQ LLC	12.000	2007-UNM-1	(19,615)
Redondo Optics Inc	12.000	ROI-06-UNM-1C/W911NF-06-C-0047	(17,160)
SAIC	12.000	4400162501	18,779
Sandia National Laboratories	12.000	749169	40,776
University of Colorado	12.000	SPO0000031607/N00014-02-1-0714	(6,101)
University of Illinois	12.000	SUBAWARD NO 2003-08000-02	(18)
Virtual EM	12.000	SUBCON DTD 6/21/07	138
Gulf South Research Corporation	12.100	80320015S-UNM	7,036
Hawks Aloft Inc	12.100	AWARD# 10302006-NH	(5)
New Mexico Institute of Mining and Technology	12.114	FPIB10-710428	58,782
Colorado State University	12.300	G-2400-1/N00014-07-1-1068	146,049
Optimetrics	12.300	PO 23654	1,691
New Mexico Military Affairs Department	12.401	07-08 TASK 1	26,268
New Mexico Military Affairs Department	12.401	07-08 TASK 2	1,233
New Mexico Military Affairs Department	12.401	07-08 TASK 3	32,945
New Mexico Military Affairs Department	12.401	07-08 TASK 4	1,293
New Mexico Military Affairs Department	12.401	08-05/7050-0000001414	7,023
New Mexico Military Affairs Department	12.401	08-06/70500-0000001415	7,792
New Mexico Military Affairs Department	12.401	08-07/70500-0000001416	22,633
New Mexico Military Affairs Department	12.401	08-08/70500-0000001417	1,156
New Mexico Military Affairs Department	12.401	08-09/70500-0000001418	24,204
New Mexico Military Affairs Department	12.401	CONTRACT NO. 07-03	(5)
New Mexico Military Affairs Department	12.401	CONTRACT NO. 07-05	63,630

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Note 5: Amounts passed through to UNM from other prime contractors

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
New Mexico Military Affairs Department	12.401	CONTRACT NO. 07-07	\$ 58,044
Academy of Applied Science	12.431	LTR. DATED 09/01/08	1,584
Boeing Company	12.800	Q07897000	19,642
California Institute of Technology	12.800	67F-1080970/FA9550-06-1-0443	84,215
Luna Innovations	12.800	NO.1452.01-001	44,508
Management Sciences	12.800	05-1259	26,328
Mesa Photonics LLC	12.800	01/20/09 SUBCONTRACT	21,420
New Mexico Institute of Mining and Technology	12.800	PO # P0006002	1,495
Optimetrics	12.800	23685	47,154
Schafer Corporation	12.800	SC-04A-57-12, TO #0002	95,252
Sienna Technologies Inc	12.800	PO NO S3340	26,506
Southwest Sciences	12.800	5/2/07 AGMT/FA8650-07-M-1182	127,662
University of Arizona	12.800	Y502715	58,880
University of Texas Austin	12.800	UTA04-498	509,528
University of Virginia	12.800	GG10959-128685[FA9550-07-1-053	144,856
Gulf South Research Corporation	15.000	80316001S-UNM	87,445
Navajo Nation	15.000	C06753	43,792
New Mexico Energy Minerals and Natural Resources Dept	15.000	06-521-06EE-0024	4,877
New Mexico Game and Fish Department	15.000	MOU 09-516-000-00008	31,144
Tetra Tech Inc	15.000	T22967	17,397
New Mexico Institute of Mining and Technology	15.225	SUBCONTRACT DATED 5/7/09	1,241
New Mexico Game and Fish Department	15.634	05-516-0000-0074	(1)
CSR Inc	16.000	1705-207	268
Legal Momentum	16.000	AGREEMENT 09/18/06	(2,621)
New Mexico Public Safety Department	16.000	06-ANTI-GANG-UNM-ISR-FY07	(31)
New Mexico Public Safety Department	16.000	07-ANTI-GANG-UNM-ISR-FY08	8,320
New Mexico Public Safety Department	16.000	08-PSN-UNM-SAC-FY09	152
New Mexico Public Safety Department	16.000	2004-DN-BX-0221	210
New Mexico Public Safety Department	16.100	08-PC-OMI-F709	47,996
New Mexico Public Safety Department	16.100	2003-DN-BX-0097	(4)
University of Missouri - Columbia	16.100	C00000814-1	(4,213)
Pacific Institute for Research & Evaluation	16.541	2007-JF-FX-0064, 0353.01.01	7,798
New Mexico Crime Victims Reparation Commission	16.575	2008-VA-341, 2009-VA-440 SHELL	51,005
New Mexico Crime Victims Reparation Commission	16.575	2008-VA-344, A	(685)
New Mexico Crime Victims Reparation Commission	16.575	2008-VA-344A, 2009-VA-442	22,783
New Mexico Crime Victims Reparation Commission	16.588	2007-WF-223	150
State of New Mexico	16.588	2005-WF-AX-0020/2006-WF-127	(2)
Pacific Institute for Research & Evaluation	16.728	PIRE 496447	8,651
New Mexico Department of Workforce Solutions	17.000	090808	5,734
State of New Mexico	17.268	WR-16380-07-60-A-35	52,500
New Mexico Department of Transportation	20.000	CO 4817; CN CA612; TPA 7500(52	25,255
New Mexico Department of Transportation	20.000	CO4653	711
New Mexico Department of Transportation	20.000	CO4817-2	43
New Mexico Department of Transportation	20.215	C05188	35,165
New Mexico Traffic Safety Bureau	20.215	C05220	129,215
State of Louisiana	20.509	741-99-0159/LA-18-X019	12,895
California Institute of Technology	43.000	6A-1084376/NAG3-2900	11,573
Jet Propulsion Lab	43.000	1314087	16,314

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Note 5: Amounts passed through to UNM from other prime contractors

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Jet Propulsion Lab	43.000	SUBCONTRACT NO. 1307847	\$ 5,768
New Mexico State University	43.000	Q01253	22,647
New Mexico State University	43.000	Q01261	59,000
New Mexico State University	43.000	Q-01262	8,620
New Mexico State University	43.000	Q01263	23,608
New Mexico State University	43.000	Q01264	18,509
New Mexico State University	43.000	Q01297	9,652
Northwest Research Associates	43.000	NWRA-04-S-078/NNH04CC45C	5,104
Ohio Aerospace Institute	43.000	WE500048	37,562
Regional Development Corp	43.000	SPAS 22407	2,743
University of Arizona	43.000	Y712242	28,293
University of California Los Angeles	43.000	2090-S-JB-690	13,039
George Mason University	43.001	SUB AGR NO E201216-1	7,701
New Mexico State University	43.001	SUBAWARD #Q01130	31,500
Arizona State University	47.000	KMS0019-21-48-SUB	846
Central New Mexico Community College	47.000	2123-8224A	269,701
Chabot Space & Science Center	47.000	ES10610253 (PRIME AGREEMENT)	192,668
Gallaudet University	47.000	SBE-0541953	(562)
International Continental Drilling Program	47.000	AGMNT 04/22/09 + PREAWARD	25,708
New Mexico State University	47.000	Q00894	15,801
New Mexico State University	47.000	Q01277	205,964
Pueblo of Laguna	47.000	CF65C-2004	(2,516)
University of Notre Dame	47.000	#201215	25,809
Yale University	47.000	C09D10192	8,565
Arizona State University	47.041	#07-839/SC 34107M00289	90,177
Cornell University	47.041	44771-7478/0335765	578,747
Cornell University	47.041	52120-8456	4,743
Iowa State University	47.041	420-72-24	46,412
Rensselaer Polytechnic Institute	47.041	A12020	251,893
New Mexico State University	47.046	Q01314	8,588
Arizona State University	47.049	06-625	60,940
University of Virginia	47.049	GA10468-129582	(3,788)
University of Virginia	47.049	GA10561-129546	(15,294)
University of Arizona	47.050	Y414421	206,998
Columbia University	47.070	PO# 541117	85,539
Oklahoma State University	47.070	OSU #AA-5-20738	11,395
University of Oklahoma	47.070	SUBCONTRACT NO. 2008-21	25,948
Regents of the University of Minnesota	47.074	X4166454101	11,348
University of Alabama	47.074	99-007	185
University of Puerto Rico	47.074	SUB AGREEMENT DATED 5/1/07	9,369
Gallaudet University	47.075	0000015845	142,267
New Mexico State University	47.075	Q01157	17,366
Arizona State University	47.076	08-995	23,900
Arizona State University	47.076	KMS0019-21-47/SUB	305
Arizona State University	47.076	KMS0019-21-49/SUB	1,071
Arizona State University	47.076	KMS0019-21-50/SUB	144
Arizona State University	47.076	WAESO PROJECT NO. S08UR019	(87)
Colorado State University	47.076	G-3062-1	18,531

