

THE UNIVERSITY *of* NEW MEXICO



Audit Report 2010

For the year ending June 30, 2010



THE UNIVERSITY OF NEW MEXICO

June 30, 2010

BOARD OF REGENTS AND PRINCIPAL OFFICERS

Board of Regents

<i>Appointed Members:</i>	<i>Title:</i>	<i>Term Expires:</i>
Raymond Sanchez	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:

Richard Wood	President, Faculty Senate
Lazaro A. Cardenas Jr.	President, Associated Students of the University of New Mexico
Lissa Knudsen	President, Graduate & Professional Student Association
Merle Kennedy	President, Staff Council
Steve Cheirst	President, Alumni Association
Mimi Swanson	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
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June 30, 2010

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Independent Auditor's 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, 2010 and 2009, which collectively comprise the University's basic financial 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, 2010, 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 or the UNM Behavioral Operations, 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% as of June 30, 2010 and 2009, and total revenues of 38% and 40% for the years ended June 30, 2010 and 2009, respectively, of the related totals. The 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
Mr. Hector H. Balderas
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, 2010 and 2009, 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, 2010 and 2009, 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, 2010 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 4, 2010, 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 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
Mr. Hector H. Balderas
New Mexico State Auditor

Management's Discussion and Analysis and the required supplemental information on page 88 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 13) is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. In addition, the discretely presented component unit combining schedules (Schedules 2 through 5), Schedule of Pledged Collateral (Schedule 11), Schedule of Individual Deposit and Investment Accounts (Schedule 12), Schedule of Pledged Revenue (Schedule 14), and Schedule of Campus Statistics (Schedule 15) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The discretely presented component unit combining schedules, Schedule of Expenditures of Federal Awards, Schedule of Pledged Collateral, and 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.

Mess Adams LLP

Albuquerque, New Mexico
November 4, 2010

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THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2010

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, 2010, 2009, and 2008. 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 2010, 2009, and 2008, 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 the Governmental Accounting Standards Board (GASB) 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, GASB defines 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>2010</u>	<u>2009</u>	<u>2008</u>
Current assets	\$ 753,775,479	\$ 759,899,464	\$ 746,019,365
Capital assets, net	1,236,880,401	1,143,142,757	1,068,662,755
Non-current assets	<u>389,967,945</u>	<u>357,998,993</u>	<u>445,220,640</u>
Total assets	<u>\$ 2,380,623,825</u>	<u>\$ 2,261,041,214</u>	<u>\$ 2,259,902,760</u>
LIABILITIES	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current liabilities	\$ 272,507,271	\$ 247,075,955	\$ 226,417,083
Non-current liabilities	<u>653,997,335</u>	<u>662,491,595</u>	<u>677,051,839</u>
Total liabilities	<u>\$ 926,504,606</u>	<u>\$ 909,567,550</u>	<u>\$ 903,468,922</u>
NET ASSETS	<u>2010</u>	<u>2009</u>	<u>2008</u>
Invested in capital assets, net of related debt	\$ 681,694,272	\$ 641,406,303	\$ 572,820,785
Restricted	291,685,303	284,360,399	361,689,048
Unrestricted	<u>480,739,644</u>	<u>425,706,962</u>	<u>421,924,005</u>
Total net assets	<u>\$ 1,454,119,219</u>	<u>\$ 1,351,473,664</u>	<u>\$ 1,356,433,838</u>

Current Assets and Liabilities

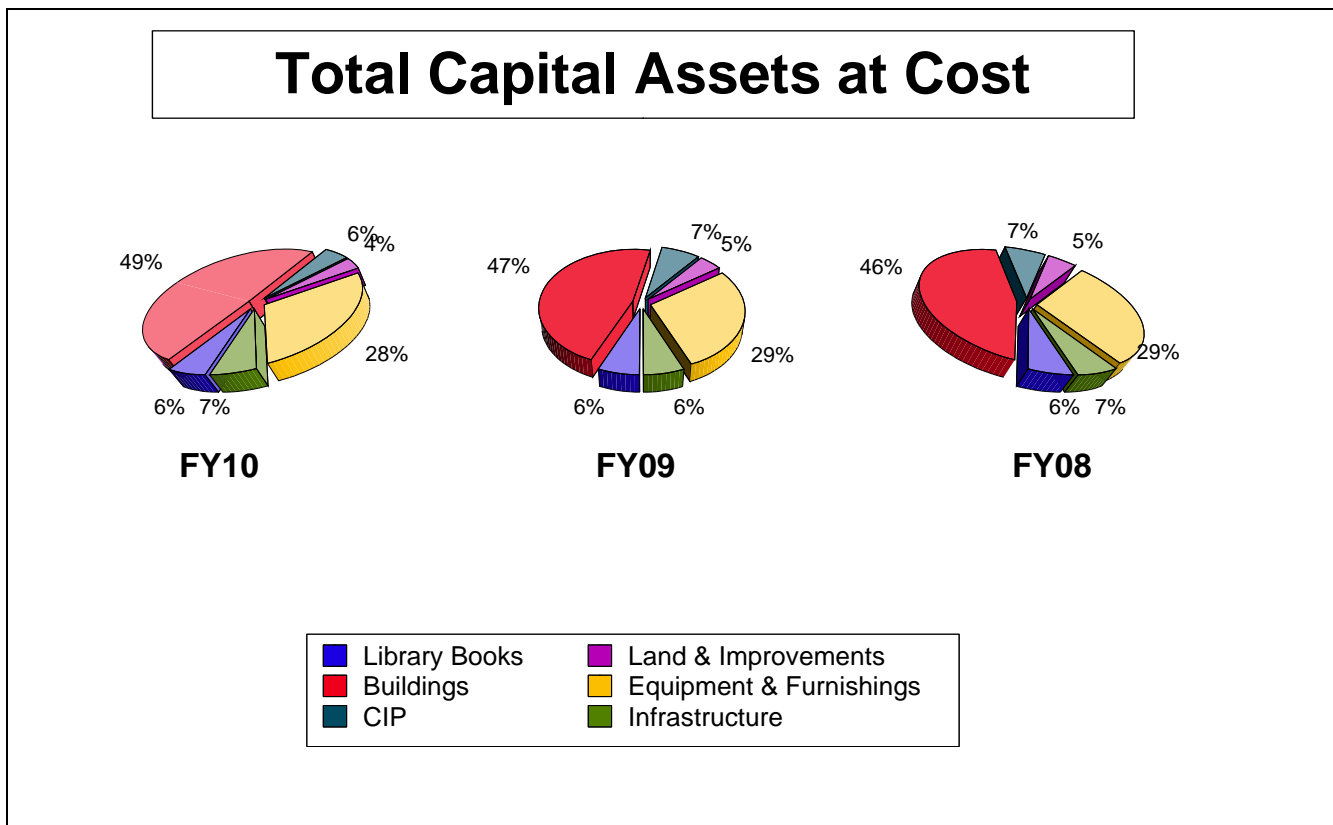
Current assets include cash and other assets that are deemed to be consumed or convertible to cash within one year. The most significant current assets of the University are cash and cash equivalents and short-term investments consisting of certificates of deposit, U.S. Treasury Bills and other government-backed securities totaling \$528.3 million, \$549.0 million and \$543.0 million as of June 30, 2010, 2009, and 2008 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 10.3% increase in current liabilities for the year ended June 30, 2010 is primarily due to increases in accounts payable, accrued payroll and the University's self-insurance reserve.

At June 30, 2010, the University's current ratio, the amount of current assets (\$753.8 million) available to cover current liabilities (\$272.5 million), was 2.77 to 1. 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.

Capital and Debt Activity

Capital assets are the largest category of non-current assets, and are shown net of accumulated depreciation, at \$1.24 billion and \$1.14 billion as of June 30, 2010 and 2009, respectively. During fiscal year 2010, the largest capital asset additions for the University were within Buildings. Overall, the University increased Buildings by \$133.3 million in FY10, compared to a net increase of \$74.9 million in FY09 and a net increase in FY08 of \$98.0 million. The University's increase in Buildings in FY10 is primarily due to construction of new buildings as well as renovations to existing buildings. The major constructed addition was the \$59.0 million dollar Cancer Research and Treatment Center Phase 2. The University also built the Technology and Education Center and the Lobo Clinic which totaled \$8.9 million. Renovations to existing buildings during FY10 totaled \$64.2 million.



Several major capital projects will be completed in Fall 2010, including University Arena (the PIT) in December, the Harwood Museum of Art Expansion in Taos in November, the Clinical Translational Science Center (CTSC) Clinical Trials and Pulmonary Labs in October, the new Parking Structure on Lomas and Yale in September, and the Science & Mathematics Learning Center in November.

Four projects are in the Planning and Programming phases. The College of Education (Phase 2) is in the Planning phase waiting on voter approval on GOB funding in November 2010. The Facility for Advanced Cell Engineering (FACE) is also in the Planning phase. This project will design and construct an advanced cell-engineering lab on the ground floor of the Basic Medical Sciences Building (BMSB) in space formerly occupied by Human Anatomy. The facility will have a lab, tissue culture rooms, centrifuge/autoclave room, PCR and multi-purpose lab, histology/animal room, con-focal microscope room, and offices. Tissue culture rooms will be designed to reach equivalent of a Class 10 clean room but focus on airborne cell transmission rather than particulate counts. Programming has

begun on the Baseball Facility Renovation and the Health Sciences Education Building (Phase 3A). The Baseball renovation has been funded partially by 2010 Severance Tax Bonds. This project is Phase 1 of three phases that will renovate and replace the existing Lobo Field located in the South Campus Athletics Complex. Constrained by the expansion of adjacent sports facilities, further development will require a revised and updated Master Plan for the entire precinct surrounding baseball. The Health Sciences Education Building is an approximately 50,000 square foot classroom addition to the Domenici Center for Health Sciences Education facility on North Campus. It is also waiting on voter approval on GOB funding in November 2010.

Projects still under construction include the renovation of Caster Hall (now in Phase 2), the Nanotechnology and Biotechnology Center, the Gallup Technology Center and Classroom Building, and the renovation of Hodgkin Hall – the first building on UNM campus. Also under construction is the 12,500 square foot UNM Dental Residency Clinic, with anticipated expansion to 20,000 square feet, which will feature 11 general dentistry operatories, 2 surgery rooms, 5 hygienist stations, and a telemedicine classroom. It will serve an estimated 45,000 patients annually. The additional expansion will also allow for the program's enrollment expansion of 10 residents in general dentistry. Groundbreaking was in August 2010.

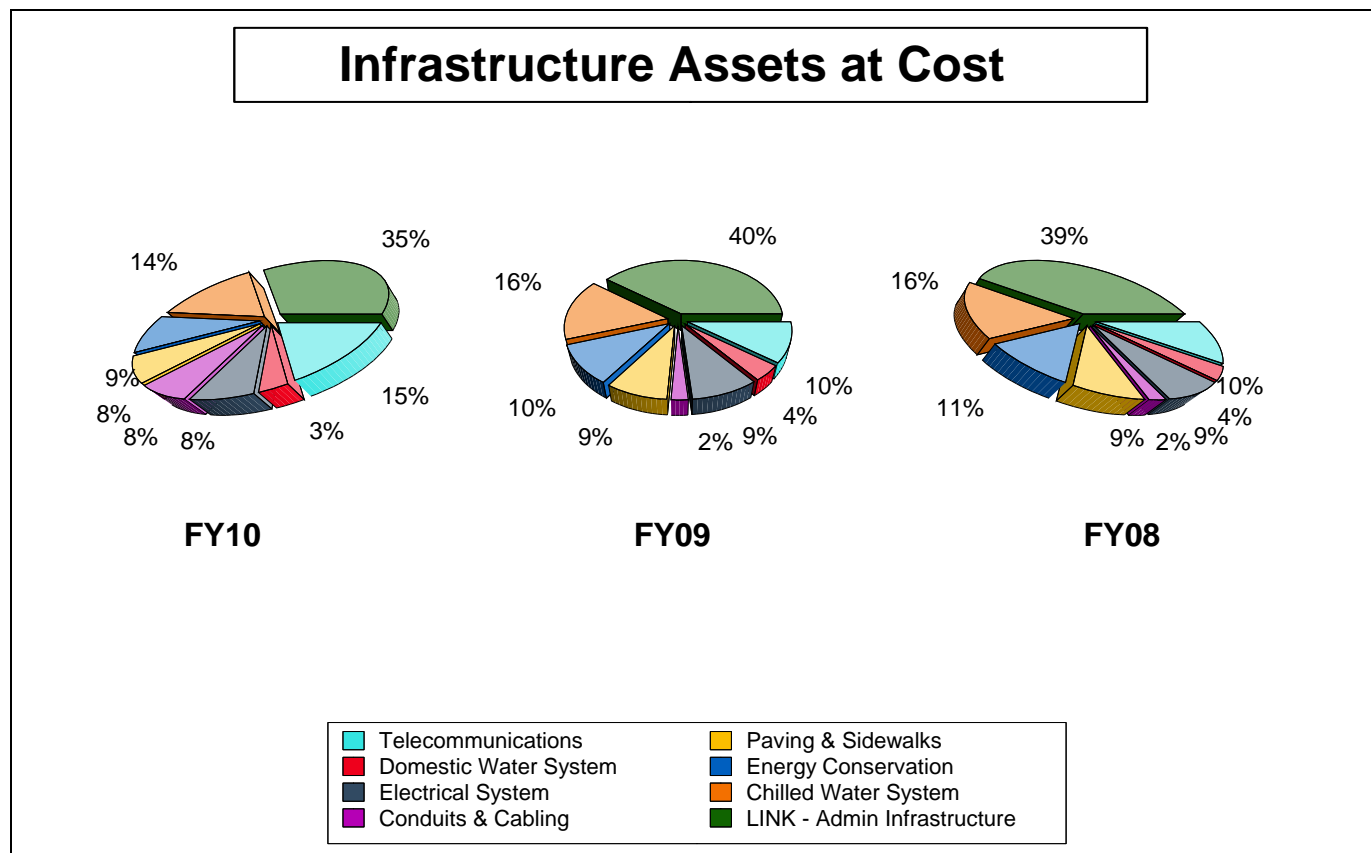
Two major capital projects have been awarded ARRA (American Recovery and Reinvestment Act) grants, both currently in the Design phase. One is the Clinical Neurosciences Core Renovations on Main Campus. This project will renovate 9,363 square feet in Logan Hall for the Clinical Neurosciences Core facility. The project will consolidate and upgrade existing facilities and facilitate development of new research programs and early stage investigations. Included are clinical neurosciences laboratories, trans-cranial stimulation rooms, imaging and data analysis spaces, collaborative/computerized work areas, a server room, and secure data storage facilities. The second project is the Center for Molecular Discovery on the Health Sciences Center campus. This project proposes to renovate approximately 13,394 square feet of laboratory space of a 91,739 square foot building on the north campus. The existing facility was originally designed to house the New Mexico State Health Laboratory, the Office of Veterinary Diagnostic Services, and the Office of the Medical Investigator. The remodel will consist of the reorganization of existing lab spaces to support current research needs and to improve ventilation, environmental conditions, power, and special systems within the renovation zone. In addition, the areas to be renovated will address creating efficiencies in space organization and will also address ADA compliance issues. Adding mechanical control systems will improve ventilation and thermal comfort and reduce overall energy consumption. Existing fume hood exhaust systems will be augmented to lower overall energy consumption and improve indoor air quality.

Capital assets for Clinical Operations, net of accumulated depreciation, were \$297.5 million and \$304.6 million as of June 30, 2010 and 2009, respectively. Within Clinical Operations during FY10, the largest capital increase was within the major moveable equipment (\$24.8 million), building service equipment (\$11.9 million), and land, building, and improvements (\$278,000). Construction in progress decreased from 2009 (\$13.6 million). The emergency generator and chilled water systems were upgraded, the electronic medical record was implemented and the operating room suite upgrade was completed. The largest capital expenditures in major moveable equipment include the purchase of the Positron Emission Tomography (PET CT) and include the renovations to the imaging suite at the Outpatient Surgery and Imaging Services Building. Another large expenditure was the purchase of the Interventional Radiology Bi-plane angiographic system which provides frontal and lateral views to better place catheters and wires especially for neuro interventions in the distal region of the brain. In addition there was a purchase of a cardiac x-ray machine for the Cardiac Catheterization Labs. The Cardiac Catheterization

Labs are used for balloon valvulopalasty and percutaneous impella (left ventricular assist device) and provide three dimensional imaging for electrophysiology. A 64 slice dual head CT was also purchased during 2010. The largest capital expenditure in construction in progress was the Life Safety improvements. There were also renovations to the Interventional Radiology procedure room.