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<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
University of Arizona	47.076	Y410675	\$ 343,431
Santa Fe Community College	59.000	6-603001-Z-0032-18	818
Santa Fe Community College	59.000	7-603001-Z-0032-19	350
Santa Fe Community College	59.000	8-603001-Z-0032-20	243,247
New Mexico VA Health Care System	64.000	V501P-2839, S/A #1,2	10,210
University of Texas Health Center at Tyler	66.000	PO 81687/AMD #4	(703)
Argonne National Laboratory	81.000	9F-30343	404,383
Battelle Memorial Institute	81.000	CONTRACT NO. 00044825	85,346
Brookhaven Science Associates LLC	81.000	95247	105,852
HyperV Technologies Corp	81.000	AGREEMENT DATE 11/18/08	5,666
Johns Hopkins University	81.000	2000070550	21,855
Lawrence Berkeley National Laboratory	81.000	6720467	7,359
Lawrence Livermore National Laboratory	81.000	B565062	14,582
Los Alamos National Laboratory	81.000	09166-001-05	110,429
Los Alamos National Laboratory	81.000	35248-001-06	(5,192)
Los Alamos National Laboratory	81.000	44628-001-07	10,275
Los Alamos National Laboratory	81.000	49379-001-07	34,052
Los Alamos National Laboratory	81.000	49702-001-07	290,896
Los Alamos National Laboratory	81.000	53184-001-078	58,867
Los Alamos National Laboratory	81.000	54015-001-07 MOD #2	93,692
Los Alamos National Laboratory	81.000	57461-001-07	260,604
Los Alamos National Laboratory	81.000	59030-001-007	36,548
Los Alamos National Laboratory	81.000	59030-001-07	51,151
Los Alamos National Laboratory	81.000	61241-001-08	813
Los Alamos National Laboratory	81.000	61869-001-08	49,412
Los Alamos National Laboratory	81.000	61971-001-08	50,122
Los Alamos National Laboratory	81.000	63802-0001-09	90,130
Los Alamos National Laboratory	81.000	65410-001-08	12,884
Los Alamos National Laboratory	81.000	70137-001-09	29,392
Los Alamos National Laboratory	81.000	71909-001-09	6,343
Los Alamos National Laboratory	81.000	73267-001-09	31,178
Los Alamos National Laboratory	81.000	LANS IA-0050	82,826
Los Alamos National Laboratory	81.000	Membership	28
Los Alamos National Laboratory	81.000	NONE	18,030
Los Alamos National Laboratory	81.000	PO 57630-001-07	149,851
Los Alamos National Laboratory	81.000	SC #64041-001-08	47,965
Los Alamos National Laboratory	81.000	SC15860-001-05	50,593
Los Alamos National Laboratory	81.000	STB-UC: 06-36	18,502
MIND Research Network	81.000	06-400M-NI	(38,678)
MIND Research Network	81.000	06-404H-N1	(2,405)
MIND Research Network	81.000	06-450H-N1 AMD #1	(7,472)
MIND Research Network	81.000	06-552H-N1	(9,139)
MIND Research Network	81.000	10421//WILLIAMSON,12058	50,006
MIND Research Network	81.000	2508	9,139
MIND Research Network	81.000	MRN/OKADA/12041	48,234
MIND Research Network	81.000	SUBAWARD AGMT 6002-01	167,056
MIND Research Network	81.000	TASK ORDER MEMO DOE #6002-023	122,292
Oak Ridge Associated Universities	81.000	2-18334	69,694

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<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Oak Ridge Associated Universities	81.000	2-19106	\$ 60,118
Oak Ridge Associated Universities	81.000	2-19107	45,010
Oak Ridge Associated Universities	81.000	SUBCONTRACT 2-16994	28,806
Oak Ridge Associated Universities	81.000	SUBCONTRACT 2-17028	7,632
Sandia National Laboratories	81.000	117817	30,934
Sandia National Laboratories	81.000	408825	17,762
Sandia National Laboratories	81.000	50615	(622)
Sandia National Laboratories	81.000	507728	(3,445)
Sandia National Laboratories	81.000	508551	2,819
Sandia National Laboratories	81.000	543234	186,187
Sandia National Laboratories	81.000	544979	8,128
Sandia National Laboratories	81.000	570462	42,078
Sandia National Laboratories	81.000	593116	8,211
Sandia National Laboratories	81.000	606096	6,672
Sandia National Laboratories	81.000	618649	(11,886)
Sandia National Laboratories	81.000	660193	120,567
Sandia National Laboratories	81.000	665142	39,527
Sandia National Laboratories	81.000	667014	64,465
Sandia National Laboratories	81.000	669152	51,300
Sandia National Laboratories	81.000	673390	(1,869)
Sandia National Laboratories	81.000	678280	175,966
Sandia National Laboratories	81.000	685890	70,162
Sandia National Laboratories	81.000	689442	1,823
Sandia National Laboratories	81.000	692463	89,946
Sandia National Laboratories	81.000	696997	17,940
Sandia National Laboratories	81.000	699182	62,577
Sandia National Laboratories	81.000	706862	17,437
Sandia National Laboratories	81.000	715738	867
Sandia National Laboratories	81.000	719287	72,037
Sandia National Laboratories	81.000	727112	33,676
Sandia National Laboratories	81.000	739523	2,549
Sandia National Laboratories	81.000	739561	4,180
Sandia National Laboratories	81.000	739565 PO # 438290	11,642
Sandia National Laboratories	81.000	739574	12,306
Sandia National Laboratories	81.000	739575	20,904
Sandia National Laboratories	81.000	739577	15,724
Sandia National Laboratories	81.000	739618	12,105
Sandia National Laboratories	81.000	752554	26,727
Sandia National Laboratories	81.000	752594	40,567
Sandia National Laboratories	81.000	752885	3,340
Sandia National Laboratories	81.000	767334	(10,379)
Sandia National Laboratories	81.000	770508	15,755
Sandia National Laboratories	81.000	772629	81,208
Sandia National Laboratories	81.000	773576	13,963
Sandia National Laboratories	81.000	775091	118,632
Sandia National Laboratories	81.000	779126	5,152
Sandia National Laboratories	81.000	793958	66,657
Sandia National Laboratories	81.000	795706	100,568

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<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Sandia National Laboratories	81.000	796180	\$ 18,548
Sandia National Laboratories	81.000	803797	49,399
Sandia National Laboratories	81.000	808467	61,975
Sandia National Laboratories	81.000	820283	20,000
Sandia National Laboratories	81.000	846724	26,570
Sandia National Laboratories	81.000	846734	31,343
Sandia National Laboratories	81.000	846737	37,414
Sandia National Laboratories	81.000	848059	22,201
Sandia National Laboratories	81.000	862888	40,684
Sandia National Laboratories	81.000	875328	58,194
Sandia National Laboratories	81.000	885771	8,803
Sandia National Laboratories	81.000	890706	11,506
Sandia National Laboratories	81.000	891459	3,394
Sandia National Laboratories	81.000	896179	1,115
Sandia National Laboratories	81.000	904938	29,857
Sandia National Laboratories	81.000	911452	30,017
Sandia National Laboratories	81.000	DOC #749924/PO# 438290	120,591
Sandia National Laboratories	81.000	DOC #828538	79,833
Sandia National Laboratories	81.000	DOC 739562	9,101
Sandia National Laboratories	81.000	DOC ID:786454	10,110
Sandia National Laboratories	81.000	DOC#713387 PO#438290	110,831
Sandia National Laboratories	81.000	DOC. 128242	2,172
Sandia National Laboratories	81.000	DOC. NO. 832978	6,738
Sandia National Laboratories	81.000	DOCUMENT # 713355 / PO# 438290	(2,226)
Sandia National Laboratories	81.000	DOCUMENT 674005 / PO# 438290	24,478
Sandia National Laboratories	81.000	DOCUMENT NO. 667077	57,229
Sandia National Laboratories	81.000	DOCUMENT NO. 673382	93,154
Sandia National Laboratories	81.000	DOCUMENT NO. 673387	165,637
Sandia National Laboratories	81.000	DOCUMENT NO. 751878	(5,812)
Sandia National Laboratories	81.000	PO 124354	944
Sandia National Laboratories	81.000	PO 438290 AWARD # 739576	28,276
Sandia National Laboratories	81.000	PO 549681	120,638
Sandia National Laboratories	81.000	PO 594550	3,105
Sandia National Laboratories	81.000	PO 875455	62,772
Sandia National Laboratories	81.000	PO 883603	18,069
Sandia National Laboratories	81.000	PO 884199	34,614
Sandia National Laboratories	81.000	PO 909872	16,597
Sandia National Laboratories	81.000	PO 912447	5,225
Sandia National Laboratories	81.000	PO 99112	(16)
Sandia National Laboratories	81.000	PO438290 DOC 749169	12,501
South Carolina State University	81.000	SG #07-570003-NEP-UNM-NM	38,184
State University of New York	81.000	PO# R404499	92,962
T3 Scientific LLC	81.000	P.O. 1123	32,820
Texas Engineering Experiment Station	81.000	AGMT 68732	173
Los Alamos National Laboratory	81.049	W-7405-ENG-36	33,190
MIND Research Network	81.049	6002-043 SUB-N1	(375)
MIND Research Network	81.049	6002-055 (BUSTILLO)	(6,103)
MIND Research Network	81.049	6002-056 FIRST CLINICAL CORE	15,783