UNM's long-term debt, bonds payable, totaled \$622.7 million and \$640.1 million at June 30, 2010 and 2009, 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>2010</u>	<u>2009</u>	<u>2008</u>
Tuition and fees	\$ 108,103,162	\$ 93,910,782	\$ 94,752,894
Grants and contracts	339,635,626	312,160,209	288,706,531
Clinical operations	490,988,130	477,891,042	381,510,475
Patient services, net	189,079,037	198,766,660	168,189,995
Sales and services	91,394,090	102,332,413	104,881,546
Other operating revenues	<u>35,730,476</u>	<u>34,621,427</u>	<u>31,989,816</u>
Total operating revenues	<u>\$ 1,254,930,521</u>	<u>\$ 1,219,682,533</u>	<u>\$ 1,070,031,257</u>

OPERATING EXPENSES BY MAJOR FUNCTION

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction	\$ 243,086,665	\$ 238,598,428	\$ 224,731,491
Research	161,116,309	150,673,876	142,389,365
Public service	286,086,896	299,849,544	262,645,417
Academic support	42,782,927	43,905,184	40,896,777
Student services	25,467,417	27,043,487	26,013,764
Institutional support	51,165,350	61,491,784	58,527,904
Operations of plant	121,710,622	127,893,629	112,498,528
Student aid and activities	54,656,512	47,364,322	44,616,583
Intercollegiate athletics	27,746,459	29,110,577	27,856,989
Auxiliary enterprises	51,679,135	58,797,263	58,249,675
Other operating expenses	44,517,827	45,535,286	42,619,155
Clinical operations	<u>566,236,634</u>	<u>524,656,248</u>	<u>459,129,518</u>
Total operating expenses	<u>\$1,676,252,753</u>	<u>\$1,654,919,628</u>	<u>\$1,500,175,166</u>

NON-OPERATING REVENUES (EXPENSES)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Appropriations	\$ 307,922,642	\$ 329,307,825	\$ 346,044,844
Gifts	30,882,266	24,807,398	35,838,414
Clinical operations	83,364,252	82,289,640	112,350,113
Investment income (loss)	42,445,635	(58,056,204)	16,148,502
Other non-operating revenues(expenses)	3,687,931	4,427,971	1,872,106
Capital gifts, grants and appropriations	<u>55,665,061</u>	<u>47,500,291</u>	<u>73,433,362</u>
Net non-operating revenues	<u>\$ 523,967,787</u>	<u>\$ 430,276,921</u>	<u>\$ 585,687,341</u>

Income after other revenues, expenses, gains and losses	<u>\$ 102,645,555</u>	<u>\$ (4,960,174)</u>	<u>\$ 155,543,432</u>
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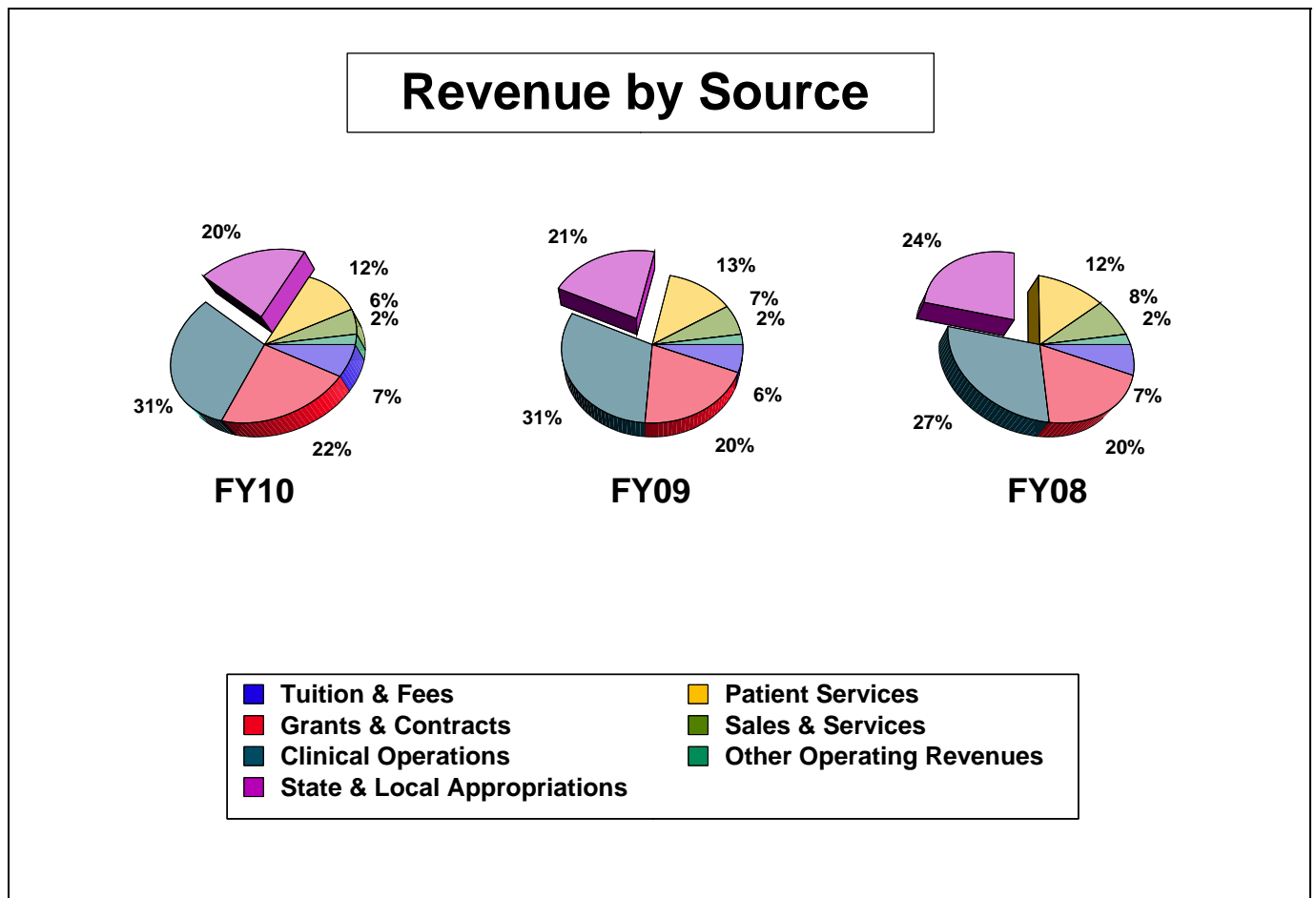
Total increase in net assets	\$ 102,645,555	\$ (4,960,174)	\$ 155,543,432
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Net assets at beginning of year	<u>\$1,351,473,664</u>	<u>\$1,356,433,838</u>	<u>\$1,200,890,406</u>
Net assets at end of year	<u>\$1,454,119,219</u>	<u>\$1,351,473,664</u>	<u>\$1,356,433,838</u>

Revenues and Expenses

The presentation of revenues, as defined by GASB, 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 20%, 21%, and 24% of total operating revenues for fiscal years 2010, 2009, and 2008 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 2008, 2009, and 2010 show increases of 14.0% for 2009 over 2008 and 2.9% for 2010 over 2009. Additional enrollment and tuition rate increases in academic functions of the University are:

	<u>Fall 2009</u>	<u>Fall 2008</u>	<u>Fall 2007</u>
Enrollment increase(decrease)	5.9%	2.0%	(0.8)%
Tuition rate increase	5.5%	5.8%	5.4%

UNM’s credit hour production for the 2010 academic year increased from 617,473 in 2009 to 656,711 in 2010 (+6.4%). This increase allowed us to again break the 3% enrollment band in the state of New Mexico’s “base plus” funding formula allowing us to receive increased instructional support dollars. Strong retention numbers, out-of-state growth, more graduate level students and increases in high achievers choosing UNM all contributed to this enrollment success. The early patterns for the 2011 academic year indicate similar success with additional growth around 5%.

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 0.5% from FY09 to FY10 and 23.1% from FY08 to FY09.

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 who meet certain income thresholds. Prior to January 1, 2010, the income threshold was set at 235% of the federal poverty level. Effective January 1, 2010, the income threshold was changed to 300% of the federal poverty level. As of June 30, 2010, 2009 and 2008, there were 27,411, 24,697 and 20,464 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 2010, 2009 and 2008 was \$94.5 million, \$122.0 million and \$116.0 million, respectively.

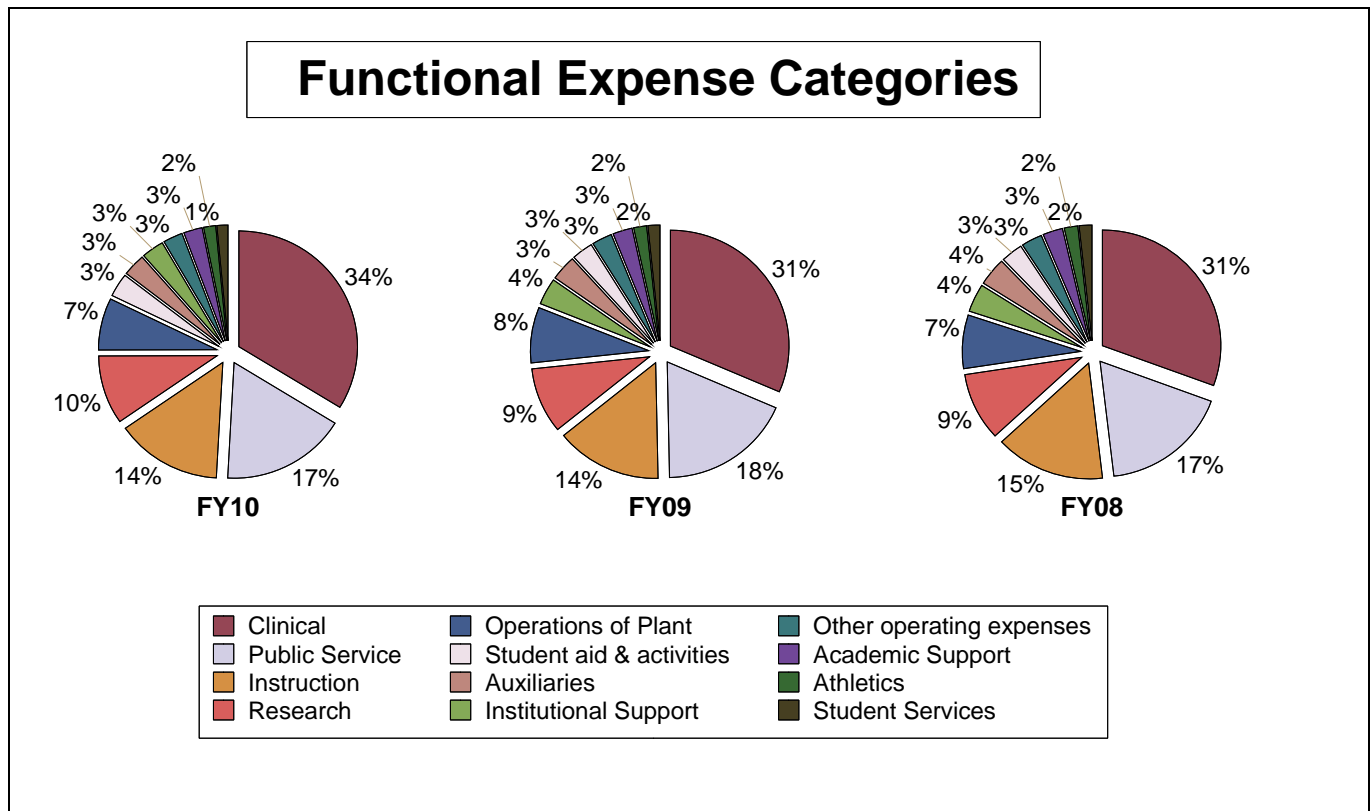
UNM HSC incurs costs associated with providing charity care and other services for which payment is not received. As of June 30, 2010, the estimated cost of care for providing these services was \$177.8 million compared to \$180.9 million in FY09 and \$161.7 million in FY08.

Non-operating Revenues/Expenses

The net non-operating revenue increased by 21.8% from FY09 to FY10 and decreased by 26.5% from FY08 to FY09. Non-operating revenue is primarily driven by state appropriations, gifts received by the University, and investment income/loss. The major reason for the increase in non-operating revenue in FY10 is a \$100.5 million increase in investment revenue, which includes a \$52.5 million increase in unrealized gains/losses and a \$51.4 million increase in the University’s portion of State Land and Permanent Fund revenue. Other significant changes in net non-operating revenue are an \$8.2 million increase in capital gifts, grants and appropriations, a \$6.1 million increase in gifts to the University and a \$21.3 million decrease in state appropriations.

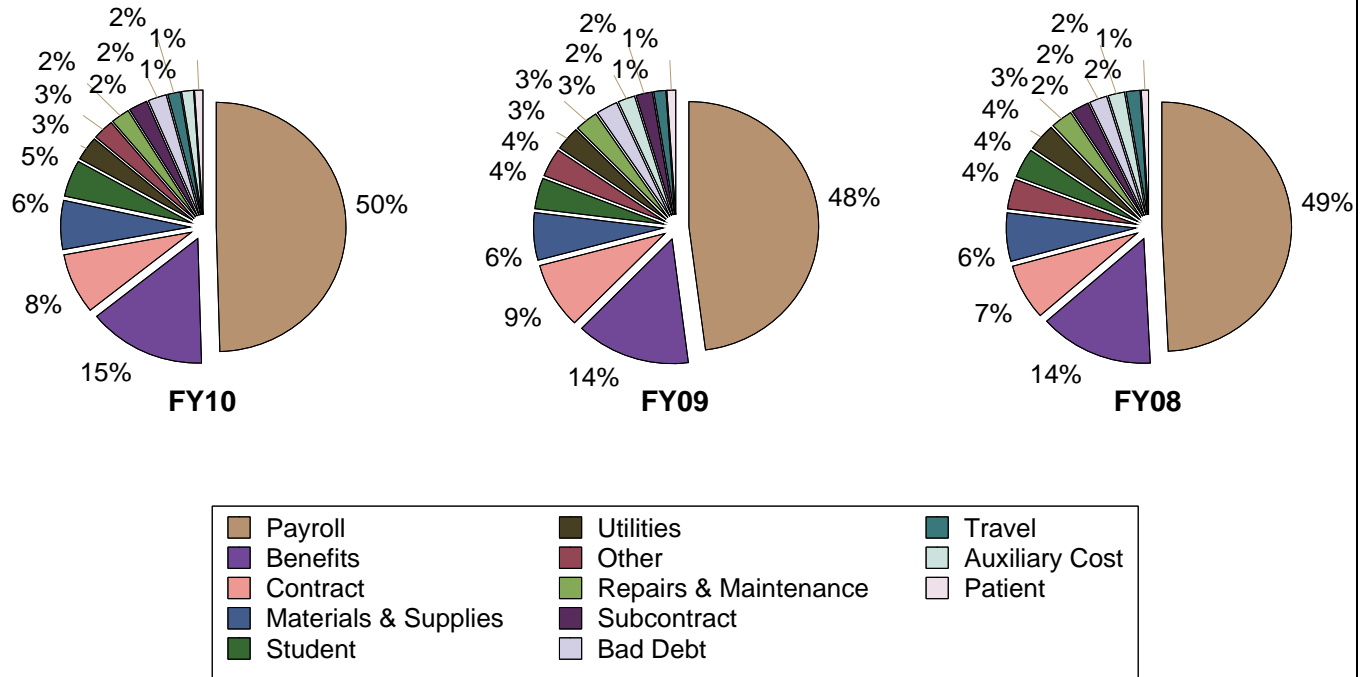
Operating Expenses

GASB standards allow 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, 2010, 2009, and 2008.

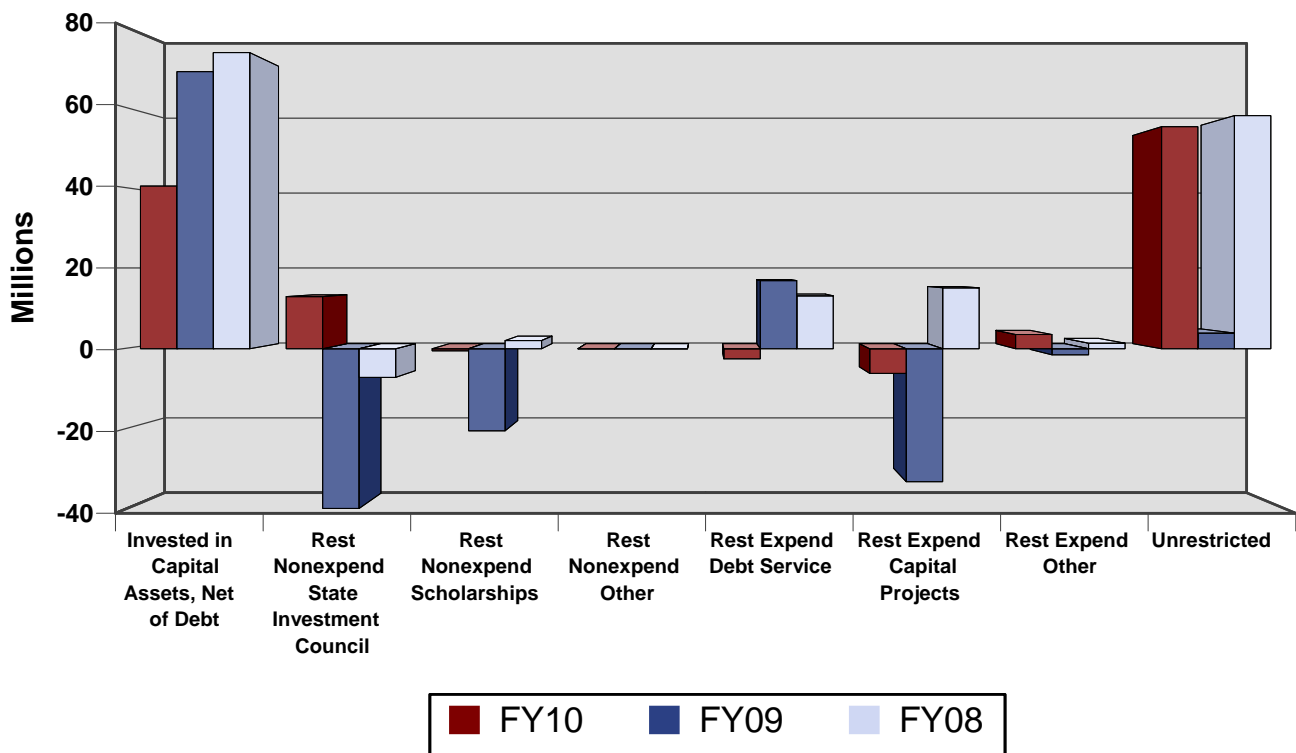
Natural Expense Categories



Change in Net Assets

The University's total change in net assets showed a net increase of \$102.6 million for FY10 and a net decrease of \$5.0 million for FY09. 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 non-expendable 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 operating needs of the University. Some of the major reasons for the \$102.6 million increase in net assets in FY10 include a \$40.3 million increase to investments in capital assets net of related debt, a \$12.9 million increase in the net assets of the State Land and Permanent Fund, and a \$55.0 million increase in unrestricted net assets, primarily due to the Health Sciences Center investment in the Sandoval Regional Medical Center and other clinical enterprise projects, an increase in the net assets of the UNM Medical Group, and an increase in tuition revenue. The chart below shows the change in net assets by category for the fiscal years ended June 30, 2010 and 2009.

Change in Net Assets

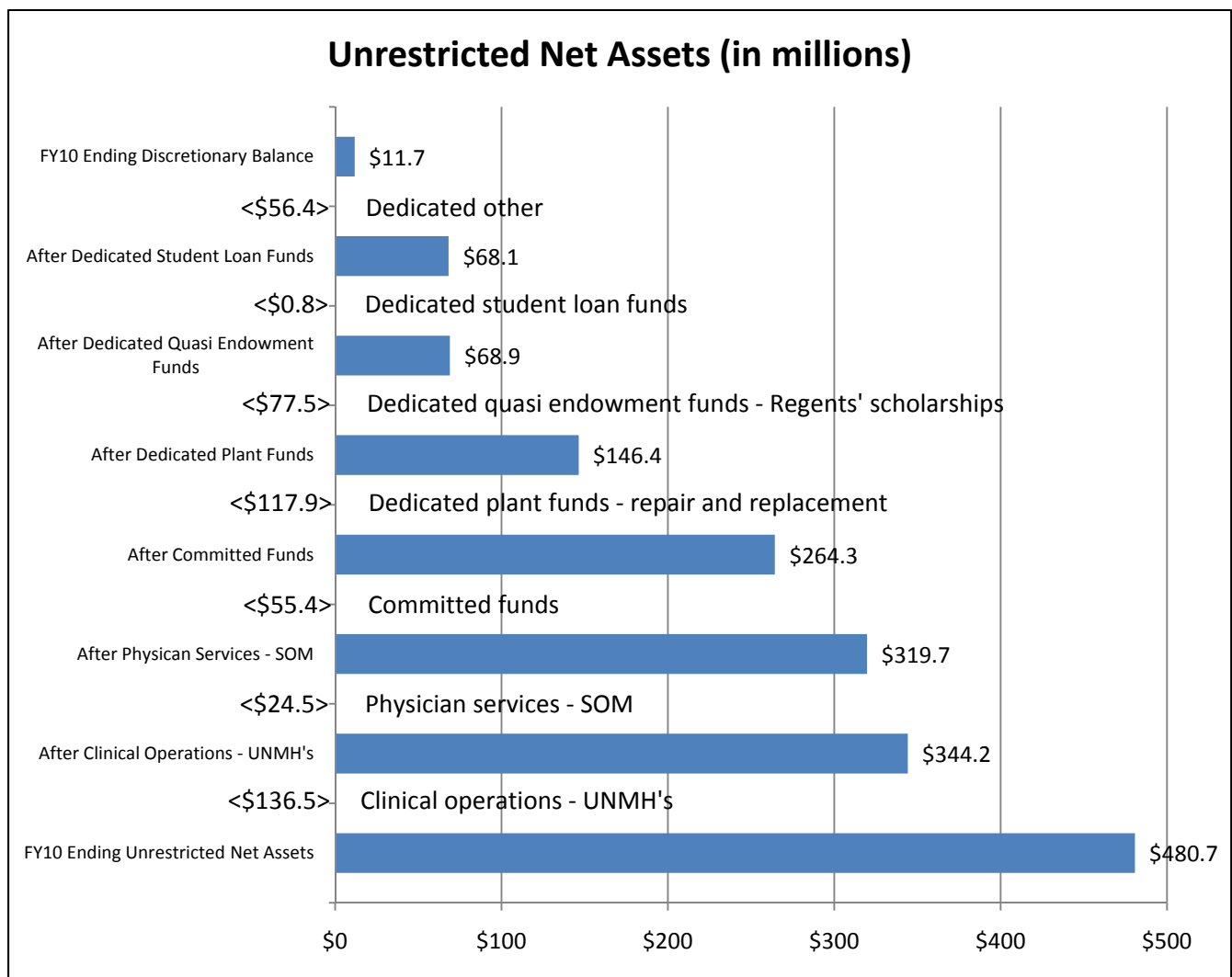


Unrestricted Net Assets

Unrestricted net assets are subject to contractual commitments and dedications to support the missions of the University in current and future years. The net assets of unrestricted funds of the Primary Institution fall into one of three categories:

- 1) **Committed:** A formal, written commitment/contract has been made for these funds. Examples include signed employment offer letters to Deans, Department Chairs, and Research Faculty, start-up funds for new research projects, cost share on awarded sponsored agreements, and appropriated state funding for special projects.
- 2) **Dedicated:** An Executive Vice President, Vice President, Dean, or Department Chair has dedicated these funds for a clear, focused purpose to support the missions of the University.
- 3) **Discretionary:** The remaining funds that are not committed or dedicated.

The chart below is a step-down analysis of the University's unrestricted net assets.



Budget Activity

Original budgets for each fiscal year are prepared many months in advance based on: (a) prior year expenditure and revenue activity, (b) best estimates of projected revenue and expenditure activity for the budgeted year, and (c) budget reviews. During the fiscal year, original budgets are revised to more accurately reflect current needs of the institution and to include previously unanticipated events in both revenue and expenditures.

The most significant event in FY10 was the State Instruction and General, General Fund appropriation rescission of 4.0% and the Special Project rescission of 6.5%. These rescissions impacted all UNM campuses. Institutions were given flexibility in determining how to apply the rescissions.

Main Campus FY10 General Fund rescission was \$8,355,000. 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.

At the Health Sciences Center, the FY10 General Fund rescission was \$4,932,400. Additionally, the Health Sciences Center had to revert to the State 7.9% of its FY10 Tobacco Settlement funds, \$401,320. The total of both reversions was \$5,333,720. Adjustments were made in instruction and general, public service, research, and independent operations to reflect the funding reductions.

In addition to the state funding rescissions, the following Health Sciences Center budget adjustments were made: (a) the public service budget was decreased mainly due to transitioning the Cancer Center infusion suite to University Hospital; (b) the research budget was increased due to gains on contracts and grants; (c) in independent operations the expenses for Carrie Tingley Hospital, Children's Psychiatric Hospital, and the Office of the Medical Investigator were greater than original budget; (d) the student aid budget was increased due to an increase in endowment expenditures.

Overall, the University's change in net assets on a budgetary basis for unrestricted and restricted funds was a decrease of \$48 million (see Schedule 6). 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 as well as a planned usage of UNM bond interest for debt service on UNM bonds.

Endowments

At June 30, 2010, the University of New Mexico's endowment assets totaled approximately \$424.8 million including approximately \$283.2 million in the Consolidated Investment Fund (CIF) and approximately \$141.6 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).

FY 2009-10 was a year of recovery for the capital markets. The CIF finished the year with a market value of approximately \$283.2 million, as compared to \$258.9 a year ago, and a return on investment of 10.4%, as compared to -20.5% the previous fiscal year. This return compares favorably with those for

the overall market and peer institutions. U.S. equities and international equities posted returns of 13.3% and 10.7%, respectively. Private equity investments returned 20.8%, fixed income investments returned 8.5% and marketable alternatives returned 10.6%. The real asset markets continue to struggle and posted a -4.8% return for the fiscal year. In addition to the customary investment management expenses, a development funding allocation of 1.85% of the market value was allocated from each participating fund in the CIF for 2009-10. The CIF is a well-diversified fund with an asset allocation consisting of approximately 18% U.S. equity, 18% international equity, 23% fixed income/cash, 10% private equity, 9% real assets and 22% other marketable alternative investments at June 30, 2010.

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. The spending policy is based on an average of 20 trailing quarters and a distribution rate in the range of 4 percent to 6 percent. For FY2009-10, the spending distribution rate was set at 4.65% which provided approximately \$15.4 million in funding for the various schools, colleges and programs that benefit from the endowment program up from approximately \$15.2 million in 2008-09.

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 FY10, federal and state agencies, industry, foundations and national laboratories provided \$370 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 \$228.5 million, and the Health Sciences Center (HSC) was awarded \$141.5 million.

The majority of contracts and grants, 78%, were awarded by federal agencies, while the remaining came from the following sources: State of New Mexico, 11%; foundations, 3%; industry, 3%; national laboratories, 1%; and other, 4%.

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 first building as part of the University of New Mexico's West campus located in Rio Rancho's downtown City Center opened and began serving students on January 19, 2010. The 42,000 square foot, two-story building sits on an eight and one-half acre site, master planned to ensure that future buildings will be appropriately sited around a shared parking lot. This Phase I building provides classrooms, a bookstore, a food service area, and office space for student support and for the UNM Medical Group as they prepare for construction of a hospital, the Sandoval Regional Medical Center (SRMC), at the

UNM-West campus site.

The Sandoval Regional Medical Center is projected to open in the Spring of 2012. The facility will consist of a new 68-bed building and teaching hospital on approximately 200,000 square feet, plus a 40,000 square foot medical office building. The hospital will include emergency room and inpatient/outpatient medical/surgical services, diagnostic imaging and testing, and other key clinical services. In September 2010, SRMC received a HUD commitment letter allowing the FHA-Insured Mortgage Revenue Bonds to be issued and financing of the project to occur. A memorandum of understanding was established between the UNM Medical Group (UNMMG) and SRMC providing for UNMMG to fund the initial planning and construction costs until SRMC received its funding from HUD. SRMC will then reimburse UNMMG for all costs paid by UNMMG.

In order to meet the growing demand for student housing at UNM, the UNM Board of Regents approved terms of a ground lease that allowed American Campus Communities (ACC) to begin construction on an 864-bed student housing community west of University Arena. Regents approved a lease term of 40 years with three additional options of 10 years each. In the first five years of the agreement, ACC's rent paid to UNM will grow from \$333,643 to \$375,518. In subsequent years, the rent will be 5.7% of gross revenues but no less than \$350,000. ACC will develop and construct the estimated \$40 million project at its own cost. Construction began in June 2010, and the community will be housing students starting in August 2011.

On March 24, 2010, Governor Bill Richardson signed House Bill 2. This bill reduced general funding for higher education by an average of 3.5%. The legislation also included language that if general fund revenues become insufficient to meet general fund appropriations for fiscal year 2011, the legislation authorized reductions in general fund allotments to all agencies, funds, programs and other recipients that receive a general fund appropriation in Section 4 of the General Appropriation Act of 2010. On August 12, 2010, the State Board of Finance approved a further reduction of 3.2445% in General Fund appropriations. The resulting rescission to UNM's FY11 General Fund totaled \$6,033,000 for Main Campus and \$2,956,900 for the Health Sciences Center. Additionally, the Health Sciences Center had to revert to the State a total of \$489,086 of its FY11 Tobacco Settlement funds. The total of these reductions was \$9,478,986.

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 \$71 million in ARRA funding.

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (PPACA). This National Health Reform includes private insurance market reforms, expanded Medicaid eligibility provisions, Medicare and Medicaid funding reforms, value-based purchasing requirements, and amended time periods for filing Medicare fee-for-service (FFS) claims to one year from the date of service as one of many provisions aimed at curbing fraud, waste, and abuse in the Medicare program.

Health Plan reforms under PPACA include a set of required essential benefits including, but not limited to, emergency services, hospitalization, maternity and newborn care, mental health and substance use disorder services, preventative and wellness services, and pediatric services, including oral and vision

care. Plans must also not require copayment or deductible on preventative services. For plan years beginning after September 23, 2010, existing plans must provide coverage to dependent children until age 26 (unless eligible for other coverage), eliminate lifetime aggregate dollar limits and annual dollar limits on essential benefits, eliminate pre-existing condition exclusions for children up to age 19, and prohibit rescinding of coverage except in cases of fraud, intentional misrepresentation, and non-payment of premium.

Medicaid expansion under PPACA includes new eligibility criteria establishing a minimum floor for Medicaid coverage of 133% of the Federal Poverty Level (FPL), eliminating other non-income based criteria (such as age, disability, or asset testing). This FPL criteria is mandatory for State implementation January 2014 and optional for years 2010 through 2013. The population most impacted by the new eligibility criteria is expected to be childless adults. States are also prohibited from reducing Medicaid or CHIP eligibility that was in place on the date of PPACA enactment. PPACA provides additional federal financing through the Federal Medical Assistance Percentage (FMAP) for newly-eligible Medicaid patients.

The Human Services Division of the State of New Mexico (HSD) implemented cost containment measures on December 1, 2009, including a 3% reduction to the Medicaid physician fee schedule. HSD has identified a further budget shortfall for 2011 and 2012. Further cuts to the Medicaid physician fee schedule are expected.

HSD eliminated the 30 day grace period for re-enrollment under the State Coverage Insurance (SCI) program effective July 1, 2010. The SCI Program is under consideration for possible elimination from the Medical Assistance Division Budget for subsequent years.

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, 2010 and 2009, 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 Audit Report link.

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Net Assets as of June 30, 2010 and 2009

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2010	2009	2010	2009
ASSETS				
Current assets				
Cash and cash equivalents (note 3)	\$ 207,131,399	\$ 171,350,451	\$ 37,625,307	\$ 42,230,266
Short-term investments (note 3)	321,150,495	377,636,627	6,592,987	5,763,947
Accounts receivable, net (note 4)	58,431,313	74,959,743	1,859,227	1,875,386
Patient receivables, net (note 4)	89,552,006	82,507,283	-	-
Notes receivable, net (note 5)	3,825,762	5,009,184	-	-
Due from component units	10,118,802	4,306,959	-	-
Estimated third-party payor settlements (note 13)	24,108,479	15,110,374	-	-
Other receivables, net (note 4)	3,261,106	7,103,766	-	-
Inventories	15,391,086	13,322,561	27,445	31,564
Deferred outflow of resources - interest rate swaps (note 12)	8,831,474	-	-	-
Derivative instruments - interest rate swaps overlay (note 12)	852,175	-	-	-
Due from The University of New Mexico	-	-	113,146	20,292
Other current assets	11,121,382	8,592,516	226,146	60,532
Total current assets	\$ 753,775,479	\$ 759,899,464	\$ 46,444,258	\$ 49,981,987
Non-current assets				
Cash and cash equivalents (note 3)	\$ 8,519,215	\$ 6,397,871	\$ -	\$ -
Notes receivable - non-current (note 5)	10,596,087	11,287,149	-	-
State Investment Council assets (note 3)	141,598,075	128,679,553	-	-
Deferred bond issuance costs	4,366,141	4,803,467	-	-
Investments (note 3)	214,328,431	197,899,950	121,374,680	108,927,281
Due from component units	240,000	-	-	-
Other non-current assets	10,319,996	8,931,003	6,546,375	9,163,933
Capital assets, net (note 6)	1,236,880,401	1,143,142,757	5,658,760	83,311
Total non-current assets	\$ 1,626,848,346	\$ 1,501,141,750	\$ 133,579,815	\$ 118,174,525
Total assets	\$ 2,380,623,825	\$ 2,261,041,214	\$ 180,024,073	\$ 168,156,512
LIABILITIES				
Current liabilities				
Accounts payable and accrued payroll (note 7)	\$ 116,779,163	\$ 101,448,866	\$ 1,493,835	\$ 966,507
Due to The University of New Mexico	-	-	10,118,802	4,306,959
Due to component units	113,146	20,292	-	-
Estimated third-party payor settlements (note 13)	21,759,289	21,814,927	-	-
Accrued compensated absences (note 8)	42,110,023	41,017,962	-	-
Other accrued liabilities (note 9)	23,161,352	15,547,277	593,610	693,157
Deferred revenue (note 10)	32,062,556	42,138,396	2,222,362	1,774,259
Bonds payable - current (notes 11 & 12)	16,947,231	14,722,739	-	-
Derivative instruments - interest rate swaps (note 12)	8,831,474	-	-	-
Notes payable - current	336,837	3,184,577	-	-
Deposits and funds held for others	10,406,200	7,180,919	-	-
Total current liabilities	\$ 272,507,271	\$ 247,075,955	\$ 14,428,609	\$ 7,740,882
Non-current liabilities (note 11)				
Bonds payable - non-current (notes 11 & 12)	\$ 622,724,753	\$ 640,097,325	\$ -	\$ -
Due to The University of New Mexico	-	-	240,000	-
Student loan program	13,744,223	14,539,067	-	-
Net OPEB obligation (notes 11 & 16)	16,890,000	6,999,000	-	-
Deferred annuities payable	-	-	2,490,132	2,766,090
Other non-current liabilities	638,359	856,203	-	-
Total non-current liabilities	\$ 653,997,335	\$ 662,491,595	\$ 2,730,132	\$ 2,766,090
Total liabilities	\$ 926,504,606	\$ 909,567,550	\$ 17,158,741	\$ 10,506,972

Statements of Net Assets as of June 30, 2010 and 2009

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2010	2009	2010	2009
NET ASSETS				
Invested in capital assets, net of related debt	\$ 681,694,272	\$ 641,406,303	\$ 47,726	\$ 83,311
Restricted for:				
Non-expendable:				
State Investment Council	141,598,075	128,679,553	-	-
Scholarships	91,020,384	91,483,864	-	-
Grants, bequests and contributions	6,013,901	6,013,901	111,454,286	98,973,663
Expendable:				
Scholarships	2,229,870	2,171,984	-	-
Grants, bequests and contributions	5,969,422	2,541,286	-	-
Debt service	35,014,785	37,495,636	-	-
Capital projects	9,838,866	15,974,175	-	-
Other	-	-	38,367,584	46,054,995
Unrestricted (note 18)	480,739,644	425,706,962	12,995,736	12,537,571
Total net assets	<u>\$ 1,454,119,219</u>	<u>\$ 1,351,473,664</u>	<u>\$ 162,865,332</u>	<u>\$ 157,649,540</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, 2010 and 2009