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<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
MIND Research Network	81.049	6002-058	\$ (809)
MIND Research Network	81.049	6003-013	21,423
MIND Research Network	81.049	6003-013- SUB 2 PSYCHOLOGY	3,307
MIND Research Network	81.049	6003-014	431
MIND Research Network	81.049	6003-015(YEO)	42,332
MIND Research Network	81.049	6003-020	11,155
MIND Research Network	81.049	6003-022	31,696
MIND Research Network	81.049	6003-023	50,000
MIND Research Network	81.049	6003-024 SUB 3 (LAURIELLO)	48,043
MIND Research Network	81.049	JOINT UNM/MIND RESEARCHERS	1,000,013
MIND Research Network	81.049	TASK ORDER DOE #6003-007	120,405
Northern Arizona University	81.049	MPC 35XA	56,365
University of Delaware	81.049	CCST372128 - SUBGRANT 10697	7,369
University of Florida	81.049	ENCUMBRANCE #1904-2052	32,961
National Securities Technologies	81.108	PO# 90501	(2,610)
Texas A&M University	81.113	SUBRECIPIENT AGR NO. C08-00883	60,050
Trustees of Purdue University	81.113	4105-23185	133,970
University of Nevada System	81.121	08-7396-00	15,352
Washington State University	81.121	SUBAWARD NO. 108880_G002293	98,160
MIND Research Network	83.000	PSA-07-02	125,301
New Mexico Public Safety Department	83.000	06-790, 5000-0028, 07,A2	28,850
Sandia National Laboratories	83.000	SPO# 883164	49,673
National Writing Project Corp	84.000	06-NM07	18,990
New Mexico Department of Health	84.000	07UNM/07.0014 A1	184
New Mexico Department of Health	84.000	09UNM/07.0009	18,466
New Mexico Department of Health	84.000	09UNM/07.0010	100,980
New Mexico Department of Health	84.000	09UNM/07.0012	95,603
New Mexico Higher Education Department	84.000	2008-09 FEDERAL ABE	159,939
New Mexico Higher Education Department	84.000	2008-09 FEDERAL ABE ALLOCATION	57,477
New Mexico Higher Education Department	84.000	ABE: 2006-2008	(6,525)
New Mexico Higher Education Department	84.000	ABE-FY09	62,351
New Mexico Higher Education Department	84.000	AMERICAN INDIAN TEACHER QUALIT	75,686
New Mexico Higher Education Department	84.000	BAR 06/26/06	(960)
New Mexico Higher Education Department	84.000	BAR 07/12/07	(325)
New Mexico Higher Education Department	84.000	BAR DATED 07/05/07	(269)
New Mexico Higher Education Department	84.000	FEDERAL ABE 2008-2009	89,307
New Mexico Hospital Education and Research Foundation	84.000	BENSON/10633	5,189
NM Public Education Department	84.000	#07-924-0074	174,125
NM Public Education Department	84.000	#09 924 0097	132,889
NM Public Education Department	84.000	014.5.4.1.855	15,874
NM Public Education Department	84.000	016-7-6-1-858	15,386
NM Public Education Department	84.000	07-924-P527-0097	155,340
NM Public Education Department	84.000	089240114	32,998
NM Public Education Department	84.000	09-924-0170	72,969
NM Public Education Department	84.000	AGMT # 09 924 0096	120,311
NM Public Education Department	84.000	PED#92086	5,109
NM Public Education Department	84.000	V048A080031	130,417
Northern New Mexico College	84.000	P031S060059	212,651

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<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Public Broadcasting Service	84.000	AGREEMENT DATED 10/23/07	\$ 15,773
NM Public Education Department	84.002	ABE - INSTRUCTIONAL MATERIALS	7,802
NM Public Education Department	84.027	673/24108	(638)
NM Public Education Department	84.027	CONTRACT #08-243-0193	10,341
NM Public Education Department	84.027	CONTRACT #08-924-0195	43,215
NM Public Education Department	84.027	IGA#08-924-0200	14,034
East Tennessee State University	84.116	SUBAWARD NO. 226783-01	12,662
Texas Tech University Health Science Center	84.116	SUBAWARD #21D036-01	6,273
University of Iowa	84.116	W000108745/PO 1000664002	5,987
NM Public Education Department	84.173	NM PED 673/24136	98,429
NM Public Education Department	84.174	0018001	(490)
NM Public Education Department	84.174	2007-2008 PERKINS	13,824
NM Public Education Department	84.174	2008-09 CARL PERKINS ALLOCATIO	68,851
New Mexico Department of Health	84.181	09UNM/07.0016	4,844
New Mexico Department of Health	84.181	09UNM/07.005	457,034
NM Public Education Department	84.181	09UNM.007.0018	1,012,079
Public Broadcasting Service	84.286	SUBCONTRACT AGMT 5/31/06	325
Michael Cohen Group, LLC	84.295	U295A05004	31,448
Washington University	84.305	WU-HT-07-02/PO 29088Y	156,119
NM Public Education Department	84.326	09-924-0129 SHELL	540,556
National Writing Project Corp	84.928	06-NM07	25,849
National Writing Project Corp	84.928A	96-NM04	60,673
AMC Cancer Research Center	93.000	720-4621/MOD 3,EXT DATE	115
American Cancer Society Inc	93.000	SIRGS-06-281-01	52,548
Association of Occupational & Environmental Clinics	93.000	1 R25 OH008593-01	(24)
BEI Resources	93.000	BEI-1033-2007-UNM	211,529
Booz Allen Hamilton Inc.	93.000	GS-35F-0306J	23,278
Carnegie Mellon University	93.000	1090208-226006	42,228
Case Western Reserve University	93.000	N01-DK-6-2203 AMD15,16	169,311
Casia Software LLC	93.000	ASAP-YS	3,690
Catholic University of America	93.000	RAO-901 AI056443-5	2,751
Cheyenne River Sioux Tribe	93.000	R25 ES013292-01	35,416
Clarity Counseling Inc	93.000	AGREEMENT DATED 03/24/08	11,260
Coley Pharmaceutical Group	93.000	981010, AMDEND #3	184,065
Columbia University	93.000	CFDA 93.853	4,867
DeCode Genetics	93.000	HHS200400064C AB N01-AI40064	650,664
Duke University	93.000	604CCOP	885
Eastern Cooperative Oncology Group	93.000	PSA-UNM-00	7,089
First Choice Community Healthcare	93.000	PSA-02-22,PSA AMEND3,PSA-06-42	(13,718)
General Hospital Corp	93.000	HHSN261200744000C	80,202
George Washinton University	93.000	U01-DK61055, SITE# 801	3,802
Hidalgo Medical Services	93.000	DHHS/APHPA #601901, MOD #3	45,456
Hidalgo Medical Services	93.000	HMS 2010 REACH, MOD 1 & 2, 3	75,610
Houston Academy of Medicine - Texas Medical Center	93.000	N01-LM-6-3505 HHSN27620066 350	11,525
Los Alamos National Laboratory	93.000	71374-001-09	5,976
Lovelace Biomedical & Environmental Research Inst	93.000	LV060019	37,466
Lovelace Biomedical & Environmental Research Inst	93.000	LV060442	216,080
Lovelace Respiratory Research Institute	93.000	JK090139	9,572

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Lovelace Respiratory Research Institute	93.000	U01CA097356-03	\$ 216,178
Massachusetts Institute of Technology	93.000	PO#5510043280	61,636
National Childhood Cancer Foundation	93.000	11781	(641)
National Childhood Cancer Foundation	93.000	17679/2U10 CA098543-06 SHELL	7,464
National Childhood Cancer Foundation	93.000	CA 98543-05 /16602	(70,700)
National Childhood Cancer Foundation	93.000	CA098543, 98543-1058 AMD 1	2,833
National Library of Medicine	93.000	N01-LM-6-3505	5,064
National Marrow Donor Program	93.000	CIBMTR#11079	2,564
New Mexico Cancer Care Alliance	93.000	JHU PO#200187757	27,543
New Mexico Cancer Care Alliance	93.000	RTOG 98-04	1,925
New Mexico Children Youth and Family Department	93.000	VEN 54450 - CON 2122 - PO 3603	(1,190)
New Mexico Department of Health	93.000	05/UNM/03.0040	(13,300)
New Mexico Department of Health	93.000	05UNM/01.0006A1, 06UNM/01.0012	(38,981)
New Mexico Department of Health	93.000	05UNM/01.0017	(60)
New Mexico Department of Health	93.000	05UNM/03.0007.A1	19,894
New Mexico Department of Health	93.000	06.UNM/05.0001R	(19,510)
New Mexico Department of Health	93.000	06UNM/01.0016R	(1,531)
New Mexico Department of Health	93.000	06UNM/01/0024RA1	(19,062)
New Mexico Department of Health	93.000	07.UNM/05.0005	(399)
New Mexico Department of Health	93.000	07UNM.02.0045, 08UNM.02.1004	3,156
New Mexico Department of Health	93.000	07UNM/01.0012, .02.0012.A1	(8,998)
New Mexico Department of Health	93.000	07UNM/02.0008 A1, A2	(522)
New Mexico Department of Health	93.000	07UNM/02.0011.A1	(376)
New Mexico Department of Health	93.000	07UNM/02.0013 A1	(6,770)
New Mexico Department of Health	93.000	07UNM/02.0014 A2	716
New Mexico Department of Health	93.000	07UNM/02.0016/AMENDMENT 1,A2	5,106
New Mexico Department of Health	93.000	07UNM/02.0019 A4	261
New Mexico Department of Health	93.000	07UNM/02.0020 A1,A2	293
New Mexico Department of Health	93.000	07UNM/02.0031 A2	(22,812)
New Mexico Department of Health	93.000	07UNM/02/.0002A3	(11,538)
New Mexico Department of Health	93.000	07UNM/03.0009	79
New Mexico Department of Health	93.000	07UNM/03.0021.A1	2,285
New Mexico Department of Health	93.000	07UNM/03.0025.A1	640
New Mexico Department of Health	93.000	07UNM/03.0031.A1	(1,544)
New Mexico Department of Health	93.000	07UNM/07.0001	(13,480)
New Mexico Department of Health	93.000	07UNM/07.0001 A1,A2,A3	24,160
New Mexico Department of Health	93.000	07UNM/07.0008 A1	(24,545)
New Mexico Department of Health	93.000	08UNM/02.0053	15,000
New Mexico Department of Health	93.000	08UNM/02.1000	340
New Mexico Department of Health	93.000	08UNM/03.0032A1	682
New Mexico Department of Health	93.000	08UNM/03.0090	7,867
New Mexico Department of Health	93.000	08UNM/03.0093	100
New Mexico Department of Health	93.000	09UNM/02.0007, SHELL FY10	127,381
New Mexico Department of Health	93.000	09UNM/02.1020A1	1,427
New Mexico Department of Health	93.000	09UNM/03.0018, SHELL YR 3	84,335
New Mexico Department of Health	93.000	09UNM/03.0025	20,562
New Mexico Department of Health	93.000	09UNM/03.0038	13,354
New Mexico Department of Health	93.000	09UNM/07.0001	956,479

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New Mexico Department of Health	93.000	09UNM020027	\$ 96,634
New Mexico Department of Health	93.000	10-647-P739-0203	49,030
New Mexico Department of Health	93.000	10UNM02.0002	59,980
New Mexico Department of Health	93.000	DOH 08UNM/02.1008	24,120
New Mexico Department of Health	93.000	MOU # 2005-120	(3,716)
New Mexico Department of Health	93.000	MSU FY10 PA#12486	384
New Mexico Department of Health	93.000	SHELL	(10,749)
New Mexico Developmental Disabilities Planning Cncl	93.000	10-647-P739-0200	65,930
New Mexico Human Services Department	93.000	09-630-8000-0090	8,521
New Mexico Human Services Department	93.000	GSA 05-0001	812
New Mexico Human Services Department	93.000	GSA 05-630-8000-0014	(2,241)
New Mexico Human Services Department	93.000	GSA 08-630-7903-0013	5,373
New Mexico Human Services Department	93.000	GSA 09-630-7903-0032	17,976
New Mexico Human Services Department	93.000	GSA-04-16-A1	(815)
NMDOH Long Term Services	93.000	07UNM/02.0048, A1	2,326
North Central Cancer Treatment Group	93.000	ALTTO N0630	866
Northern Arizona University	93.000	FUND31AP-RES3ABZ (INGRAM)	2,438
Pacific Institute for Research & Evaluation	93.000	AA014750	1,147
Penrose-St. Francis Health Services	93.000	NO2-CO-51111	81,844
Regents of the University of Minnesota	93.000	SILCAAT	2,723
San Diego State University Foundation	93.000	LETTER DATED 10/11/07	1,121
Senior Scientific	93.000	1R44CA123785-01A2	13,986
Senior Scientific	93.000	2R44CA105742-03A1	10,728
Senior Scientific	93.000	5R44AI-066765-003	14,430
Senior Scientific	93.000	5R44CA096154-04	14,430
Senior Scientific	93.000	SENIOR SCIENTIFIC/LARSON	58,380
Sloan Kettering Institute for Cancer Research	93.000	5R01AR049342-03 & 02, 05	2,769
Technology Research Collaborative	93.000	BAA TRC 100 06 PO P0004673	(16,934)
The Children's Mercy Hospital	93.000	04-0037	19,305
The Hope Foundation	93.000	WILLMAN/10042	18,414
The McLean Hospital	93.000	5R01 DA14178-05 MOD 2	(85)
The University of Texas Health Science Center at San Antonio	93.000	122211/122209 AMEND #3	52,779
University of Alabama	93.000	NO1 AI30025	18,338
University of California	93.000	PO 9000006023 #2, #3	(6,352)
University of California Irvine	93.000	2006-1729 AMD 5	68,660
University of California Los Angeles	93.000	05-69, 06-82, 06-113, 07-186	6,161
University of Colorado	93.000	F709 003.004	17,028
University of Colorado	93.000	FY04.011.013UNM	(1,971)
University of Maryland-Baltimore	93.000	SR00000241	65,826
University of Nevada System	93.000	14B42373	680
University of Pittsburgh	93.000	5 R01 HL068429-05 104407	700
University of Utah	93.000	2507044-08	13,280
University of Virginia	93.000	CG11287.123479	(2,005)
ValueOptions of New Mexico	93.000	51663	27,428
ValueOptions of New Mexico	93.000	MCC-05-01 AMD 2 A-13	(1,771)
Yale University	93.000	A07186 (M07A00654) SHELL	12,450
Z-Tech	93.000	S-2705NM	10,431
University of Notre Dame	93.004	201407	63,108

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Note 5: Amounts passed through to UNM from other prime contractors