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2010	2009	2010	2009
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of \$49,627,009 in 2010 and \$39,536,548 in 2009)	\$ 108,103,162	\$ 93,910,782	\$ -	\$ -
Patient services (net of provision for doubtful accounts of \$24,640,123 in 2010 and \$23,247,429 in 2009) (note 13)	189,079,037	198,766,660	-	-
Federal grants and contracts	244,668,931	211,140,859	-	-
State and local grants and contracts	40,904,041	43,145,857	-	-
State lottery scholarships	26,967,452	25,000,103	-	-
Non-governmental grants and contracts	27,095,202	32,873,390	21,544,398	34,294,000
Sales and services (net of scholarship allowances of \$8,983,167 in 2010 and \$7,431,974 in 2009)	91,394,090	102,332,413	5,507,763	4,541,653
Other operating revenues	35,730,476	34,621,427	13,029,773	10,788,820
Clinical operations (note 13)				
University of New Mexico Hospital (net of provision for doubtful accounts of \$69,469,941 in 2010 and \$97,991,199 in 2009)	467,289,020	446,299,452	-	-
University of New Mexico Behavioral Operations (net of provision for doubtful accounts of \$342,743 in 2010 and \$736,855 in 2009)	23,699,110	31,591,590	-	-
Total operating revenues	\$ 1,254,930,521	\$ 1,219,682,533	\$ 40,081,934	\$ 49,624,473
OPERATING EXPENSES				
Educational and general				
Instruction	\$ 243,086,665	\$ 238,598,428	\$ -	\$ -
Research	161,116,309	150,673,876	-	-
Public service	286,086,896	299,849,544	-	-
Academic support	42,782,927	43,905,184	-	-
Student services	25,467,417	27,043,487	-	-
Institutional support	51,165,350	61,491,784	-	-
Operations and maintenance of plant	66,272,294	78,536,721	-	-
Depreciation expense	55,438,328	49,356,908	-	-
Student aid	47,500,648	40,802,935	-	-
Student activities	7,155,864	6,561,387	-	-
Intercollegiate athletics	27,746,459	29,110,577	-	-
Auxiliary enterprises	51,679,135	58,797,263	-	-
Other operating expenses	44,517,827	45,535,286	54,087,124	45,134,579
Clinical operations				
University of New Mexico Hospital	523,086,854	478,460,047	-	-
University of New Mexico Behavioral Operations	43,149,780	46,196,201	-	-
Total operating expenses	\$ 1,676,252,753	\$ 1,654,919,628	\$ 54,087,124	\$ 45,134,579
Operating income (loss)	\$ (421,322,232)	\$ (435,237,095)	\$ (14,005,190)	\$ 4,489,894

Statements of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2010 and 2009

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2010	2009	2010	2009
NON-OPERATING REVENUES (EXPENSES)				
State appropriations	\$ 301,874,887	\$ 323,186,061	\$ -	\$ -
Local appropriations	6,047,755	6,121,764	-	-
Gifts	30,882,266	24,807,398	-	-
Investment income (loss) (note 3)	42,445,635	(58,056,204)	12,428,391	(24,808,932)
Other non-operating revenues	25,181,602	25,391,073	38,292	75,376
Interest on capital asset-related debt	(21,605,008)	(20,922,338)	-	-
Loss on disposal of capital assets	(1,151,688)	(40,764)	-	-
Clinical operations				
University of New Mexico Hospital	64,820,236	64,200,002	-	-
University of New Mexico Behavioral Operations	18,544,016	18,089,638	-	-
Net non-operating revenues	<u>\$ 467,039,701</u>	<u>\$ 382,776,630</u>	<u>\$ 12,466,683</u>	<u>\$ (24,733,556)</u>
Income (loss) before other revenues, expenses, gains and losses	<u>\$ 45,717,469</u>	<u>\$ (52,460,465)</u>	<u>\$ (1,538,507)</u>	<u>\$ (20,243,662)</u>
Capital appropriations	\$ 52,429,409	\$ 38,347,440	\$ -	\$ -
Capital grants and gifts	3,235,652	9,152,851	-	-
Federal stabilization grant	1,263,025	-	-	-
Contributions to permanent endowments	-	-	6,754,299	7,765,934
Total other revenues	<u>\$ 56,928,086</u>	<u>\$ 47,500,291</u>	<u>\$ 6,754,299</u>	<u>\$ 7,765,934</u>
Change in net assets	<u>\$ 102,645,555</u>	<u>\$ (4,960,174)</u>	<u>\$ 5,215,792</u>	<u>\$ (12,477,728)</u>
NET ASSETS				
Net assets at beginning of year	<u>1,351,473,664</u>	<u>1,356,433,838</u>	<u>157,649,540</u>	<u>170,127,268</u>
Net assets at end of year	<u>\$ 1,454,119,219</u>	<u>\$ 1,351,473,664</u>	<u>\$ 162,865,332</u>	<u>\$ 157,649,540</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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 108,072,098	\$ 99,911,093
Grants and contracts	335,888,297	311,859,668
Insurance and patients	665,520,538	681,090,642
Sales and services	98,049,804	101,726,200
Payments to suppliers	(379,745,026)	(419,109,339)
Payments to employees	(906,170,319)	(879,584,296)
Payments for utilities	(36,154,464)	(37,036,429)
Payments for benefits	(151,558,188)	(157,008,601)
Payments for scholarships and fellowships	(54,924,244)	(45,827,291)
Loans issued to students	(3,667,856)	(3,520)
Collection of loans to students	1,827,364	2,957,742
Other payments	(798,418)	(5,048,668)
Net cash used by operating activities	<u>\$ (323,660,414)</u>	<u>\$ (346,072,799)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State appropriations	\$ 314,777,187	\$ 339,013,844
Local appropriations	6,047,755	6,121,764
Bernalillo County mill levy	90,602,753	87,473,613
Land and permanent fund	778,491	801,477
Gifts	30,882,266	24,807,398
Other non-operating receipts (payments)	18,578,417	(5,198,898)
Net cash provided by non-capital financing activities	<u>\$ 461,666,869</u>	<u>\$ 453,019,198</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest payments on bonds	\$ (28,723,239)	\$ (30,005,554)
Capital appropriations	59,866,782	38,386,617
Capital gifts and grants	6,108,900	10,555,371
Additions to bonds	-	-
Principal payments of bonds	(14,722,739)	(16,731,741)
Cash received from cigarette tax bonds	-	58,886
Cash received from disposal of capital assets	1,427,000	1,425,000
Purchase of capital assets	(185,630,421)	(156,494,744)
Other receipts	115,076	187,632
Net cash used by capital and related financing activities	<u>\$ (161,558,641)</u>	<u>\$ (152,618,533)</u>

EXHIBIT C

Statements of Cash Flows for the years ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	\$ 1,207,109,867	\$ 596,376,053
Purchase of investments	(1,162,871,545)	(640,038,670)
State Investment Council asset income	9,238,338	10,284,371
Investment income	7,977,818	36,761,927
Net cash provided by investing activities	<u>\$ 61,454,478</u>	<u>\$ 3,383,681</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents - beginning of the year	177,748,322	220,036,775
Cash and cash equivalents - end of the year	<u>\$ 215,650,614</u>	<u>\$ 177,748,322</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (421,322,232)	\$ (435,237,095)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	89,280,750	80,012,268
Bad debt expense	96,570,145	130,324,296
Reduction in laboratory expenses of TLSC	(648,058)	(670,641)
Changes in assets and liabilities		
Accounts receivable	18,389,234	(21,982,973)
Patient receivables	(102,646,672)	(124,856,564)
Estimated third-party payor settlements	(8,998,105)	8,361,127
Notes receivable	1,874,484	2,105,197
Inventories	(2,068,526)	(1,067,511)
Other assets	(521,486)	284,907
Due from component units	(10,675,573)	(1,146,762)
Accounts payable	45,234,630	12,175,471
Accrued expenses and compensated absences	(19,281,186)	7,542,643
Other current liabilities	1,283,660	592,970
Estimated third-party payor liability	(55,638)	(2,186,213)
Deferred revenue	(10,075,841)	(323,919)
Net cash used by operating activities	<u>\$ (323,660,414)</u>	<u>\$ (346,072,799)</u>

See accompanying notes to the basic financial statements.

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(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) Statement 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; GASB Statement 35 – *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*; GASB Statement 37 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*; and GASB Statement 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 GASB Statement 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement 14* (GASB Statement 39). GASB Statement 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 Statements' 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 Statements' 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.; The University of New Mexico Alumni Association; and Sandoval Regional Medical Center. 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'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 Behavioral Operations 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. 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.

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The component units, the Hospital, and the University of New Mexico Behavioral Operations, have separately audited financial statements, which can be obtained at their separate administrative offices. Addresses for the component units can be found in note 19.

(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.

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>2010</u>	<u>2009</u>
Medicare and Medicaid	44%	41%
Other third-party payors	41%	44%
Others	15%	15%
	<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.

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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 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 Unrestricted Accounting Department and totals \$4,417,544 and \$4,426,109 at June 30, 2010 and 2009, 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 adopted GASB Statement 53, Accounting and Financial Reporting for Derivative Instruments. The purpose of Statement 53 is to improve reporting information about derivative instruments in the financial reports. Derivatives are financial arrangements used to manage or hedge specific risks or to make investments. The Statement requires most derivative instruments be measured at fair value in the financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting.

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This Statement also addresses hedge accounting requirements and became effective for reporting periods beginning after June 15, 2009.

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 \$66,606,564 and \$134,766,993 at June 30, 2010 and 2009, respectively. The Hospital had unspent bond proceeds of \$13,500,000 at June 30, 2010 and 2009.

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.

Unrestricted net assets, which may contain multiple year contractual commitments, 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.

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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 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.

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)

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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 Statement 9 – *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement 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 and the University of New Mexico Behavioral Operations 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 Behavioral Operations 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 on-going 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 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

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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 (NMURC) 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 2009 amounts have been reclassified in order to be consistent with the 2010 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.

(I) *Impact of Recently Issued Accounting Standards*

- (1) GASB Statement 59 – The GASB issued GASB Statement 59, Financial Instruments Omnibus. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. GASB Statement 59 is effective for periods beginning after June 15, 2010, and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 59 will have on the financial statements.

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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, 2010 and 2009 were \$215,650,614 and \$177,748,322, respectively. The carrying amounts of the component units' deposits with financial institutions at June 30, 2010 and 2009 were \$37,625,307 and \$42,230,266, respectively. Bank balances are categorized as follows:

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June 30, 2010

	Cash
Primary Institution	
Amount insured by the FDIC	\$ 1,066,030
Amount collateralized with securities held in the University's name by their agent	<u>216,135,956</u>
	<u>\$ 217,201,986</u>
Money Market Accounts	<u>\$ 5,918,255</u>
 Total Bank Balance Primary Institution	 <u><u>\$ 223,120,241</u></u>
 Component Units	
Amount insured by the FDIC for Public Money Entity Component Units	\$ 509,688
Amount collateralized with securities held in the University's name by their agent	<u>6,439,909</u>
	<u>\$ 6,949,597</u>
Money Market Accounts	<u>\$ 1,365,899</u>
	<u><u>\$ 8,315,496</u></u>
 Amount insured by the FDIC for Non Public Money Entity Component Units	 \$ 571,589
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	<u>2,974,186</u>
	<u>\$ 3,545,775</u>
 Total Bank Balance Component Units	 <u><u>\$ 11,861,271</u></u>

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June 30, 2009

	Cash
Primary Institution	
Amount insured by the FDIC (includes coverage under the FDIC Temporary Liquidity Guarantee Program)	\$ 21,513,970
Amount collateralized with securities held in the University's name by their agent	218,184,912
Total Bank Balance Primary Institution	<u><u>\$ 239,698,882</u></u>
Component Units	
Amount insured by the FDIC for Public Money Entity Component Units	\$ 474,833
Amount covered by the SIPC Public Money Entity Component Units	876,865
Amount collateralized with securities held in the University's name by their agent	637,250
Total Bank Balance Primary Institution	<u><u>\$ 1,988,948</u></u>
Amount insured by the FDIC for Non Public Money Entity Component Units	\$ 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
	<u><u>\$ 3,521,092</u></u>
Total Bank Balance Component Units	<u><u>\$ 5,510,040</u></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, 2010, 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, 2010 and 2009, UNM's portion of the CIF was \$167,833,064 and \$162,733,703, respectively.

Net appreciation on investments of donor-restricted endowments of \$9,676,128 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, 2010 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>			
Cash	\$ -	\$ -	\$ 65,150
Money Market Deposit	-	-	1,406,706
Money Market	-	-	46,510,336
Certificate of Deposit	-	-	4,146,595
Commercial Paper	-	-	10,365,595
U.S. Treasury Securities	-	-	106,817,414
U.S. Government Agency Obligations	-	-	111,392,908
Corporate Bonds/Notes	-	-	27,650,212
Municipal Bonds	-	-	10,999,127
Equity	-	-	1,796,452
Total Short-term Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,150,495</u>
<i>Component Units</i>			
Certificate of Deposit	\$ -	\$ -	\$ 1,104,118
Corporate Bonds/Notes	101,647	-	101,647
Mutual Funds	2,027,336	-	2,518,003
Other	-	-	29,061
Equity	2,840,158	-	2,840,158
Total Short-term Investments	<u>\$ 4,969,141</u>	<u>\$ -</u>	<u>\$ 6,592,987</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	\$ -	\$ -	\$ 2,547
Money Market	-	-	20,038,746
Certificate of Deposit	-	-	1,016,903
Repurchase Agreements	-	-	13,438,588
U.S. Treasury Securities	-	-	757,429
U.S. Government Agency Obligations	-	-	251,712
Corporate Bonds/Notes	-	-	3,076,887
Mutual Funds	-	-	28,576,193
Equity	-	-	80,984,294
Alternative Investments	-	-	66,185,132
Total Long-term Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,328,431</u>
<i>Component Units</i>			
Money Market	\$ -	\$ -	\$ 4,514,978
Certificate of Deposit	-	-	61,110
U.S. Government Agency Obligations	158,941	-	158,941
Corporate Bonds/Notes	409,614	-	409,614
Municipal Bonds	2,207,638	-	2,207,638
Mutual Funds	-	-	20,628,903
Equity	74,465	-	47,593,747
Alternative Investments	-	-	45,536,184
Real Estate	-	-	263,565
Total Long-term Investments	<u>\$ 2,850,658</u>	<u>\$ -</u>	<u>\$ 121,374,680</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

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>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

	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/Notes	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>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

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 \$126,665,216 and \$128,984,689 at June 30, 2010 and 2009, respectively. The fair value is \$141,598,075 and \$128,679,553 at June 30, 2010 and 2009, 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

A summary of the investments at June 30, 2010 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:		
Cash		\$ 65,150
Money Market		38,374,004
Certificate of Deposit		4,146,595
Equity		1,796,452
U.S. Treasury Securities		
Treasury Notes		\$ 88,999,184
Treasury TIPS		6,391,789
Treasury STRIPS		11,426,441
		<u>\$ 106,817,414</u>
Total items not subject to credit risk		<u>\$ 151,199,615</u>
Items subject to credit risk:		
Money Market Deposit Not Rated		<u>\$ 1,406,706</u>
Money Market Not Rated		<u>\$ 8,136,332</u>
Commercial Paper		
Allied Irish Banks Not Rated		\$ 1,832,169
FCAR Owner Trust Not Rated		8,533,426
		<u>\$ 10,365,595</u>
U.S. Government Agency Obligations		
FFCB Not Rated		\$ 1,006,560
FFCB Fitch -AAA		1,051,952
FFCB Moody's - Aaa		2,035,620
FHLB Not Rated		12,989,455
FHLB Moody's - Aaa		11,582,840
FHLMC Not Rated		12,259,626
FHLMC Moody's - Aaa		23,951,610
FHLMC Fitch -AAA		6,224,783
FNMA Fitch -AAA		4,505,623
FNMA Moody's - Aaa		17,781,614
FNMA Not Rated		18,003,225
		<u>\$ 111,392,908</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

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	\$ 1,020,840
Alabama Power Company	Moody's - A2	1,016,610
Alabama Power Co Sr Notes	Moody's - A2	189,447
Boeing Company	Moody's - A2	1,265,538
Catepillar Financial Serv Corp	Moody's - A2	1,011,590
Covidien International	Moody's - Baa1	1,012,170
Eli Lilly & Company	Moody's - A1	364,976
General Dynamics Corp Notes	Moody's - A2	823,403
General Dynamics Corp	Moody's - A2	1,006,760
General Electric Capital Corp	Moody's - Aa2	3,994,840
Genentech Incorporated	S&P - AA-	2,502,425
Hewlett-Packard Company	Moody's - A2	1,867,429
IBM Corporation	Moody's - A1	993,583
John Deere Capital Corp	Moody's - A2	1,508,130
Medtronic Incorporated	Moody's - A1	604,536
Northern States Power-Minn	Moody's - A1	501,435
Novartis Capital Global	Moody's - Aa2	1,273,963
Oracle/Ozark Holding Global	Moody's - A2	408,384
Pfizer Incorporated	Moody's - A1	2,738,043
Praxair Incorporated	Moody's - A2	1,266,525
Shell International Finance	Moody's - Aa1	1,260,500
Teva Pha Fin III	Moody's - A3	767,907
Wal-Mart Stores Sr Notes	Moody's - Aa2	251,178
		<u>\$ 27,650,212</u>
Municipal Bonds		
City	Moody's - Aa2	\$ 238,840
County	S&P - AAA	2,055,540
County	S&P - AA+	1,822,266
County	Moody's - Aa1	448,413
State	Moody's - Aa2	511,710
State	Moody's - Aa3	550,228
State	Moody's - A1	2,383,278
Other	S&P - AA+	337,801
Other	Moody's - Aa2	1,636,331
Other	Moody's - A2	1,014,720
		<u>\$ 10,999,127</u>
Total items subject to credit risk		<u>\$ 169,950,880</u>
Total Short-term Investments		<u><u>\$ 321,150,495</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