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
National Association of County & City Health Official	93.008	MRC 07409	\$ 125
National Association of County & City Health Official	93.008	MRC 09 0014	7,588
New Mexico Department of Health	93.069	09UNM/03.0094	27,553
New Mexico Department of Health	93.069	10UNM/03.0033	106,197
University of California Los Angeles	93.110	1920GKB349	12,070
Lovelace Biomedical & Environmental Research Inst	93.113	JK090153/3360111	11,659
Rio Grande Community Development Corp	93.113	R25 ES014347-01,03	49,194
University of Texas at El Paso	93.113	5S11ES013339-04 SUB#26-1 SHELL	152,013
New York University	93.121	F5315-14, PO#127394	9,016
Centers for Disease Control and Prevention	93.135	08 UNM/03.0091	5,308
New Mexico Department of Health	93.135	07UNM/03.0083 A1	4,028
New Mexico Department of Health	93.136	09UNM/03/0032 AMD2	64,075
University of Colorado	93.145	FY06.163.007 2H4AHA00064-06-00	169,055
University of Colorado at Denver HSC	93.145	PO#0000323745	4,381
Department of Health and Human Services	93.211	H2ATH00989-01	(747)
New Mexico Institute of Mining and Technology	93.213	1R15AT002888-01A2	21,455
Biomedical Research Institute of New Mexico	93.242	PO 2845	(2,581)
Medical College of Georgia	93.242	22089-4/NIMH00020S1	652
Medical College of Wisconsin	93.242	1R01MH074080-01A2,02,03 SHELL	129,553
University of Iowa	93.242	PO#1000651450,1000675207	82
Albuquerque Healthcare for the Homeless	93.243	1H79TI020504-01	5,888
Department of Health and Human Services	93.243	SCPAU-2009-02-01	134,374
New Mexico Children Youth and Family Department	93.243	07-690 -7000-7060, -1366-1	87
New Mexico Department of Health	93.243	09/UNM.02.0029 A1	578,490
New Mexico Department of Health	93.243	09UNM.02.1004	43,854
New Mexico Higher Education Department	93.243	09-950-1000-00004	251,023
New Mexico Human Services Department	93.243	GSA 09-630-7903-0106	33,409
San Felipe Tribal Enterprise	93.243	CIRCLES OF CARE/ALTSCHUL	48,858
New Mexico Department of Health	93.257	06UNM/03.0077R	(10,800)
Lovelace Biomedical & Environmental Research Inst	93.262	RQ080562	13,449
University of Texas Health Center at Tyler	93.262	1U50OH07541, AMD3, AMD4 SHELL	162,171
University of Texas Health Center at Tyler	93.262	2A07-03	(109)
Loyola University Chicago	93.273	SUBAWARD NO. 2 506100	38,187
MIND Research Network	93.273	6048 SUB N2 AMD #2	27,004
MIND Research Network	93.273	PO#2008-1589	576
Rutgers University	93.273	00003755	10,702
San Diego State University Foundation	93.273	53311D P1650 7803211/ E0005882	157,007
University of California San Diego	93.273	PO# 10279384, PO#10288514SHELL	11,928
MIND Research Network	93.279	SUBAWARD #6056-001	20,545
University of Maryland-Baltimore	93.279	SR00000307	93,507
New Mexico Department of Health	93.282	09UNM\02.0001	85,000
Association for Prevention Teaching & Research	93.283	TS-1412	139,994
Association of American Medical Colleges	93.283	U36/CCU319276	41,655
New Mexico Department of Health	93.283	07,08, 09UNM/03.0029 SHELL	612,000
New Mexico Department of Health	93.283	08UNM/03.0092	25,340
New Mexico Department of Health	93.283	09 UNM/03.0037	10,692
New Mexico Department of Health	93.283	09UNM/02.0019	24,820
New Mexico Department of Health	93.283	09UNM/03.0020	206,274

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Note 5: Amounts passed through to UNM from other prime contractors

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
New Mexico Department of Health	93.283	09UNM/03.0021	\$ 7,277
New Mexico Department of Health	93.283	09UNM/03.0031 SHELL	23,633
New Mexico Department of Health	93.283	09UNM02/1019	2,294
New Mexico Department of Health	93.283	10UNM/03.0026	353,683
University of Colorado	93.283	F708.003.006 SHELL	26,529
University of Oklahoma	93.283	RS20051890-08, RS20080230-01	34,612
University of Texas HSC Houston	93.283	AI024-21/22 AMD #1	(1)
MIND Research Network	93.286	6043-001 SUB N1	11,359
University of California-Davis	93.286	SUB07000177-UNM SHELL	20,672
University of Oklahoma	93.307	OUHSC RS20081697-05	9,486
National Center for Research Resources	93.333	M01 RR000997	(130)
Harvard University	93.361	5R01NR010006-03	154,648
Carnegie Mellon University	93.389	1090208-226008	17,970
Eastern New Mexico University	93.389	RR16480-01	(156)
MIND Research Network	93.389	6087 SUB TO UNM MI	561,137
New Mexico State University	93.389	Q00923, Q01020, Q01090, Q01232	575,250
Group Health Cooperative	93.393	2006119247	4
Group Health Cooperative	93.393	2008122036	10,790
Ohio State University	93.393	744522	(1,044)
Regents of the University of Minnesota	93.393	P663647801	69,141
University of North Carolina	93.393	1R01CA112243-01,02,03,5-50057	16,036
University of Southern California	93.393	H37983 - R01 CA114524-01A2	109,257
Fred Hutchinson Cancer Research Center	93.394	SUBAWARD# 0000661112	9,747
Fred Hutchinson Cancer Research Center	93.394	SUBAWARD#0000660984	9,721
Lovelace Respiratory Research Institute	93.394	JK081001 SHELL FUND 1	59,746
National Childhood Cancer Foundation	93.394	U24 CA114766-01,02, 03 (16359)	262,886
American College of Obstetricians & Gynecologists	93.395	GOG LAB LESLIE, CA27469	39,705
Gynecologic Oncology Group	93.395	27469-64	50,759
Johns Hopkins University	93.395	8609-03183-X / 2000056537	41,814
National Childhood Cancer Foundation	93.395	CA98543-02	14,037
National Childhood Cancer Foundation	93.395	U10 CA98543-04/15339,05/16532	(5,312)
Senior Scientific	93.395	R44CA105742	82,813
University of Louisville	93.395	SUBCONTRACT 05-1233	15,336
University of Michigan	93.395	CA32102-27,28,29-F0212S	293,485
University of Missouri - Columbia	93.396	CA109545/C00015709-1	141,606
Fred Hutchinson Cancer Research Center	93.397	SUBAWARD#0000660943	2,727
University of Texas HSC Houston	93.398	18537-2000	(914)
West Virginia University Research Corporation	93.398	09-059-UNM	8,975
Fred Hutchinson Cancer Research Center	93.399	SUBAWARD#0000660954	10,214
University of Colorado	93.399	0000067310	80,618
New Mexico Children Youth and Family Department	93.596	06-690-0817-1	(4,645)
New Mexico Children Youth and Family Department	93.596	08-690-4712	(9,137)
New Mexico Children Youth and Family Department	93.596	08-690-5418	239,295
New Mexico Children Youth and Family Department	93.600	09-690-7812	8,969
Administration for Children & Families	93.631	90DN0187 / 05	244,774
New Mexico Human Services Department	93.767	GSA 05-0001 05-630-8000-0001A5	953,615
New Mexico Department of Health	93.768	06.665.0007.3080	(26,895)
New Mexico Department of Health	93.778	06.665.0007.3080	916,647

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Note 5: Amounts passed through to UNM from other prime contractors

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
State of New Mexico	93.778	GSA09-630-7903-0082	\$ 11,077
Duke University	93.837	117161 1U01 HL63747 01A2	6,612
Fred Hutchinson Cancer Research Center	93.837	SUBAWARD#0000660947	5,436
Harvard University	93.837	03-132528	40,386
New England Medical Center	93.837	11211/IMEDIATETRIAL/AMEND 3	227,330
University of Washington	93.837	NO.613016	20,574
University of Wisconsin	93.837	1U01HL087381-01(SUB 304H054)	16,283
National Jewish Health	93.838	23063609	174,892
Oregon Research Institute	93.838	5R01 HL064677,MOD 6	36,694
University of Virginia	93.839	GC10941-119528 MOD 3	10,087
University of Iowa	93.846	PO 1000650770	15,451
Childrens Hospital of Los Angeles	93.849	8218-TGF004134-01	536
The Children's Mercy Hospital	93.849	5 U01 DK066143-03/04-0044 AMD3	29,541
University of North Carolina	93.849	U01DK63455/FSGSV3C	2,100
Mount Sinai School of Medicine	93.853	U01 NS 045719	86,889
Tristan Technologies	93.853	GRANT#5R44NS046964-03 PHASE I	84,437
University of California Los Angeles	93.853	1580-G-FD-161	1,994
University of North Carolina	93.853	SA-NIH 5U01NS042167	16,601
University of Pittsburgh	93.853	1R013NS061216-01A1	26,016
University of Texas HSC Houston	93.853	002072J/5U01NS04335304/AMEND#2	(1,281)
VisionQuest Biomedical, LLC	93.853	R41NS062474-01 POSSE	63,901
Yale University	93.853	5U01NS044876-05 A07223 M05A003	12,749
Baylor College of Medicine	93.855	5 U19 AI57234-2, -04 PROJECT 2	166,309
Lovelace Respiratory Research Institute	93.855	JK070803	78,307
Macrogenics	93.855	1U01A1070504-01	122,406
National Institutes of Health, Public Health Service	93.855	SHELL FY09	33,128
University of Alabama	93.855	5U AI070386-01 SUB K 002, 02	1,679
University of Alabama at Birmingham	93.855	SUBAWARD NO. 006	2,110
University of Wisconsin	93.855	X539125	44,497
State University of New York	93.856	R374365 PTAE0#1049054-2-36705	5,195
University of California Irvine	93.856	2007-1869	12,748
University of Maryland-Baltimore	93.856	SC03520082	287,247
University of Nevada System	93.856	PO18GC000065 UNR.08-61	232,489
University of Nevada System	93.856	R01AI059348-04 UNR-09-63	26,524
University of Texas HSC Houston	93.856	0004024 AMD1&2&B,SUB0004024B,4	76,376
University of Texas Medical Branch	93.856	07-014/5U54 AI057156-04,07-056	51,476
University of Texas Medical Branch	93.856	UO5PC-0000000207, 07-043 AMD#3	613,145
Boston University	93.859	GC205744NGC	406
Boston University	93.859	PO # MC-522612-BAJ (7313-5)	190,127
Rules-Based Medicine Inc.	93.859	1R44GM082038-01	(1,649)
University of California San Francisco	93.859	4812SC	69,631
University of Maryland-Baltimore	93.859	SC035-21157A	38,099
MIND Research Network	93.865	6063-014	2,995
MIND Research Network	93.865	6067-002 SUB TO UNM	57,429
Pennsylvania State University	93.865	NO. 3056-UNM-DHHS-1542	123,097
Santa Fe Institute	93.866	1R01AGO24119-04	381,746
University of Colorado	93.866	FY08.001.001 AMD 3 UNM YR10	(142)
Wake Forest University	93.866	GRANT 18704	(1,427)

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Note 5: Amounts passed through to UNM from other prime contractors

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
University of Illinois	93.867	2006-00139-06	\$ 308,251
VisionQuest Biomedical, LLC	93.867	CONTRACT DATED 10/01/08	96,174
New Mexico Department of Health	93.889	09UNM/03.0081	131,593
State of New Mexico	93.917	09UNM/02.0024	87,379
Boston University	93.928	2162-7	(795)
St Louis University	93.933	N01-A1-45250	26,877
Utah State University	93.933	070042002	330,330
New Mexico Department of Health	93.952	07UNM/03.0082	(4,400)
Value Options	93.958	MCC-05-01	589,961
Value Options	93.959	MCC-05-01	835,099
New Mexico Department of Health	93.991	07UNM/02.0024	36,434
New Mexico Department of Health	93.991	09UNM/03.0035	7,524
New Editions Consulting, Inc.	93.994	HHSP233200700442G	60,987
New Mexico Department of Health	93.994	09UNM/02.0016.A1	18,990
New Mexico Department of Health	93.994	09UNM/02.101041	1,029
New Mexico Department of Health	93.994	09UNM\02.0025	188,694
New Mexico Department of Health	93.994	09UNM\02.0026	40,030
New Mexico Department of Health	93.994	09UNM\02.0037	101,565
Gulf South Research Corporation	97.000	80302020S-UNM	71,074
New Mexico Public Safety Department	97.000	PSA-04-27	1,067
Eurasia Foundation	98.001	A04-0152	98,996
Corporation for Public Broadcasting	99.999	1507	23,267
Corporation for Public Broadcasting	99.999	1810	392,680
Corporation for Public Broadcasting	99.999	AGREEMENT DATED 08/15/08	24,999
Corporation for Public Broadcasting	99.999	CONTRACT 10727	15,614
Corporation for Public Broadcasting	99.999	CPB # 11463	11,758
Corporation for Public Broadcasting	99.999	GRANT 1810	604,009
Corporation for Public Broadcasting	99.999	SERVICE GRANT AGR 2009	190,073
KCET	99.999	CK #453306	21,300
Public Broadcasting Service	99.999	08/01/08 AGREEMENT	34,640
TOTAL AMOUNT PASSED THROUGH TO UNM FROM OTHER PRIME CONTRACTORS			\$ 40,455,806

**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 Regents
University of New Mexico and
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited the basic financial statements of University of New Mexico (University) and its aggregate discretely presented component units, and the budget comparisons presented as supplemental information as of and for the year ended June 30, 2009, and have issued our report thereon dated November 13, 2009. Our report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the UNM Hospital, UNM Psychiatric Center, and UNM Children's Psychiatric Center, collectively known as the clinical operations of the University, and the UNM Medical Group, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that

Board of Regents
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Mr. Hector H. Balderas
New Mexico State Auditor

there is more than a remote likelihood that a misstatement of the University's financial statements that is more than inconsequential will not be prevented or detected by the University's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the University's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and questioned costs as items 2009-01, 2009-02, 2009-03, 2009-04, 2009-05, 2009-06 and 2009-07.

The University's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the University's responses and, accordingly, we express no opinion on them.

Board of Regents
University of New Mexico and
Mr. Hector H. Balderas
New Mexico State Auditor

This report is intended solely for the information and use of the Board of Regents, the Audit Committee, management, the Department of Finance and Administration, the Legislative Finance Committee, the University, the State Auditor, the cognizant audit agency and other federal audit agencies and is not intended to be, and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
November 13, 2009

THE UNIVERSITY OF NEW MEXICO

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**Report on Compliance With
Requirements Applicable to Each Major Program
And Internal Control Over Compliance in
Accordance With OMB Circular A-133**

Board of Regents
University of New Mexico and
Mr. Hector H. Balderas
New Mexico State Auditor

Compliance

We have audited the compliance of the University of New Mexico (University) with the types of compliance requirements described in the *US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Other auditors audited the compliance of the UNM Hospital, UNM Psychiatric Center, and UNM Children's Psychiatric Center, collectively known as the clinical operations of the University (clinical operations), and the UNM Medical Group, a blended component unit (blended component unit), with the types of compliance requirements described in the *US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The compliance of the clinical operations and blended component unit were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the clinical operations and blended component unit, is based solely on the reports of the other auditors. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit and the reports of other auditors.

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 Not-for-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material

Board of Regents
University of New Mexico and
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New Mexico State Auditor

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 and the reports of other auditors provide a reasonable basis for our opinion. Our audit and the reports of other auditors do not provide a legal determination of the University's compliance with those requirements.

In our opinion the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the University's internal control.

Board of Regents
University of New Mexico and
Mr. Hector H. Balderas
New Mexico State Auditor

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the University's internal control.

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

This report is intended solely for the information and use of Board of Regents, the Audit Committee, management, the Department of Finance and Administration, the Legislative Finance Committee, the University, the State Auditor, the cognizant audit agency and other federal audit agencies and is not intended to be, and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
November 13, 2009

THE UNIVERSITY OF NEW MEXICO

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THE UNIVERSITY OF NEW MEXICO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2009

Finding 2008-01. Cost of Attendance Calculations

Current Status: Resolved.

Finding 2008-02. IT Security

Current Status: Resolved.

Finding 2008-03. Business Continuity and Disaster Recovery Plan

Current Status: Resolved.

Finding 2008-04. Independent Security Assessment

Current Status: Resolved.

Finding 2008-05. Timely Reconciliations of Subsidiary Ledgers - Lobo Club

Current Status: Resolved.

Finding 2008-06. Timely Reconciliation of Accounts - UNMMG

Current Status: Resolved.

Finding 2008-07. Misstatements within June 30, 2008 and 2007 Components of Net Assets

Current Status: Resolved.

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THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Section I—Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? _____ Yes X None reported

Noncompliance material to basic financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ Yes X No

Identification of major programs:

Student Financial Aid Cluster – Various CFDA numbers
Research and Development Cluster – Various CFDA numbers
HRSA Renovation Project Grant – CFDA 93.887
Mortgage Insurance – Hospitals – CFDA 14.128

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

_____ Yes X No

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Section II—Basic Financial Statement Findings

None

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Section III—Federal Award Findings and Questioned Costs

None

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Section IV—Other Findings, as required by New Mexico State Statute, Section 12-6-5, NMSA 1978

2009-01. Financial Statements and General Ledger Closing Process – Lobo Club

Condition

The Lobo Club's interim financial statements did not include all the necessary adjustments to provide financial statements consistent with the audited financial statements distributed to outside users and in accordance with generally accepted accounting principles (GAAP). There were five journal entries proposed to convert the Lobo Club's trial balance to the accrual basis of accounting at year end.