	Rating	Fair Value
Short-term Investments		
<i>Component Units</i>		
Items not subject to credit risk:		
Certificate of Deposit		\$ 1,104,118
Mutual Funds		2,518,003
Other		29,061
Equity		<u>2,840,158</u>
Total items not subject to credit risk		<u>\$ 6,491,340</u>
Items subject to credit risk:		
Corporate Bonds/Notes		
Catepillar, Inc Moody's - A2		\$ 25,437
HSBC Finance Corp Moody's - A3		50,839
Morgan Stanley Moody's - A2		<u>25,371</u>
		<u>\$ 101,647</u>
Total items subject to credit risk		<u>\$ 101,647</u>
Total short-term Investments		<u><u>\$ 6,592,987</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

	Rating	Fair Value
Long-term Investments		
<i>Primary Institution</i>		
Items not subject to credit risk:		
Money Market		\$ 2,290,106
Certificate of Deposit		1,016,903
U.S. Treasury Notes		757,429
Mutual Funds		28,576,193
Equity		80,984,294
Total items not subject to credit risk		<u>\$ 113,624,925</u>
Items subject to credit risk:		
Money Market-Deposits	Not Rated	<u>\$ 2,547</u>
Money Market	Not Rated	<u>\$ 17,748,640</u>
Repurchase Agreements	Moody's - Aa3	<u>\$ 13,438,588</u>
U.S Government Agency Obligations		
FFCB	Moody's - AAA	251,712
		<u>\$ 251,712</u>
Corporate Bonds/Notes		
Boeing Capital Corporation	Moody's - A2	\$ 207,928
Catepillar Financial Series	Moody's - A2	203,697
Cellco Partners/Verizon	Moody's - A2	206,055
Cisco Sysems, Incorporated	Moody's - A1	183,919
Covidien International Finance	Moody's - BAA1	202,428
Hewlett Packard Corporation	Moody's - A2	203,963
IBM Corporation	Moody's - A1	205,015
John Deer Capital Corporation	Moody's - A2	202,271
Medtronic Incorporated	Moody's - A1	202,701
Novartis Capital Global	Moody's - AA2	204,220
Oracle/Ozark Holding Global	Moody's - A2	215,767
Paccar Financial Corporation	Moody's - A1	203,182
Praxair, Incorporated	Moody's - A2	203,840
Proctor & Gamble Corporation	Moody's - AA3	203,186
SBC Communications, Inc	Moody's - A2	126,112
Wal Mart Stores Incorporated	Moody's - AA2	102,603
		<u>\$ 3,076,887</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

	Rating	Fair Value
Long-term Investments (con't)		
<i>Primary Institution</i>		
Items subject to credit risk:		
Alternative Investments	Not Rated	
Hedge Funds		\$ 31,341,106
Private Equity		32,712,275
Real Assets		<u>2,131,751</u>
		<u>\$ 66,185,132</u>
Total items subject to credit risk		<u>\$ 100,703,506</u>
Total Long-term Investments		<u><u>\$ 214,328,431</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

	Rating	Fair Value
Long-term Investments		
<i>Component Units</i>		
Items not subject to credit risk:		
Certificates of Deposit		\$ 61,110
Mutual Funds		20,628,903
Equity		47,593,747
Real Estate		263,565
Total items not subject to credit risk		<u>\$ 68,547,325</u>
Items subject to credit risk:		
Money Market Not Rated		<u>\$ 4,514,978</u>
U.S. Government Agency Obligations		
FFCB Moody's - AAA		\$ 77,766
FHLBC Moody's - AAA		81,175
		<u>\$ 158,941</u>
Corporate Bonds/Notes		
Bank of America Moody's - A2		\$ 52,040
Catepillar Financial Services Inc Moody's - A2		50,874
Cisco Systems Incorporated Moody's - A1		51,360
GE Cap Corp Med Term Note Moody's - Aa2		20,643
General Dynamics Corporation Moody's - A2		50,208
Goldman Sachs Group, Inc. S&P- A		52,795
Hewlett Packard Corporation Moody's - A2		26,985
Met Life Incorporated Moody's - A3		53,614
Shell International Financial Moody's - Aa1		51,095
		<u>\$ 409,614</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

	Rating	Fair Value
Long-term Investments (con't)		
<i>Component Units</i>		
Items subject to credit risk:		
Municipal Bonds		
City Not Rated		\$ 55,233
City Moody's - Aaa		154,341
City Moody's - Aa2		273,567
City Moody's - Aa3		202,383
City Moody's - Baa1		96,942
County Moody's - Aa2		241,057
Other Not Rated		4,475
Other Moody's - Aaa		329,973
Other Moody's - Aa2		211,637
Other Moody's - Aa3		85,146
Other Moody's - A1		35,022
Other Moody's - A2		25,007
Other Moody's - A3		102,177
Other Moody's - Baa1		25,107
Other Moody's - Baa2		74,927
State Moody's - Aa1		154,038
State Moody's - Aa3		30,416
State Moody's - A1		106,190
		<u>\$ 2,207,638</u>
Alternative Investments Not Rated		
Hedge Funds		\$ 21,631,791
Private Equity		22,441,927
Real Assets		1,462,466
		<u>\$ 45,536,184</u>
Total items subject to credit risk		<u>\$ 52,827,355</u>
Total Long-term Investments		<u><u>\$ 121,374,680</u></u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

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		\$ 1,422,750
Money Market Not Rated		\$ 4,886,558
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>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

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, Inc 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 Serv Corp	Moody's - A2	4,192,629
Catepillar Financial Serv Corp	Moody's - A2	1,498,635
John Deere Capital Corp	Moody's - A2	2,997,151
John Deere Corp Notes	Moody's - A2	1,000,830
Du Pont E I De Nemours	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 Corp Notes	Moody's - A2	847,601
General Dynamics Corp	Moody's - A2	2,290,800
GE Capital Corporation	Moody's - Aa2	2,859,546
GE Capital Corp (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 Co 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	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 Co	Moody's - Aa3	2,002,920
3M Company Notes	Moody's - Aa2	712,068
United Technologies Corp	Moody's - A2	2,057,740
Verizon Wireless Capital	Moody's - A2	2,061,350
Wal-Mart Stores Inc 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, 2010 and 2009

	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, 2010 and 2009

Short-term Investments	Rating	Fair Value
<i>Component Units</i>		
Items not subject to credit risk:		
U.S. Treasury Securities		\$ 167,138
Mutual Funds		1,231,210
Equity		2,787,908
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 US Govt Sec Not Rated		\$ 27,375
FHLMC Moody's - Aaa		115,126
FNMA Moody's - Aaa		110,553
		<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, Inc Moody's - A1		46,277
Dow Chemical Company Moody's - Baa3		30,909
Eksportfinans Moody's - Aa1		26,473
General Electric Capital Corp Moody's - Aa2		42,827
JP Morgan Chase & Co Moody's - Aa3		45,817
McDonald's Corp Moody's - A3		16,478
Merck & Company Moody's - Aa3		28,313
MetLife, Inc Moody's - A2		38,903
Wal-Mart Stores Inc Moody's - Aa2		16,729
		<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, 2010 and 2009

	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, 2010 and 2009

	Rating	Fair Value
Long-term Investments		
<i>Component Units</i>		
Items not subject to credit risk:		
Certificates of Deposit		\$ 60,666
Mutual Funds		21,013,663
Equity		44,580,688
Real Estate		104,687
		<u> .</u>
Total items not subject to credit risk		<u>\$ 65,759,704</u>
 Items subject to credit risk:		
Money Market Not Rated		<u>\$ 4,487,424</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 Ser Inc S&P- A		52,077
Catepillar Financial Serv Inc Moody's - A2		52,077
GE Cap Corp Med Term Note Moody's - Aa2		20,962
General Dynamics Corp Moody's - A2		51,683
Goldman Sachs Group, Inc. S&P- A		62,808
HSBC Finance Corp 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, 2010 and 2009

Long-term Investments (con't)

Component Units

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 \$ 43,167,577

Total Long-term Investments \$ 108,927,281

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(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, 2010 and their exposure to interest rate risk are as follows:

Short-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:					
Money Market Deposit	\$ 1,406,706				
Cerfificates of Deposit	4,146,595				
Equity	1,796,452				
	<u>\$ 7,349,753</u>				
Items subject to interest rate risk:					
Cash	\$ 65,150	\$ 65,150	\$ -	\$ -	\$ -
Money Market	\$ 46,510,336	\$ 46,510,336	\$ -	\$ -	\$ -
Commercial Paper					
Allied Irish Banks	\$ 1,832,169	\$ 1,832,169	\$ -	\$ -	\$ -
FCAR Owner Trust	8,533,426	8,533,426	-	-	-
	<u>\$ 10,365,595</u>	<u>\$ 10,365,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Treasury Securities					
Treasury Notes	\$ 88,999,184	\$ 5,579,901	\$ 83,419,283	\$ -	\$ -
Treasury TIPS	6,391,789	-	6,391,789	-	-
Treasury STRIPS	11,426,441	4,395,688	7,030,753	-	-
	<u>\$ 106,817,414</u>	<u>\$ 9,975,589</u>	<u>\$ 96,841,825</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Gov't Agencies					
FFCB	\$ 4,094,132	\$ 4,094,132	\$ -	\$ -	\$ -
FHLB	24,572,295	16,955,105	7,617,190	-	-
FHLMC	42,436,019	24,867,497	17,568,522	-	-
FNMA	40,290,462	26,612,192	13,678,270	-	-
	<u>\$ 111,392,908</u>	<u>\$ 72,528,926</u>	<u>\$ 38,863,982</u>	<u>\$ -</u>	<u>\$ -</u>

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Short-term Investments (con't)	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
<i>Primary Institution</i>					
Items subject to interest rate risk:					
Corporate Bonds/Notes					
Abbott Labs	\$ 1,020,840	\$ 1,020,840	\$ -	\$ -	\$ -
Alabama Power Company	1,016,610	1,016,610	-	-	-
Alabama Power Co Sr Notes	189,447	189,447	-	-	-
Boeing Company	1,265,538	-	1,265,538	-	-
Catepillar Financial Serv Corp	1,011,590	-	1,011,590	-	-
Covidien International	1,012,170	1,012,170	-	-	-
Eli Lilly & Company	364,976	-	364,976	-	-
General Dynamics Corp Notes	823,403	823,403	-	-	-
General Dynamics Corp	1,006,760	-	1,006,760	-	-
General Electric Capital Corp	3,994,840	3,994,840	-	-	-
Genentech Incorporated	2,502,425	2,502,425	-	-	-
Hewlett-Packard Company	1,867,429	-	1,867,429	-	-
IBM Corporation	993,583	-	993,583	-	-
John Deere Capital Corp	1,508,130	-	1,508,130	-	-
Medtronic Incorporated	604,536	604,536	-	-	-
Northern States Power-Minn	501,435	501,435	-	-	-
Novartis Capital Global	1,273,963	-	1,273,963	-	-
Oracle/Ozark Holding Global	408,384	408,384	-	-	-
Pfizer Incorporated	2,738,043	2,738,043	-	-	-
Praxair Incorporated	1,266,525	-	1,266,525	-	-
Shell International Finance	1,260,500	-	1,260,500	-	-
Teva Pha Fin III	767,907	-	767,907	-	-
Wal-Mart Stores Sr Notes	251,178	251,178	-	-	-
	<u>\$ 27,650,212</u>	<u>\$ 15,063,311</u>	<u>\$ 12,586,901</u>	<u>\$ -</u>	<u>\$ -</u>
Municipal Bonds					
City	\$ 238,840	\$ 238,840	\$ -	\$ -	\$ -
County	4,326,219	448,413	3,877,806	-	-
State	3,445,216	1,028,100	2,417,116	-	-
Other	2,988,852	2,017,290	971,562	-	-
	<u>\$ 10,999,127</u>	<u>\$ 3,732,643</u>	<u>\$ 7,266,484</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 313,800,742</u>	<u>\$ 158,241,550</u>	<u>\$ 155,559,192</u>	<u>\$ -</u>	<u>\$ -</u>
Total Short-term Investments	<u><u>\$ 321,150,495</u></u>				

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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	2,518,003			
Other	29,061			
Equity	2,840,158			
	<u>\$ 5,387,222</u>			
Items subject to interest rate risk:				
Certificates of Deposit	\$ 1,104,118	\$ 1,104,118	\$ -	\$ -
Corporate Bonds/Notes				
Catepillar, Inc	\$ 25,437	\$ 25,437	\$ -	\$ -
HSBC Finance Corp	50,839	50,839	-	-
Morgan Stanley	25,371	25,371	-	-
	<u>\$ 101,647</u>	<u>\$ 101,647</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 1,205,765</u>	<u>\$ 1,205,765</u>	<u>\$ -</u>	<u>\$ -</u>
Total Short-term Investments	<u>\$ 6,592,987</u>			

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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:					
Money Market-Deposits	\$ 2,547				
Certificates of Deposit	1,016,903				
Mutual Funds	28,576,193				
Equity	80,984,294				
Alternative Investments	66,185,132				
	<u>\$ 176,765,069</u>				
Items subject to interest rate risk:					
Money Market	\$ 20,038,746	\$ 13,457,528	\$ 6,581,218	\$ -	\$ -
Repurchase Agreements	\$ 13,438,588	\$ 13,438,588	\$ -	\$ -	\$ -
U.S. Treasury Notes	\$ 757,429	\$ -	\$ 757,429	\$ -	\$ -
U.S. Gov't Agencies FFCB	\$ 251,712	\$ -	\$ 251,712	\$ -	\$ -
Corporate Bonds/Notes					
Boeing Capital Corporation	\$ 207,928	\$ 207,928	\$ -	\$ -	\$ -
Catepillar Financial Series	203,697	-	203,697	-	-
Cellco Partners/Verizon	206,055	206,055	-	-	-
Cisco Sysems, Incorporated	183,919	183,919	-	-	-
Covidien International Finance	202,428	-	202,428	-	-
Hewlett Packard Corporation	203,963	203,963	-	-	-
IBM Corporation	205,015	-	205,015	-	-
John Deer Capital Corporation	202,271	-	202,271	-	-
Medtronic Incorporated	202,701	202,701	-	-	-
Novartis Capital Global	204,220	-	204,220	-	-
Oracle/Ozark Holding Global	215,767	215,767	-	-	-
Paccar Financial Corporation	203,182	-	203,182	-	-
Praxair, Incorporated	203,840	-	203,840	-	-
Proctor & Gamble Corporation	203,186	-	203,186	-	-
SBC Communications, Inc	126,112	126,112	-	-	-
Wal Mart Stores Incorporated	102,603	102,603	-	-	-
	<u>\$ 3,076,887</u>	<u>\$ 1,449,048</u>	<u>\$ 1,627,839</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 37,563,362</u>	<u>\$ 28,345,164</u>	<u>\$ 9,218,198</u>	<u>\$ -</u>	<u>\$ -</u>
Total Long-term Investments	<u>\$ 214,328,431</u>				

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Long-term Investments	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
<i>Component Units</i>					
Items not subject to interest rate risk:					
Certificates of Deposit	\$ 61,110				
Mutual Funds	20,628,903				
Equity	47,593,747				
Alternative Investments	45,536,184				
Real Estate	263,565				
	<u>\$ 114,083,509</u>				
Items subject to interest rate risk:					
Money Market	\$ 4,514,978	\$ -	\$ 4,514,978	\$ -	\$ -
U.S. Gov't Agencies					
FFCB	\$ 77,766	\$ -	\$ 77,766	\$ -	\$ -
FHLB	81,175	81,175	-	-	-
	<u>\$ 158,941</u>	<u>\$ 81,175</u>	<u>\$ 77,766</u>	<u>\$ -</u>	<u>\$ -</u>
Corporate Bonds/Notes					
Bank of America	\$ 52,040	\$ -	\$ 52,040	\$ -	\$ -
Catepillar Financial Serv Inc	50,874	50,874	-	-	-
Cisco Systems Incorporated	51,360	51,360	-	-	-
GE Cap Corp Med Term Note	20,643	20,643	-	-	-
General Dynamics Corporation	50,208	50,208	-	-	-
Goldman Sachs Group, Inc.	52,795	-	52,795	-	-
Hewlett Packard Corporation	26,985	-	26,985	-	-
Met Life Incorporated	53,614	-	53,614	-	-
Shell International Financial	51,095	-	-	51,095	-
	<u>\$ 409,614</u>	<u>\$ 173,085</u>	<u>\$ 185,434</u>	<u>\$ 51,095</u>	<u>\$ -</u>
Municipal Bonds					
City	\$ 782,466	\$ -	\$ -	\$ -	\$ 782,466
County	241,057	-	-	-	241,057
Other	893,471	10,257	70,095	112,161	700,958
State	290,644	-	-	-	290,644
	<u>\$ 2,207,638</u>	<u>\$ 10,257</u>	<u>\$ 70,095</u>	<u>\$ 112,161</u>	<u>\$ 2,015,125</u>
	<u>\$ 7,291,171</u>	<u>\$ 264,517</u>	<u>\$ 4,848,273</u>	<u>\$ 163,256</u>	<u>\$ 2,015,125</u>
Total Long-term Investments	<u><u>\$ 121,374,680</u></u>				

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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	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:					
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. Gov't Agencies					
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>

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Short-term Investments (con't)	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
<i>Primary Institution</i>					
Items subject to interest rate risk:					
Corporate Bonds/Notes					
Abbott Labs	\$ 1,033,950	\$ -	\$ 1,033,950	\$ -	\$ -
Alabama Power Company	1,036,150	-	1,036,150	-	-
Alabama Power Co Sr Notes	193,560	-	193,560	-	-
Amgen, Inc 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 Serv Corp	3,519,675	3,519,675	-	-	-
Catepillar Financial Serv Corp	2,171,589	-	2,171,589	-	-
John Deere Capital Corp	2,997,151	1,016,570	1,980,581	-	-
John Deere Corp Notes	1,000,830	1,000,830	-	-	-
Du Pont E I De Nemours	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 Corp Notes	847,601	-	847,601	-	-
General Dynamics Corp	2,290,800	-	2,290,800	-	-
GE Capital Corporation	2,859,546	2,859,546	-	-	-
GE Capital Corp (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	-	-	-
Halliburton Company	1,045,890	-	1,045,890	-	-
Hewlett-Packard Company	1,043,200	-	1,043,200	-	-
Hewlett-Packard Co 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	2,042,440	2,042,440	-	-	-
Pfizer Incorporated	5,116,261	-	5,116,261	-	-
Praxair Incorporated	801,552	801,552	-	-	-
The Proctor and Gamble Co	2,002,920	2,002,920	-	-	-
3M Company Notes	712,068	712,068	-	-	-
United Technologies Corp	2,057,740	2,057,740	-	-	-
Verizon Wireless Capital	2,061,350	-	2,061,350	-	-
Wal-Mart Stores Inc 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>

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Short-term Investments (con't)	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	5-10 Years	Greater than 10 Years
<i>Primary Institution</i>					
Items subject to interest rate risk:					
Municipal Bonds					
City	\$ 1,870,860	\$ 1,635,773	\$ 235,087	\$ -	\$ -
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>\$ 377,636,627</u>				

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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. Gov't Agencies					
Morgan Stanley US Govt Sec	\$ 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, Inc	46,277	-	-	46,277	-
Dow Chemical Company	30,909	-	30,909	-	-
Eksportfinans	26,473	-	26,473	-	-
General Electric Capital Corp	42,827	-	-	42,827	-
JP Morgan Chase & Co	45,817	-	45,817	-	-
McDonald's Corp	16,478	-	-	16,478	-
Merck & Company	28,313	-	-	-	28,313
MetLife, Inc	38,903	-	-	38,903	-
Wal-Mart Stores Inc	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>				

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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:					
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>				

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June 30, 2010 and 2009

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. Gov't Agencies					
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	\$ -	\$ -
Catepillar Financial Ser Inc	52,077	52,077	-	-	-
Catepillar Financial Serv Inc	52,077	52,077	-	-	-
GE Cap Corp Med Term Note	20,962	20,962	-	-	-
General Dynamics Corp	51,683	51,683	-	-	-
Goldman Sachs Group, Inc.	62,808	62,808	-	-	-
HSBC Finance Corp	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><u>\$ 108,927,281</u></u>				

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June 30, 2010 and 2009

- (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, 2010, the University has 41.11% of its investments in U.S. Treasuries, U.S. government agencies or mutual funds. Of the remaining 58.89%, the largest concentration, 9.76%, is in a money market fund held at Morgan Stanley.