Criteria

The Governmental Accounting Standards Board, *Codification of Governmental Accounting and Financial Reporting Standards (GASB)*, Section 1100 requires governments to prepare financial statements on the accrual basis of accounting.

Effect

The Lobo Club may not have the ability to prevent and detect misstatements in their financial statements which could potentially result in conflicting information for management and outside users.

Cause

Because of the vacancy of the Financial Coordinator position there was no one to post the normal accrual entries each month and at year end.

Recommendation

We recommend that the Lobo Club review the content of the audit adjustments made to the year-end statements and incorporate many of them into the monthly closing process and convert their trial balance to the applicable generally accepted basis prior to the audit.

University Response

The recent vacancy of staff made it apparent to management that there is a need for more inclusive written procedures for the Lobo Club's Financial Coordinator position. While a core written job duties and procedures manual exists, a more detailed procedure manual will provide the proper reference material to insure each step of the process is performed as intended in the future.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

2009-02. General Ledger Access – Lobo Club

Condition

We noted during the year that that a number of individuals have access to the general ledger (QuickBooks). We also noted that although the computer has a log in and password, QuickBooks does not. Further, QuickBooks does not have separate users set up to log who made each transaction.

Criteria

Separate log-in identifications and passwords restrict usage of the general ledger system to prevent erroneous usage and unauthorized usage. Creating separate log-in identification allows the Lobo Club to track who made which entries providing further oversight.

Effect

The lack of password protection increases the risk of unauthorized usage.

Cause

The vacancy of the Financial Coordinator position required more people to have access to the QuickBooks general ledger and there was no one to properly establish this access.

Recommendation

The Lobo Club should restrict access to the general ledger system and track who has access. This will allow greater oversight and will ensure that the accounting is more consistent.

University Response

Lobo Club management now understands the need to restrict access to its Quickbooks program above and beyond the usual password protection on the computer itself and has implemented said recommendation.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

2009-03. Credit Card Privacy – Lobo Club

Condition

We noted during the year that credit card numbers are listed on pledge cards and credit card slips. The pledge cards are maintained in files that are not always secured or locked.

Criteria

Credit card security is important and the handling of the numbers in a safe manner allows for increased security for the donors protection. The Lobo Club should be aware that the Fair and Accurate Credit Transactions Act (FACTA) requires businesses to take “reasonable measures” to protect consumer information and properly dispose of it to help prevent identify theft.

Effect

Although no issues regarding credit cards were noted during test work, the current handling of the credit card numbers increases the risk that they could be misused or misplaced.

Cause

Credit card numbers need to be written down so that they can be processed by the UNM ticket office. Currently, there are no credit card machines to process transactions at the Lobo Club. Some of the pledge cards have credit card numbers written on them and are maintained in the pledge boxes, which are filed by students and are not always secured or locked.

Recommendation

We recommend that the Lobo Club review its procedures for using and disposing of consumer information to determine that they comply with the law. Once the credit cards have been processed by UNM ticket office, access to the numbers should be restricted and paper copies of consumer information should be disposed of by shredding them in a way that prevents them from being read or reconstructed. Similarly, electronic records should be deleted in a way that prevents their reading or reconstruction.

University Response

Lobo Club management understand the need to protect the privacy of its donors’ personal information and will add to its 2009 implemented procedure of blacking out credit card numbers by securing a locked filing cabinet in which to keep paperwork which contains credit card information.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

2009-04. Pledge Card Information – Lobo Club

Condition

During our testing of Lobo Club pledges, we noted that three out of the fifteen of the pledge cards reviewed and tested did not indicate the restrictions from the donor but were recorded as restricted contributions in the contribution software and general ledger. We also noted when some pledge amounts were revised and/or updated in the contribution software but no documentation of the change or updated pledge cards were received or completed.

Criteria

The Financial Accounting Standards Board, Codification of Financial Accounting and Financial Reporting Standards (FASB), Section 958-605 provides accounting guidance on how to recognize, measure, and report contributions. In order to ensure contributions are recorded accurately, each transaction should be supported by and match the pledge card.

Effect

Without adequate pledge restriction documentation in the Lobo Club's records, restricted information may be based on incomplete, outdated and/or inaccurate information for the donor's current year intention.

Cause

The Lobo Club's current policy is if there is no indication of restrictions on the pledge card, the pledge is entered into contribution software to match pledges from the prior years, which may include restrictions.

Recommendation

We recommend that all pledge cards indicate the donor's current year designation and restrictions for the current year. Also, when pledge amounts or restrictions are changed by the donor documentation should be maintained for the change or receive an updated pledge card from the donor.

University Response

Vacancies in critical staff positions made it apparent to management that there is need for formal, written procedures for completion of pledge cards prior to their posting and filing. While this information is included in the instruction that is provided to new staff during training, adding this to the existent procedure manual will provide readily available answers to questions regarding the necessary information pledge cards need to contain.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

2009-05. Agency Account Reconciliation – Lobo Club

Condition

During our testing, we noted the UNM agency account in the Lobo Club accounting system and the same account in the UNM accounting system had not been reconciled during the year.

Criteria

Monitoring is a critical component of an effective internal control system. Monitoring is a process that assesses the quality of internal control performance over time. It involves assessing the design and operation of controls on a timely basis and taking necessary corrective actions. In order to accomplish that assessment, management must have the ability to produce and analyze accurate accounting reports and reconciliations on a timely basis.

Effect

Timely reconciliations and adjustments of the agency account will ensure meaningful and accurate financial statements and reduce the risk that errors of deposits or cash balances go undetected.

Cause

The process was not completed due to the vacancy of the Financial Coordinator position.

Recommendation

In order to make the financial reports generated by the accounting system as meaningful as possible, the Lobo Club should reconcile the general ledger accounts for balance sheet accounts to supporting documentation on a monthly basis.

University Response

The recent vacancy of staff made it apparent to management that there is a need for more inclusive written procedures for the Lobo Club's Financial Coordinator position. While a core written job duties and procedures manual exists, a more detailed procedure manual will provide the proper reference material to insure each step of the process is performed as intended in the future.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

2009-06. Physical Inventory and Disposition of Property

Condition

UNM Hospitals (UNMH) could not confirm that every department had a proper annual physical inventory and if the equipment listings are complete and accurate. In addition, UNMH and University of New Mexico (UNM) did not submit notification to the State Auditor of erasure of hard drive for assets with original cost less than \$5,000.

Criteria

12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each physical year. The agency shall certify the correctness of the inventory after the physical inventory.

2.2.2.10.V (2) and (3) Disposition of Property, requires that “the agency will certify in writing the proper erasure of the hard drive and submit the certification along with notification of the proposed disposition of the property to the State Auditor at least thirty days prior to taking action even if the assets originally cost less than \$5,000.”

Effect

UNM and UNMH are in violation of Section 2.2.2.10 V and Y of NMAC.

Cause

UNMH follows UNM policies in regards to property management and control of which the policy is in compliance with 12-6-10 (NMSA 1978). UNMH finance personnel did not ensure that 100% of the hospital’s departments’ annual physical inventories were complete and proper, nor the capital equipment listings are complete. UNMH ensures proper erasure of the computer hard drives and proper certification of the erasure is maintained on file. UNMH relies on UNM (the agency) to ensure the State Auditor is properly notified of the dispositions. UNM was unaware of the dollar threshold requirement for hard drive erasure notification to the State Auditor. UNM does certify and send notification to the State Auditor of all hard drive erasures and dispositions of assets with original cost over \$5,000.

Recommendation

We recommend that UNMH refine the current policy to assure compliance with the NMAC Audit Rule in regards to capital asset inventories. In addition, UNM should revise the current disposition of property policy to included notification to the State Auditor of all hard drive erasures and dispositions. UNMH should work with UNM to assure the proper notifications of the UNMH’s dispositions are communicated to the State Auditor.

University Response

Management concurs with this finding and recommendation. UNM Hospitals will refine the current policy to assure compliance with the NMAC Audit Rule in regards to capital asset inventories. University Services Inventory Control will revise the process of notification to the State Auditor of hard drive erasures to include notification for all hard drive erasures regardless of the cost of the computer.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

2009-07. IT – User Access Controls

Condition

Review of user access security to application menus within the Banner system identified instances where user access was not aligned with current employee roles or based on generally accepted best business practices.

Criteria

Best practices in organizations similar to the University include the performance of periodic reviews of user access rights and permissions to ensure that access is appropriate and separation of duties conflicts are identified and addressed.