- (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, 2010 the University was not exposed to foreign currency fluctuations.

- (H) *Investment Income (Loss)*

At June 30, 2010 and 2009, investment income (loss) consists of the following:

	<u>2010</u>	<u>2009</u>
Primary Institution Investment Income (Loss)		
<i>Investment Revenue</i>		
Investment income	\$ 5,273,617	\$ 15,319,046
State Investment Council Permanent Fund distribution	9,238,338	10,284,371
<i>Realized Gains</i>		
State Investment Council Permanent Fund distribution	0	0
<i>Realized Gains/Losses</i>		
Endowments-Consolidated Investment Fund	(1,581,409)	(7,995,999)
Non-Endowment Investments	(422,311)	(670,777)
<i>Unrealized Gains/Losses</i>		
State Investment Council Permanent Fund distribution	12,918,522	(39,532,277)
<i>Unrealized Gains/Losses</i>		
Endowments-Consolidated Investment Fund	16,503,476	(37,545,829)
Non-Endowment Investments	515,402	2,085,261
	<u>\$ 42,445,635</u>	<u>\$ (58,056,204)</u>
Component Units Investment Income (Loss)	<u>\$ 12,428,391</u>	<u>\$ (24,808,932)</u>

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(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, 2010 and 2009, receivables consisted of the following:

	<u>2010</u>	<u>2009</u>
Primary Institution accounts receivable		
Contracts and grants	\$ 38,159,617	\$ 38,474,925
HSC health services	4,320,898	957,657
Sales and services	7,683,076	20,155,843
Auxiliaries	9,740,759	11,469,706
Tuition and fees	10,078,330	11,311,606
State of New Mexico bonds	2,075,233	9,437,606
Other	1,447,581	1,330,010
	<u>\$ 73,505,494</u>	<u>\$ 93,137,353</u>
Less: Allowances for doubtful accounts	<u>(15,074,181)</u>	<u>(18,177,610)</u>
	<u>\$ 58,431,313</u>	<u>\$ 74,959,743</u>
Component Units accounts receivable, net	<u>\$ 1,859,227</u>	<u>\$ 1,875,386</u>
Primary Institution patient receivables, net		
Patient receivables	\$ 293,553,520	\$ 261,105,238
Less: Allowance for doubtful accounts	<u>(204,001,514)</u>	<u>(178,597,955)</u>
	<u>\$ 89,552,006</u>	<u>\$ 82,507,283</u>
Primary Institution other receivables		
Bernalillo County Treasurer	\$ 1,462,524	\$ 1,481,242
Other receivables	1,798,582	5,622,524
	<u>\$ 3,261,106</u>	<u>\$ 7,103,766</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, 2010 and 2009, notes receivable consisted of the following:

	<u>2010</u>	<u>2009</u>
Primary Institution notes receivable, net		
Current notes receivable		
Student loans	<u>\$ 3,825,762</u>	<u>\$ 5,009,184</u>
Non-current notes receivable		
Student loans	<u>\$ 10,596,087</u>	<u>\$ 11,287,149</u>

Federal Perkins Loans make up approximately 74% and 73% of the student loans at June 30, 2010 and 2009, 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.

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(6) Capital Assets (in thousands)

	Year Ended June 30, 2010				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
University capital assets not being depreciated					
Land	\$ 39,509	582	-	-	\$ 40,091
Construction in-progress	131,518	127,599	(144,766)	-	114,351
Fabricated equipment in-progress	-	89	-	-	89
	<u>\$ 171,027</u>	<u>128,270</u>	<u>(144,766)</u>	<u>-</u>	<u>\$ 154,531</u>
University depreciable capital assets					
Land improvements	\$ 38,433	-	-	-	\$ 38,433
Infrastructure	127,634	-	19,214	-	146,848
Buildings	773,653	7,817	125,552	(70)	906,952
Equipment and furnishings	235,064	17,287	-	(14,143)	238,208
Library books	130,539	6,407	-	-	136,946
Total depreciable capital assets	<u>\$ 1,305,323</u>	<u>31,511</u>	<u>144,766</u>	<u>(14,213)</u>	<u>\$ 1,467,387</u>
Less: Accumulated depreciation for					
Land improvements	\$ (29,188)	(747)	-	-	\$ (29,935)
Infrastructure	(45,415)	(7,088)	-	-	(52,503)
Buildings	(276,019)	(22,953)	-	49	(298,923)
Equipment and furnishings	(171,087)	(20,196)	-	12,737	(178,546)
Library books	(116,106)	(6,526)	-	-	(122,632)
Total accumulated depreciation	<u>\$ (637,815)</u>	<u>(57,510)</u>	<u>-</u>	<u>12,786</u>	<u>\$ (682,539)</u>
University depreciable capital assets, net	<u>\$ 667,508</u>	<u>(25,999)</u>	<u>144,766</u>	<u>(1,427)</u>	<u>\$ 784,848</u>
Capital asset summary					
University capital assets not being depreciated	\$ 171,027	128,270	(144,766)	-	\$ 154,531
University depreciable capital assets at cost	1,305,323	31,511	144,766	(14,213)	1,467,387
University total cost of capital assets	\$ 1,476,350	159,781	-	(14,213)	\$ 1,621,918
Less: Accumulated depreciation	(597,341)	(53,273)	-	1,462	(651,200)
Less: Accumulated depreciation-Auxiliaries	(40,474)	(1,757)	-	10,892	(31,339)
University capital assets, net	<u>\$ 838,535</u>	<u>104,751</u>	<u>-</u>	<u>(1,859)</u>	<u>\$ 939,379</u>
Clinical Operations capital assets	\$ 549,836	26,769	-	(1,275)	\$ 575,330
Less: Accumulated depreciation	(245,228)	(33,843)	-	1,242	(277,829)
Clinical Operations capital assets, net	<u>\$ 304,608</u>	<u>(7,074)</u>	<u>-</u>	<u>(33)</u>	<u>\$ 297,501</u>
Primary Institution capital assets, net	<u>\$ 1,143,143</u>	<u>97,677</u>	<u>-</u>	<u>(1,892)</u>	<u>\$ 1,236,880</u>
Component Units capital assets, net	<u>\$ 83</u>	<u>5,576</u>	<u>-</u>	<u>-</u>	<u>\$ 5,659</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, 2010 and 2009, the University capitalized interest expense of approximately \$3,019,352 and \$367,360, respectively.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

(6) Capital Assets (in thousands)

	Year Ended June 30, 2009				
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
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	<u>\$ 1,365,489</u>	<u>121,172</u>	<u>-</u>	<u>(10,311)</u>	<u>\$ 1,476,350</u>
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>

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June 30, 2010 and 2009

(7) Accounts Payable and Accrued Payroll

At June 30, 2010 and 2009, accounts payable and accrued payroll consisted of the following:

	<u>2010</u>	<u>2009</u>
Primary Institution accounts payable and accrued payroll		
Trade payables	\$ 18,841,718	\$ 18,533,321
Clinical operations-trade payables	26,118,424	25,136,231
Accrued payroll	32,216,523	30,438,182
Clinical operations-accrued payroll	19,882,083	18,263,701
Self insurance reserve	16,533,884	5,025,463
Clinical operations-self insurance reserve	3,186,531	4,051,968
	<u>\$116,779,163</u>	<u>\$101,448,866</u>
Component Units accounts payable and accrued payroll	<u>\$ 1,493,835</u>	<u>\$ 966,507</u>

(8) Accrued Compensated Absences

During the years ended June 30, 2010 and 2009, 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>
2010	\$41,017,962	\$49,308,156	\$ (48,216,095)	\$ 42,110,023
2009	36,362,136	53,308,449	(48,652,623)	41,017,962

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, 2010 and 2009, other accrued liabilities consisted of the following:

	<u>2010</u>	<u>2009</u>
Primary Institution other accrued liabilities		
Bond interest	\$ 3,487,260	\$ 1,816,210
Clinical operations - bond interest	4,330,490	4,418,890
Other	6,655,515	5,663,148
Clinical operations - other	1,822,092	1,373,519
UNM Medical Group - other	6,865,995	2,275,510
	<u>\$ 23,161,352</u>	<u>\$ 15,547,277</u>
Component Units other accrued liabilities	<u>\$ 593,610</u>	<u>\$ 693,157</u>

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June 30, 2010 and 2009

(10) Deferred Revenue

At June 30, 2010 and 2009, deferred revenue consisted of the following:

	<u>2010</u>	<u>2009</u>
Primary Institution deferred revenue		
Contracts and grants	\$ 22,548,266	\$ 31,035,725
Prepaid tuition and fees	7,135,607	6,244,974
Sales and service	2,378,683	4,682,672
Prepaid auxiliary operations sales	-	175,025
	<u>\$ 32,062,556</u>	<u>\$ 42,138,396</u>
Component Units deferred revenue	<u>\$ 2,222,362</u>	<u>\$ 1,774,259</u>

(11) Long-Term Liabilities

At June 30, 2010 and 2009, long-term liabilities consisted of the following:

	<u>Year Ended June 30, 2010</u>					
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion	Noncurrent Portion
Primary Institution long-term liabilities						
Bonds payable	\$ 654,820,064	\$ -	\$ (15,148,080)	\$ 639,671,984	\$ 16,947,231	\$ 622,724,753
Student loan programs	14,539,067	518,890	(1,313,734)	13,744,223	-	13,744,223
Net OPEB obligation	6,999,000	9,891,000	-	16,890,000	-	16,890,000
Other	856,203	-	(217,844)	638,359	-	638,359
	<u>\$ 677,214,334</u>	<u>\$ 10,409,890</u>	<u>\$ (16,679,658)</u>	<u>\$ 670,944,566</u>	<u>\$ 16,947,231</u>	<u>\$ 653,997,335</u>
Component Units long-term liabilities						
Deferred annuities payable	\$ 3,174,987	\$ 65,922	\$ (372,590)	\$ 2,868,319	\$ 378,187	\$ 2,490,132
Due to University of New Mexico	4,306,959	6,051,843	-	10,358,802	10,118,802	240,000
	<u>\$ 7,481,946</u>	<u>\$ 6,117,765</u>	<u>\$ (372,590)</u>	<u>\$ 13,227,121</u>	<u>\$ 10,496,989</u>	<u>\$ 2,730,132</u>
	<u>Year Ended June 30, 2009</u>					
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion	Noncurrent Portion
Primary Institution long-term liabilities						
Bonds payable	\$ 672,033,545	\$ -	\$ (17,213,481)	\$ 654,820,064	\$ 14,722,739	\$ 640,097,325
Student loan programs	14,793,447	361,402	(615,782)	14,539,067	-	14,539,067
Deferred annuities payable	145,422	-	(145,422)	-	-	-
Net OPEB obligation	3,403,000	3,596,000	-	6,999,000	-	6,999,000
Other	718,166	138,037	-	856,203	-	856,203
	<u>\$ 691,093,580</u>	<u>\$ 4,095,439</u>	<u>\$ (17,974,685)</u>	<u>\$ 677,214,334</u>	<u>\$ 14,722,739</u>	<u>\$ 662,491,595</u>
Component Units long-term liabilities						
Deferred annuities payable	\$ 2,966,973	\$ 208,014	\$ -	\$ 3,174,987	\$ 408,897	\$ 2,766,090
Due to University of New Mexico	1,118,590	3,188,369	-	\$ 4,306,959	4,306,959	\$ -
	<u>\$ 4,085,563</u>	<u>\$ 3,396,383</u>	<u>\$ -</u>	<u>\$ 7,481,946</u>	<u>\$ 4,715,856</u>	<u>\$ 2,766,090</u>

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(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>2010</u>	<u>2009</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	122,125,000	123,910,000
FHA Insured Hospital Mortgage Revenue Bonds Series 2004 with interest ranging from 2.00% to 5.00% - final maturity 2031	179,005,000	183,395,000
Subordinate Lien System Refunding Revenue Bonds Series 2003A with interest ranging from 2.00% to 5.25% - final maturity 2018.	12,665,000	14,655,000
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	4,700,000	4,940,000
Subordinate Lien System Refunding & Improvement Revenue Bonds Series 2002A with interest ranging from 2.5% to 5.25% - final maturity 2032	47,570,000	49,325,000
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	25,090,000	25,275,000
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	36,740,000	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	41,020,000	42,780,000
System Revenue Bonds Series 2000 with interest ranging from 4.65% to 6.35% - final maturity 2029	3,886,944	4,959,683
System Revenue Refunding Bonds Series 1992-A with interest ranging from 5.60% to 6.25% - final maturity 2021	22,365,000	23,810,000
	<u>\$ 637,461,944</u>	<u>\$ 652,184,683</u>
Add: Bond premium	10,792,348	12,125,189
Less: Loss on defeased bonds	(4,215,620)	(4,639,157)
Bond discounts	(2,215,557)	(2,319,385)
Current portion of bonds payable	(16,947,231)	(14,722,739)
Bond insurance and surety premiums	(1,106,102)	(1,442,683)
Original issue discount	(1,045,029)	(1,088,583)
Long term bonds payable	<u>\$ 622,724,753</u>	<u>\$ 640,097,325</u>

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Future debt service as of June 30, 2010 for the bonds is as follows:

Year ending June 30	Principal	Interest	Total
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	20,067,934	27,332,145	47,400,079
2016-2020	116,512,233	120,545,236	237,057,469
2021-2025	148,015,000	87,073,758	235,088,758
2026-2030	140,640,000	51,732,327	192,372,327
2031-2035	130,640,000	17,679,225	148,319,225
2036-	9,340,000	467,000	9,807,000
	<u>\$ 637,461,944</u>	<u>\$ 421,965,439</u>	<u>\$ 1,059,427,383</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, 2010 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.

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Interest Rate Swap Agreements:

On June 30, 2010, the University had the following derivative instruments outstanding:

<u>Item/ Counter-party</u>	<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Fair Value</u>
A - JP Morgan	Pay-fixed/Receive variable interest rate swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	\$ 10,255,000	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.16% Fixed	\$(1,336,196)
B - JP Morgan	Pay-fixed/Receive variable interest rate swap	Hedge against rising SIFMA rates related to the 2002C Refunding Revenue Bonds (Underlying Swap)	36,740,000	10/30/2002	6/1/2030	Receive SIFMA USD - Pay 3.94% Fixed	(3,496,755)
C - JP Morgan	Pay-fixed/Receive variable interest rate swap	Hedge against rising SIFMA rates related to the 2002B Refunding Revenue Bonds (Underlying Swap)	25,090,000	1/14/2003	6/1/2026	Receive SIFMA USD - Pay 3.83% Fixed	(2,641,417)
D - RBC Royal Bank	Pay-fixed/Receive variable interest rate swap	Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap)	10,255,000	10/30/2002	6/1/2026	Receive SIFMA USD - Pay 4.185% Fixed	(1,357,106)
E - JP Morgan	Pay-variable/Receive variable interest rate swap	Hedge against falling SIFMA rates related to the 2001 System Improvement Revenue Bonds (Overlay Swap)	20,510,000	8/15/2006	6/1/2026	Receive 63.55% of Libor + .31% - Pay SIFMA	370,755
F - JP Morgan	Pay-variable/Receive variable interest rate swap	Hedge against falling SIFMA rates related to the 2002C Refunding Revenue Bonds (Overlay Swap)	36,740,000	8/15/2006	6/1/2026	Receive 63.55% of Libor + .31% - Pay SIFMA	481,420

The fair values of the interest rate swaps are estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

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Risks

Credit risk. Each of the University's derivative instruments is held with the same counterparty except for Derivative Instrument D. Deterioration of credit ratings could indicate a potential inability of the counter party to make the required periodic payments. The credit ratings for each of the counterparties are as follows:

<u>Derivative Instrument</u>	<u>Counter-party Credit Rating</u>
A, B, C, E & F	A+
D	B+

Interest rate risk. The University is exposed to interest rate risk on all of its interest rate swaps. As the Securities Industry and Financial Markets (SIFMA) swap index decreases, the University's net payment on the underlying swaps increases. On its pay-variable (SIFMA), receive-variable (LIBOR) overlay interest rate swaps, as LIBOR and the Securities Industry and Financial Markets Association (SIFMA) swap index increases, the University's net payment on the overlay swaps increases.

Basis risk. The variable-rate debt hedged by the University's derivative instruments are variable-rate demand obligation (VRDO) bonds that are remarketed every 7 days. The University is exposed to basis risk on its pay-variable (SIFMA), receive variable (LIBOR) overlay interest rate swaps because the variable-rate payments received by the University on these derivative instruments are based on a rate (LIBOR) other than the index (SIFMA) the University pays on the VRDO bonds. At June 30, 2010, the SIFMA variable rate is .38% while the percentage of LIBOR rate is 1.52%.

Termination risk. The University or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In addition, the University is exposed to termination risk on Derivative Instruments B and C because the contract provides the counterparty with a knock-out option to terminate the contract if the 180 day SIFMA is equal to or greater than 7%. The 180 day SIFMA is defined as the weighted average rate taken off the USD floating SIFMA Index Rates published within the previous 180 day period. If at the time of termination, a derivative instrument is in a liability position, the University would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

Rollover risk. The University is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the debt. When these derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the University will be re-exposed to the risks being hedged by the derivative instrument. Derivative Instruments B and C expose the University to rollover risk because the counterparty has the option to terminate the contract by exercising a knock-out option.

Foreign Currency risk. The University has no exposure to foreign currency risk from its derivative instruments.

Commitments

All of the University's derivative instruments include provisions that require the University to post collateral in the event its credit rating falls below certain levels. The University has entered into a two-way Credit Support Annex (CSA) with the swap counter-parties which is based on each party's long-term unsecured unsubordinated debt rating. The following matrix dictates the potential collateral postings if the swaps mark-to-market values are above the mandated thresholds.

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Rating	Swap MTM Threshold
AA-/Aa2 and >	USD \$25,000,000
AA-/Aa3	USD \$20,000,000
A+/A1	USD \$15,000,000
A/A2	USD \$10,000,000
A-/A3	USD \$5,000,000
BBB+/Baaa1 and <	0

The collateral to be posted is to be in the form of U.S. Treasury securities in the amount of the fair value of derivative instruments in liability positions net of the effect of applicable netting arrangements. If the University or the counterparty does not post collateral, the derivative instrument may be terminated. The University's credit rating is AAA/Aaa at June 30, 2010; therefore, no collateral has been posted.

Derivative Instrument Payments and Hedged Debt

As of June 30, 2010, aggregate debt service requirements of the University's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are presented below. These amounts assume that current interest rates on variable-rate bonds and current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. The hedging derivative instruments column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.

Fiscal Year Ending June 30	Principal	Interest	Hedging Derivative Instruments, Net	Total
2011	\$2,385,000	\$ 108,703	\$ 2,827,881	\$ 5,321,584
2012	3,650,000	148,903	2,589,919	6,388,822
2013	4,260,000	204,985	2,237,766	6,702,751
2014	4,450,000	241,634	1,942,088	6,633,722
2015	4,620,000	278,796	1,632,049	6,530,845
2016	4,820,000	295,466	1,398,386	6,513,852
2017	4,650,000	306,241	1,177,836	6,134,077
2018	4,840,000	299,527	1,028,607	6,168,134
2019	5,570,000	288,296	886,879	6,745,175
2020	6,320,000	272,276	745,772	7,338,048
2021	6,580,000	247,444	627,098	7,454,542
2022	6,855,000	218,350	515,902	7,589,252
2023	7,155,000	183,455	420,133	7,758,588
2024	7,465,000	144,409	330,479	7,939,888
2025	7,770,000	100,987	247,451	8,118,438
2026	9,900,000	52,268	179,568	10,131,836
2027	2,900,000	-	100,572	3,000,572
2028	3,030,000	-	71,878	3,101,878
2029	3,160,000	-	44,477	3,204,477
2030	2,470,000	-	18,525	2,488,525

Fiscal Year Changes in Swap Valuations

Fiscal year 2010 was the initial year for the implementation of GASB Statement 53, which requires the University to disclose its interest rate swap valuations in the audited financial statements. The swaps were put in place starting in

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fiscal years 2002 and 2003. The University has recorded the swaps at their estimated fair values as of June 30, 2010. Swaps A through D are deemed cash flow hedges, and therefore, in addition to recording the liability at fair value, the University has recorded an offsetting asset titled "deferred cash outflow". Swaps E and F are not cash flow hedges but rather are considered investment swaps, and changes in their fair value are to be recorded to investment income (loss). Given the fair value of swaps E and F are not material at either June 30, 2010 or 2009, their entire fair values were recorded to investment income in fiscal year 2010 rather than restating the 2009 financial statements. The fair value change for fiscal year 2010 (from July 1, 2009 to June 30, 2010) for the hedge instruments was a \$3,834,963 increase to the liability.

(13) Health Care Revenue

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

Primary Institution	2010	2009
Charges at established rates	\$ 384,737,880	\$ 375,572,604
Charity care	(51,451,431)	(45,583,724)
Contractual adjustments	(119,567,289)	(107,974,791)
Provision for doubtful accounts, net	(24,640,123)	(23,247,429)
Total net patient services revenues	<u>\$ 189,079,037</u>	<u>\$ 198,766,660</u>

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

Clinical Operations	2010	2009
Charges at established rates	\$1,217,882,668	\$1,146,251,000
Charity care	(217,448,839)	(188,246,901)
Contractual adjustments	(449,931,643)	(392,942,451)
Provision for doubtful accounts, net	(69,812,684)	(98,728,054)
Net patient services revenues	<u>\$ 480,689,502</u>	<u>\$ 466,333,594</u>
Other operating revenues	<u>10,298,628</u>	<u>11,557,448</u>
Total operating revenues	<u>\$ 490,988,130</u>	<u>\$ 477,891,042</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 2005 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. Such estimates are reported as estimated third-party payor settlements in the accompanying Statements of Net Assets.

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, 2010 and 2009, the University and the clinical operations had various lease arrangements summarized as follows:

(A) *University and clinical operations as Lessees*

(a) Capital Leases

Any existing capital leases are immaterial and accordingly, there are no capital leases recorded at June 30, 2010 and 2009.

(b) Operating Leases

The University's rent expense for operating leases amounted to \$5,890,976 and \$6,062,864 for the years ended June 30, 2010 and 2009, 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 \$9,609,000 and \$10,357,000 in 2010 and 2009, respectively, and includes amounts paid to the University of \$3,299,738 and \$2,364,177 in 2010 and 2009, 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, 2010:

Year ending <u>June 30</u>	Lease <u>Payments</u>
2011	\$3,093,693
2012	1,117,964
2013	572,662
2014	406,277
2015	246,337
2016-2020	183,496
2021-2025	39,943
	<u>\$5,660,372</u>

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(B) *University as Lessor*

The University is lessor of various properties. For the years ended June 30, 2010 and 2009, respectively, total lease income, which includes annually renewable lease agreements, was \$5,157,412 and \$5,983,042.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2010:

Year ending	Lease
<u>June 30</u>	<u>Payments</u>
2011	\$4,635,784
2012	3,603,619
2013	3,262,611
2014	2,869,777
2015	311,170
2016-2020	1,298,056
2021-2025	2,532,661
2026-2030	325,197
2031-2035	426,277
2036-	1,567,268
	<u>\$20,832,420</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 2009-2010, the University paid Risk Management \$18,772,890 in insurance premiums. During fiscal year 2008-2009, the University paid Risk Management \$19,951,249 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 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

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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 to 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.

Effective July 1, 2009, the University began self-insuring its health and dental benefits. Under the plans, all eligible employees are provided access to the provider networks of Lovelace Health Plan and Presbyterian Health Plan for health services, and Delta Dental for dental services. Lovelace Health Plan and Presbyterian Health Plan provide administrative claim payment services for the University's health plans and Delta Dental for the dental plan. Liabilities are based on an estimate of claims that have been incurred but not reported, invoices received but not yet paid, and catastrophic claims not covered by our excess claims carriers. At June 30, 2010, the estimated amount of the University's claims and accrued invoices was \$16.5 million, which is included in accrued payroll. The liability for claims incurred but not reported was based on the actuarial analysis calculated using information provided by Healthcare Analytics. Changes in the reported liability for health, dental, and life operations resulted from the following:

	Beginning of Fiscal -Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal-Year End
2009-2010	\$ -	\$64,848,135	\$(48,314,251)	\$16,533,884

The UNM Hospital sponsors a self-insured health plan in which UNM Behavioral Operations 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, 2010 and 2009, the estimated amount of the Hospital's claims and accrued invoices was \$2.9 million and \$3.7 million, respectively, which is included in accrued payroll. As the Hospital receives all cash and pays all obligations of UNM Behavioral Operations, the estimated amount of the UNM Behavioral Operations' claims and accrued invoices recorded in the Hospital's accrued payroll was approximately \$287,000 and \$358,000 at June 30, 2010 and 2009. 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 for clinical operations resulted from the following:

	Beginning of Fiscal -Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal-Year End
2009-2010	\$ 4,051,968	\$ 28,180,196	\$ (29,045,633)	\$3,186,531
2008-2009	2,967,781	25,437,267	(24,353,080)	4,051,968

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(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 covered salary if they earn less than \$20,000 per year and 9.4% of their gross covered salary if they earn \$20,000 or more per year. The University is required to contribute 12.4% of the gross covered salary for members that earn less than \$20,000 per year and 10.9% of the gross covered salary for members that earn \$20,000 or more per year. 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, 2010, 2009, and 2008, were \$42,968,211, \$43,803,696, and \$38,968,790, respectively, which equal the amount of the required contributions for each fiscal year.

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 based on actuarial cost and ranges from approximately 18% of current full time earnings to as much as 68% of current full time earnings for each year of service 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.

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(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.

The Hospital also 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.

In addition, the Hospital has a 401(a) defined contribution plan, called the UNM Hospital 401(a) Plan, which was established for the purpose of providing retirement benefits for eligible participants and their beneficiaries. The 401(a) plan allows for tax-deferred employer contributions on a percentage-of-salary basis. The plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. All assets of the plan are held in a trust fund, are not considered hospital assets, and are under the direction of a Plan Administrator.

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 115 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 \$10,759,000 and \$9,299,000 in 2010 and 2009, respectively. Total employee contributions under the plans were \$13,281,000 and \$12,434,000 in 2010 and 2009, respectively.

(C) Other Post Employment Benefits

Plan Description. The University and the UNM Hospital and UNM Behavioral Operations are single employers that offer employees and their eligible dependents retiree benefits. The UNM Hospital and UNM Behavioral Operations employees and retirees participate under the same benefit plan. Therefore, for the purpose of this consolidated footnote, "the Hospital", refers to these two 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

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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, 2009, there were 2,121 retirees, 5,421 not fully eligible active employees, and 890 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 (hire date prior to July 1, 2009) and 75 (hire date after July 1, 2009).

For the Hospital, at the date of valuation July 1, 2009, 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.

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 2010 was \$5,276,000, net of retiree contributions. The pay as you go expense of the Hospital for fiscal year 2010 was \$132,000, 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, 2009 actuarial valuations, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% percent annual discount rate. 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 5%, and dental benefits on a select and ultimate basis at 5%. 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 2% 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

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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	\$ 12,213,000	\$ 3,038,884	\$ 15,251,884
Interest on net OPEB obligation	263,000	47,000	310,000
Adjustment to annual required contribution	(223,000)	(40,000)	(263,000)
Annual OPEB cost (expense)	12,253,000	3,045,884	15,298,884
Contributions made	5,276,000	131,884	5,407,884
Increase in net OPEB obligation	6,977,000	2,914,000	9,891,000
Net OPEB obligation beginning of year	5,836,000	1,163,000	6,999,000
Net OPEB obligation end of year	\$ 12,813,000	\$ 4,077,000	\$ 16,890,000

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the OPEB obligation for fiscal year 2010 is as follows:

	University	Hospital	Total
Annual OPEB Cost	\$ 12,253,000	\$ 3,045,884	\$ 15,298,884
% of Annual OPEB Cost Contributed	43.1%	4.3%	35.3%
Net OPEB Obligation	\$ 12,813,000	\$ 4,077,000	\$ 16,890,000

Funded Status and Funding Progress. As of July 1, 2009, the most recent 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 \$131,868,000, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of the full \$131,868,000, or a funded ratio of 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$485,663,779, and the ratio of the UAAL to the covered payroll was 27.2%.

The Hospital's AAL was \$20,287,000, and the actuarial value of assets was zero, resulting in an UAAL of the full \$20,287,000 or a funded ratio of 0%. The covered payroll was \$234,708,560 and the ratio of the UAAL to the covered payroll was 8.6%.

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.

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(17) Commitments and Contingencies

(A) Commitments

In addition to the lease commitments in Note 14, the Primary Institution had commitments totaling \$202,678,776 and \$374,802,753 for the years ended June 30, 2010 and 2009, respectively. These commitments consisted of the following:

	<u>2010</u>	<u>2009</u>
Materials and Services	\$ 98,846,296	\$ 165,121,851
Construction Projects	103,832,480	209,680,902
Total	<u>\$ 202,678,776</u>	<u>\$ 374,802,753</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:

	<u>Annual</u> <u>Contribution</u>
2011	\$ 2,621,545
2012	2,728,351
2013	2,325,566
2014	2,420,313
2015	2,518,921
2016-2017	5,349,896
	<u>\$ 17,964,592</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

(18) Unrestricted Net Assets – Committed and Dedicated

Unrestricted net assets are subject to contractual commitments and dedications to support the missions of the University in current and future years. The net assets of unrestricted funds of the Primary Institution fall into one of three categories:

- **Committed:** A formal, written commitment/contract has been made for these funds. Examples include signed employment offer letters to Deans, Department Chairs, and Research Faculty, start-up funds for new research projects, cost share on awarded sponsored agreements, and appropriated state funding for special projects.
- **Dedicated:** An Executive Vice President, Vice President, Dean, or Department Chair has dedicated these funds for a clear, focused purpose to support the missions of the University.
- **Discretionary:** The remaining funds that are not committed or dedicated.

The following is a breakdown of the University's unrestricted net assets as of June 30, 2010:

Unrestricted net assets		\$ 480,739,644
Less:		
Working capital - patient care operations		
Clinical operations - UNMH's	136,525,725	
Physician services - SOM	<u>24,539,865</u>	
Total working capital - patient care operations		161,065,590
Committed		55,442,964
Dedicated		
Plant funds - repair and replacement	117,888,004	
Quasi endowment funds - Regents' scholarships	77,489,959	
Student loan funds	799,221	
Other	<u>56,357,131</u>	
Total dedicated		252,534,315
Ending discretionary funds balance		<u><u>\$ 11,696,775</u></u>

(19) 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, 933 Bradbury Street SE, Suite 2222, Albuquerque, NM 87106.

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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

(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.

(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 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.

(I) *Sandoval Regional Medical Center*

Sandoval Regional Medical Center (SRMC) was formed by the UNM Regents in August 2009 and is a New Mexico nonprofit corporation organized under and pursuant to the New Mexico University Research Park and Economic Development Act. The creation of SRMC is largely a result of collaborative efforts between the UNM Medical Group (UNMMG) and UNM Hospital (UNMH) and, accordingly, UNMMG and UNMH have representation on its board. SRMC, expected to open in the Spring of 2012, will be a 68-bed teaching hospital located in Sandoval County. Sandoval Regional Medical Center, 933 Bradbury Street SE, Suite 2222, Albuquerque, NM 87106.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010 and 2009

These entities were selected for inclusion based on criteria as set forth in GASB Statements' 14 and 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 Statement 14, The Financial Reporting Entity.

(20) Subsequent Events

The University continues to pursue initiatives to expand clinical services into Sandoval County. The Sandoval Regional Medical Center (SRMC) closed on its financing November 3, 2010 to build the new acute care community teaching facility and Medical Office Building in Sandoval County. At closing the majority of the \$6.0 million of costs incurred to date, which were funded by UNMMG until SRMC received its funding, were paid to UNMMG with the remainder expected to be funded by SRMC before the end of the second quarter of fiscal year 2011.

As a requirement of the SRMC bond issuance by the bond rating agencies, the Board of UNMMG approved, for the benefit of SRMC, the issuance of a Quick Draw letter of credit to the benefit of the bond trustee (Wells Fargo Bank N.A.) covering any shortfall occasioned by the negative arbitrage associated with the bond financing. UNMMG secured \$10,125,000 to be held by the bond trustee through the SRMC construction period. It is anticipated that the SRMC construction will be completed by June 30, 2012. The amount of the quick draw cash requirement will be recalculated upon each semi-annual bond debt service payment, at which, the funds in excess of the requirement will revert back to UNMMG.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Funding Progress and Employer Contributions
For the years ended June 30, 2010 and 2009

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	6/30/2010	\$ -	\$ 131,868,000	\$ 131,868,000	0%	\$ 485,663,779	27.2%
Clinical Operations	6/30/2010	\$ -	\$ 20,287,000	\$ 20,287,000	0%	\$ 234,708,560	8.6%
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%

Schedule of Employer Contributions

	<u>Fiscal Year Ending</u>	<u>Annual Required Contributions (ARC)</u>	<u>Actual Contributions</u>	<u>% Contributed</u>
University	6/30/2010	\$ 12,213,000	\$ 5,276,000	43%
Clinical Operations	6/30/2010	\$ 3,038,884	\$ 131,884	4%
University	6/30/2009	\$ 8,179,000	\$ 5,261,000	64%
Clinical Operations	6/30/2009	\$ 784,000	\$ 109,000	14%

Summary of Key Actuarial Methods and Assumptions

Valuation Year	July 1, 2008 to June 30, 2009
Actuarial Cost Method	Unit Credit Actuarial Cost Method
Amortization Method	30 Years
Discount Rate	4.5%
Projected Payroll Growth Rate	2%
Health Care Cost Trend Rate	Medical on a select basis at 11% and on an ultimate basis at 5%, and dental benefits on a select and ultimate basis at 5%. The select trend rates are reduced .5% each year until reaching the ultimate trend.