Effect

This lack of restricted access may allow Banner users to process transactions they are not authorized to perform and in some instances creates a separation of duties conflict.

Cause

UNM has formal processes in place for requesting access as well as revoking access for terminated employees; however, the University does not have a formal process for conducting periodic access reviews.

Recommendation

It is recommended that the University establish a formal review of user rights and permissions to key applications and privileged network functions such as system administration access, remote VPN access, and any direct database access such as ODBC connections.

University Response

Management agrees and will conduct quarterly reviews of user access to menus within the Banner System based on current employee security roles.

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Schedule of Pledged Revenues for the year ended June 30, 2009 Unaudited

	Tuition and Fees	Patient Services	Clinical Operations	Contracts and Grants
Revenues	\$ 93,910,782	\$ 198,766,660	\$ 560,180,682	\$ 312,160,209
Excluded Revenues:				
State Appropriations				
Local Appropriations				
Patient Services		198,766,660		
Restricted Funds	11,297,957			
Federal Contracts & Grants				201,512,949
State Contracts & Grants				38,196,007
Local Contracts & Grants				28,165,434
Facilities and Administrative Cost Recovery				(38,729,244)
University of New Mexico Hospital			510,499,454	
University of New Mexico Psychiatric Center			30,310,548	
University of New Mexico Children's Psychiatric Center			19,370,680	
Total Excluded Revenues	<u>\$ 11,297,957</u>	<u>\$ 198,766,660</u>	<u>\$ 560,180,682</u>	<u>\$ 229,145,146</u>
Pledged Revenues	<u>\$ 82,612,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,015,063</u>

Resources Available to Cover Debt Service	FY09
Pledged Revenues	\$ 222,988,370
Less FY09 Debt Service	
Interest on Debts	30,005,554
Principal Repayments on Debts	16,731,741
Excess of Pledged Revenues over Debt Service	<u>\$ 176,251,075</u>
Future average annual debt service through year ended June 30, 2036	\$ 40,931,029
Future highest annual debt service year ended June 30, 2021	\$ 47,425,451

See accompanying Independent Auditors' Report.

SCHEDULE 10

Sales and Services	Appropriations	Investments	Capital	Gifts	Other	Total
\$ 102,332,413	\$ 329,307,825	\$ (58,056,204)	\$ 47,500,291	\$ 24,807,398	\$ 60,012,500	\$ 1,670,922,556
	323,186,061					323,186,061
	6,121,764					6,121,764
						198,766,660
4,948,735		8,955,812	47,500,291	4,831,413	52,999,665	130,533,873
						201,512,949
						38,196,007
						28,165,434
						(38,729,244)
						510,499,454
						30,310,548
						19,370,680
\$ 4,948,735	\$ 329,307,825	\$ 8,955,812	\$ 47,500,291	\$ 4,831,413	\$ 52,999,665	\$ 1,447,934,186
\$ 97,383,678	\$ -	\$ (67,012,016)	\$ -	\$ 19,975,985	\$ 7,012,835	\$ 222,988,370

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Schedule of Campus Statistics for the year ended June 30, 2009

Unaudited

Degrees and Certificates

Main Campus	2005	2006	2007	2008	2009
Certificate (incl Graduate Certificate)	-	15	11	16	8
Associate	12	7	10	9	11
Bachelor's	2,818	2,890	2,996	3,052	3,160
Master's	1,197	1,215	1,110	1,110	1,100
Post Masters Certificate or Education Specialist	13	32	22	14	13
Doctorate	205	181	185	166	208
Professional (Law, Medicine and Pharmacy)	250	250	293	269	272
Total	4,495	4,590	4,627	4,636	4,772

Fall Head Count

Main Campus	2005	2006	2007	2008	2009
Professional (Law, Medicine and Pharmacy)	1,018	1,009	1,008	1,006	1,009
Undergraduate	20,358	19,973	19,986	20,109	21,392
Graduate	4,904	4,835	4,755	4,705	4,903
Total	26,280	25,817	25,749	25,820	27,304
Resident	22,838	22,583	22,611	22,568	23,826
Non-resident	3,442	3,234	3,138	3,252	3,478
Total	26,280	25,817	25,749	25,820	27,304
Total FTE	20,561	20,289	20,307	20,581	21,910

SCHEDULE 11

Libraries

Number of volumes:	June 2005	June 2006	June 2007	June 2008	June 2009*
General Library	2,211,213	2,192,349	2,232,097	2,261,673	2,200,000
Law Library	239,970	235,592	236,734	237,851	235,689
Health Sciences Library and Informatics Center	171,223	162,384	154,242	154,250	154,470
Other main campus libraries	59,498	84,757	84,757	84,757	85,000
Total	2,681,904	2,675,082	2,707,830	2,738,531	2,675,159

Number of current periodical subscriptions:

General Library	10,021	19,243	34,880	65,909	40,000
Law Library	3,239	3,281	3,296	3,295	3,137
Health Sciences Library and Informatics Center	1,734	1,790	2,198	2,211	2,043
Other main campus libraries	133	9	-	1	1
Total	15,127	24,323	40,374	71,416	45,181

* - Estimated

Facilities

Net Square Footage

Main Campus Space Use	2005	2006	2007	2008	2009
Classroom	306,808	312,203	324,476	362,643	391,232
Common	3,162,069	3,225,952	3,345,685	2,681,348	3,917,724
Gymnasium	363,034	363,123	363,123	425,317	425,391
Laboratory	689,744	707,190	731,586	760,566	764,171
Library	312,118	313,337	330,898	379,532	388,157
Office	1,107,940	1,147,007	1,163,202	1,425,778	1,566,968
Residential	826,826	826,826	828,567	830,043	830,043
Shop	61,333	57,936	58,626	85,357	89,401
Storage	285,297	285,535	283,578	438,490	879,858
Theater	40,088	40,192	10,192	128,245	135,214
Total	7,155,257	7,279,301	7,439,933	7,517,319	9,388,159

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EXIT CONFERENCE

June 30, 2009

The financial statements were prepared by the financial officials of the University of New Mexico. An exit conference was conducted on October 23, 2009, in which the contents of this report were discussed with the following:

UNIVERSITY OF NEW MEXICO

J.E. Gene Gallegos	Chair, UNM Board of Regents Audit Committee
James H. Koch	UNM Board of Regents Audit Committee
Carolyn J. Abeita	UNM Board of Regents Audit Committee
David W. Harris	Executive Vice President for Administration, COO and CFO
Ava J. Lovell	Vice President for HSC/UNM Finance & University Controller
Elizabeth Metzger	Chief Accounting and Treasury Officer, Main Campus
Stephen W. McKernan	Chief Executive Officer, UNM Hospitals
Ella B. Watt	Chief Financial Officer, UNM Hospitals
Robert Fondino	Chief Accounting and Budget Officer, HSC
Rodney Martinez	Controller, UNM Medical Group
Gilbert Gonzales	CIO, Information Technology Services
Paul Krebs	Vice President, Athletics
David Sabolcik	Executive Director, UNM Lobo Club
Staff	University Internal Audit Department

MOSS ADAMS LLP

Wayne Brown	Managing Partner
Brandon Fryar	Partner
Therese Sears	Audit Supervisor
Jason Galloway	Manager

KPMG LLP

Cynthia Reinhart	Partner
Jaime Clark	Senior Manager, UNM Hospital/Other Clinical Operations

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial data. This includes not only sales and purchases but also expenses, income, and any other financial activities.

The second part of the document provides a detailed breakdown of the accounting process. It starts with the identification of the accounting period, followed by the collection and classification of data. The next steps involve the recording of transactions in the journal, the posting of these transactions to the ledger, and the preparation of financial statements.

The third part of the document focuses on the analysis and interpretation of the financial statements. It explains how to use the balance sheet, income statement, and cash flow statement to assess the financial health of the organization. It also discusses the importance of comparing the current period's performance with the previous period and with industry benchmarks.

The fourth part of the document addresses the role of the accountant in the organization. It highlights the need for the accountant to be not only a technical expert but also a strategic advisor. This involves understanding the business operations and providing insights that can help management make better decisions.

The fifth part of the document discusses the challenges and opportunities in the field of accounting. It notes that while the profession has become more complex due to technological advancements, it also offers significant opportunities for growth and specialization.

The sixth part of the document provides a summary of the key points discussed and offers some final thoughts on the future of accounting. It concludes by emphasizing the importance of continuous learning and staying up-to-date with the latest developments in the field.