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THE UNIVERSITY OF NEW MEXICO

Combining Statement of Net Assets as of June 30, 2010 - 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	\$ 28,296,680	\$ 1,170,211	\$ 1,222,962
Short-term investments	-	592,314	-
Accounts receivable, net	-	1,066,927	74,470
Inventories	-	27,445	-
Due from The University of New Mexico	-	113,146	-
Other current assets	207,412	2,823	-
Total current assets	<u>\$ 28,504,092</u>	<u>\$ 2,972,866</u>	<u>\$ 1,297,432</u>
Non-current assets			
Investments	\$ 120,934,826	\$ 431,881	\$ 7,973
Other non-current assets	6,546,345	-	-
Capital assets			
Equipment and furnishings, net	-	-	36,842
Other capital assets, net	-	-	-
Total non-current assets	<u>\$ 127,481,171</u>	<u>\$ 431,881</u>	<u>\$ 44,815</u>
Total assets	<u>\$ 155,985,263</u>	<u>\$ 3,404,747</u>	<u>\$ 1,342,247</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 726,845	\$ 83,416	\$ 383,813
Due to The University of New Mexico	-	657,795	7,698
Deferred revenue	167,627	931,650	1,550
Other current liabilities	378,187	-	215,423
Total current liabilities	<u>\$ 1,272,659</u>	<u>\$ 1,672,861</u>	<u>\$ 608,484</u>
Non-current liabilities			
Due to The University of New Mexico	\$ -	\$ -	\$ -
Deferred annuities payable	2,490,132	-	-
Total non-current liabilities	<u>\$ 2,490,132</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>\$ 3,762,791</u>	<u>\$ 1,672,861</u>	<u>\$ 608,484</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 36,842
Restricted non-expendable	111,454,286	-	-
Restricted expendable	37,778,589	521,841	-
Unrestricted	2,989,597	1,210,045	696,921
Total net assets	<u>\$ 152,222,472</u>	<u>\$ 1,731,886</u>	<u>\$ 733,763</u>

SCHEDULE 2

University of New Mexico Lobo Club	Lobo Development Corp	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Sandoval Regional Medical Center (unaudited)	Total
\$ 4,385,722	\$ 187,791	\$ 327,052	\$ 2,034,889	\$ -	\$ 37,625,307
-	-	-	6,000,673	-	6,592,987
143,606	492,327	-	81,897	-	1,859,227
-	-	-	-	-	27,445
-	-	-	-	-	113,146
1,684	-	-	14,227	-	226,146
<u>\$ 4,531,012</u>	<u>\$ 680,118</u>	<u>\$ 327,052</u>	<u>\$ 8,131,686</u>	<u>\$ -</u>	<u>\$ 46,444,258</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,374,680
-	-	30	-	-	6,546,375
393	-	-	-	-	37,235
-	-	10,491	-	5,611,034	5,621,525
<u>\$ 393</u>	<u>\$ -</u>	<u>\$ 10,521</u>	<u>\$ -</u>	<u>\$ 5,611,034</u>	<u>\$ 133,579,815</u>
<u>\$ 4,531,405</u>	<u>\$ 680,118</u>	<u>\$ 337,573</u>	<u>\$ 8,131,686</u>	<u>\$ 5,611,034</u>	<u>\$ 180,024,073</u>
\$ 47,550	\$ 73,465	\$ 171,648	\$ 7,098	\$ -	\$ 1,493,835
3,170,217	280,784	-	-	6,002,308	10,118,802
1,121,535	-	-	-	-	2,222,362
-	-	-	-	-	593,610
<u>\$ 4,339,302</u>	<u>\$ 354,249</u>	<u>\$ 171,648</u>	<u>\$ 7,098</u>	<u>\$ 6,002,308</u>	<u>\$ 14,428,609</u>
\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ 240,000
-	-	-	-	-	2,490,132
<u>\$ -</u>	<u>\$ 240,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,730,132</u>
<u>\$ 4,339,302</u>	<u>\$ 594,249</u>	<u>\$ 171,648</u>	<u>\$ 7,098</u>	<u>\$ 6,002,308</u>	<u>\$ 17,158,741</u>
\$ 393	\$ -	\$ 10,491	\$ -	\$ -	\$ 47,726
-	-	-	-	-	111,454,286
35,943	-	-	31,211	-	38,367,584
155,767	85,869	155,434	8,093,377	(391,274)	12,995,736
<u>\$ 192,103</u>	<u>\$ 85,869</u>	<u>\$ 165,925</u>	<u>\$ 8,124,588</u>	<u>\$ (391,274)</u>	<u>\$ 162,865,332</u>

THE UNIVERSITY OF NEW MEXICO

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>

SCHEDULE 3

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

Combining Statement of Revenues, Expenses and Changes in Net Assets for the year ended June 30, 2010 -
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	\$ -	\$ 2,083,994	\$ 198,510
Grants, bequests and contributions	16,535,418	221,352	-
Operational support	5,749,985	-	1,686,200
Other operating revenues	594,663	22,190	3,777,863
Total operating revenues	<u>\$ 22,880,066</u>	<u>\$ 2,327,536</u>	<u>\$ 5,662,573</u>
EXPENSES			
Operating expenses			
General and administrative	\$ 9,393,340	\$ 1,627,726	\$ 1,507,473
Program expenses	-	608,651	3,781,442
Distributions to the University of New Mexico	26,807,949	-	-
Total operating expenses	<u>\$ 36,201,289</u>	<u>\$ 2,236,377</u>	<u>\$ 5,288,915</u>
Net operating income (loss)	<u>\$ (13,321,223)</u>	<u>\$ 91,159</u>	<u>\$ 373,658</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	\$ 11,715,585	\$ 79,698	\$ 942
Other non-operating revenues	-	(50,000)	6,365
Total non-operating revenues	<u>\$ 11,715,585</u>	<u>\$ 29,698</u>	<u>\$ 7,307</u>
Income (loss) before other revenues	<u>\$ (1,605,638)</u>	<u>\$ 120,857</u>	<u>\$ 380,965</u>
Contributions to permanent endowments	<u>\$ 6,754,299</u>	<u>\$ -</u>	<u>\$ -</u>
Total other revenues	<u>\$ 6,754,299</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net assets	\$ 5,148,661	\$ 120,857	\$ 380,965
Net assets at beginning of year	<u>\$ 147,073,811</u>	<u>\$ 1,611,029</u>	<u>\$ 352,798</u>
Net assets at end of year	<u><u>\$ 152,222,472</u></u>	<u><u>\$ 1,731,886</u></u>	<u><u>\$ 733,763</u></u>

SCHEDULE 4

University of New Mexico Lobo Club	Lobo Development Corp	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Sandoval Regional Medical Center (unaudited)	Total
\$ 88,132	\$ 492,327	\$ 2,644,800	\$ -	\$ -	\$ 5,507,763
4,787,628	-	-	-	-	21,544,398
-	-	-	-	-	7,436,185
34,880	-	-	1,163,992	-	5,593,588
<u>\$ 4,910,640</u>	<u>\$ 492,327</u>	<u>\$ 2,644,800</u>	<u>\$ 1,163,992</u>	<u>\$ -</u>	<u>\$ 40,081,934</u>
\$ 356,621	\$ 36,450	\$ 102,252	\$ 59,146	\$ 391,274	\$ 13,474,282
5,331,667	751,908	2,599,936	731,289	-	13,804,893
-	-	-	-	-	26,807,949
<u>\$ 5,688,288</u>	<u>\$ 788,358</u>	<u>\$ 2,702,188</u>	<u>\$ 790,435</u>	<u>\$ 391,274</u>	<u>\$ 54,087,124</u>
\$ (777,648)	\$ (296,031)	\$ (57,388)	\$ 373,557	\$ (391,274)	\$ (14,005,190)
\$ 53,800	\$ 5,107	\$ 3,371	\$ 569,888	\$ -	\$ 12,428,391
-	-	-	81,927	-	38,292
<u>\$ 53,800</u>	<u>\$ 5,107</u>	<u>\$ 3,371</u>	<u>\$ 651,815</u>	<u>\$ -</u>	<u>\$ 12,466,683</u>
\$ (723,848)	\$ (290,924)	\$ (54,017)	\$ 1,025,372	\$ (391,274)	\$ (1,538,507)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,754,299
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,754,299</u>
\$ (723,848)	\$ (290,924)	\$ (54,017)	\$ 1,025,372	\$ (391,274)	\$ 5,215,792
\$ 915,951	\$ 376,793	\$ 219,942	\$ 7,099,216	\$ -	\$ 157,649,540
<u>\$ 192,103</u>	<u>\$ 85,869</u>	<u>\$ 165,925</u>	<u>\$ 8,124,588</u>	<u>\$ (391,274)</u>	<u>\$ 162,865,332</u>

THE UNIVERSITY OF NEW MEXICO

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	6,080,824	-	1,766,200
Other operating revenues	920,808	28,974	805,381
Total operating revenues	<u>\$ 35,835,490</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	22,089,474	-	-
Total operating expenses	<u>\$ 30,443,716</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 (loss)	\$ (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	\$ 7,765,934	\$ -	\$ -
Total other revenues	<u>\$ 7,765,934</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net assets	\$ (10,613,677)	\$ 25,514	\$ (202,041)
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>

SCHEDULE 5

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
-	-	-	-	7,847,024
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>\$ 49,624,473</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
-	-	-	-	22,089,474
<u>\$ 6,025,901</u>	<u>\$ 60,465</u>	<u>\$ 2,257,814</u>	<u>\$ 840,618</u>	<u>\$ 45,134,579</u>
\$ (744,214)	\$ (60,465)	\$ (334,214)	\$ 321,835	\$ 4,489,894
\$ 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>
\$ (644,135)	\$ (50,427)	\$ (321,683)	\$ (671,279)	\$ (20,243,662)
\$ -	\$ -	\$ -	\$ -	\$ 7,765,934
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,765,934</u>
\$ (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

SCHEDULE 6

Budget Comparison - Unrestricted and Restricted - All Operations
For the year ended June 30, 2010

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable/ (Unfavorable)
Unrestricted and Restricted Beginning Net Assets	\$ 308,252,123	\$ 386,683,297	\$ 386,683,298	\$ 1
Unrestricted and Restricted Revenues:				
Tuition and Fees	\$ 124,282,628	\$ 129,370,770	\$ 133,492,437	\$ 4,121,667
Miscellaneous Fees	15,533,177	18,263,379	19,564,025	1,300,646
Federal Government Appropriations	29,733,930	49,732,080	49,858,726	126,646
State Government Appropriations	332,537,769	318,747,367	317,768,895	(978,472)
Local Government Appropriations	5,590,112	6,036,105	5,944,082	(92,023)
Federal Government Contracts/Grants	172,866,410	174,920,668	158,902,918	(16,017,750)
State Government Contracts/Grants	81,897,839	81,327,268	57,524,359	(23,802,909)
Local Government Contracts/Grants	7,472,511	7,263,164	4,620,338	(2,642,826)
Private Contracts/Grants	43,604,533	50,303,396	53,919,665	3,616,269
Endowments	4,887,308	4,850,270	985,668	(3,864,602)
Land and Permanent Fund	7,677,245	7,677,245	9,238,337	1,561,092
Private Gifts	53,308	71,308	183,025	111,717
Sales and Services	350,306,725	342,235,716	327,763,131	(14,472,585)
Other	177,671,580	166,943,128	158,246,525	(8,696,603)
Total Unrestricted and Restricted Revenues	<u>\$ 1,354,115,075</u>	<u>\$ 1,357,741,864</u>	<u>\$ 1,298,012,131</u>	<u>\$ (59,729,733)</u>
Unrestricted and Restricted Expenditures:				
Instruction	\$ 250,393,132	\$ 254,040,129	\$ 242,946,627	\$ 11,093,502
Academic Support	49,412,858	49,390,824	48,193,435	1,197,389
Student Services	29,346,905	28,826,963	25,898,076	2,928,887
Institutional Support	58,881,560	55,303,143	51,097,885	4,205,258
Operations and Maintenance	52,584,364	57,094,052	46,830,749	10,263,303
Student Social and Cultural	7,970,862	7,993,496	7,413,922	579,574
Research	179,314,846	169,043,898	166,324,250	2,719,648
Public Service	329,928,610	305,048,800	282,277,570	22,771,230
Internal Services	4,496,227	6,499,932	(1,362,019)	7,861,951
Student Aid, Grants & Stipends	95,940,711	118,027,326	105,074,777	12,952,549
Auxiliary Services	59,393,440	56,292,961	51,641,094	4,651,867
Intercollegiate Athletics	29,280,598	31,345,000	27,661,225	3,683,775
Independent Operations	101,789,056	101,806,570	95,556,910	6,249,660
Capital Outlay	208,698,501	161,161,885	166,432,448	(5,270,563)
Building Renewal & Replacement	4,420,705	4,420,705	3,604,122	816,583
Retirement of Indebtedness	34,919,524	35,319,524	31,078,530	4,240,994
Total Unrestricted and Restricted Expenditures	<u>\$ 1,496,771,899</u>	<u>\$ 1,441,615,208</u>	<u>\$ 1,350,669,601</u>	<u>\$ 90,945,607</u>
Net Transfers	<u>\$ 8,168,485</u>	<u>\$ (684,261)</u>	<u>\$ 4,323,894</u>	<u>\$ 5,008,155</u>
Change in Net Assets (Budgetary Basis)	<u>\$ (134,488,339)</u>	<u>\$ (84,557,605)</u>	<u>\$ (48,333,576)</u>	<u>\$ 36,224,029</u>
Ending Net Assets	<u><u>\$ 173,763,784</u></u>	<u><u>\$ 302,125,692</u></u>	<u><u>\$ 338,349,722</u></u>	<u><u>\$ 36,224,030</u></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 Auditor's Report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 7

Budget Comparison - Unrestricted - Non-Instruction & General
For the year ended June 30, 2010

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable/ (Unfavorable)
Unrestricted Beginning Net Assets	\$ 289,248,155	\$ 359,400,842	\$ 359,400,843	\$ 1
Unrestricted Revenues:				
Tuition and Fees	\$ 12,829,000	\$ 12,829,000	\$ 13,397,228	\$ 568,228
Miscellaneous Fees	9,654,167	10,294,319	10,461,655	167,336
Federal Government Appropriations	-	-	-	-
State Government Appropriations	53,912,908	49,499,833	48,534,214	(965,619)
Local Government Appropriations	-	-	-	-
Federal Government Contracts/Grants	7,851,731	7,786,277	7,123,513	(662,764)
State Government Contracts/Grants	48,670,050	49,591,691	27,860,990	(21,730,701)
Local Government Contracts/Grants	612,390	449,550	394,421	(55,129)
Private Contracts/Grants	22,459,112	30,182,148	33,374,945	3,192,797
Endowments	850,461	770,140	841,904	71,764
Land and Permanent Fund	-	-	-	-
Private Gifts	53,308	71,308	183,025	111,717
Sales and Services	349,175,425	341,104,416	326,555,974	(14,548,442)
Other	124,043,561	117,124,668	107,265,707	(9,858,961)
Total Unrestricted Revenues	<u>\$ 630,112,113</u>	<u>\$ 619,703,350</u>	<u>\$ 575,993,576</u>	<u>\$ (43,709,774)</u>
Unrestricted Expenditures:				
Student Social and Cultural	\$ 7,520,862	\$ 7,543,496	\$ 7,233,789	\$ 309,707
Research	43,305,795	42,975,227	39,277,087	3,698,140
Public Service	266,952,079	238,803,083	221,109,667	17,693,416
Internal Services	4,296,227	6,299,932	(1,398,621)	7,698,553
Student Aid, Grants & Stipends	50,597,507	52,314,365	45,475,305	6,839,060
Auxiliary Services	59,043,440	55,942,961	51,523,788	4,419,173
Intercollegiate Athletics	29,235,598	31,300,000	27,630,525	3,669,475
Independent Operations	101,789,056	101,806,570	95,534,933	6,271,637
Capital Outlay	208,698,501	161,161,885	166,432,448	(5,270,563)
Building Renewal & Replacement	4,420,705	4,420,705	3,604,122	816,583
Retirement of Indebtedness	34,919,524	35,319,524	31,078,530	4,240,994
Total Unrestricted Expenditures	<u>\$ 810,779,294</u>	<u>\$ 737,887,748</u>	<u>\$ 687,501,573</u>	<u>\$ 50,386,175</u>
Net Transfers	<u>\$ 48,722,675</u>	<u>\$ 43,522,611</u>	<u>\$ 53,430,892</u>	<u>\$ 9,908,281</u>
Change in Net Assets (Budgetary Basis)	<u>\$ (131,944,506)</u>	<u>\$ (74,661,787)</u>	<u>\$ (58,077,105)</u>	<u>\$ 16,584,682</u>
Ending Net Assets	<u>\$ 157,303,649</u>	<u>\$ 284,739,055</u>	<u>\$ 301,323,738</u>	<u>\$ 16,584,683</u>

See accompanying Independent Auditor's Report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 8

Budget Comparison - Restricted - Non-Instruction & General
For the year ended June 30, 2010

	<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	29,616,904	49,615,054	49,729,972	114,918
State Government Appropriations	1,873,939	2,365,270	2,373,353	8,083
Local Government Appropriations	-	-	-	-
Federal Government Contracts/Grants	153,243,422	148,337,450	140,381,108	(7,956,342)
State Government Contracts/Grants	29,823,132	27,580,779	25,989,156	(1,591,623)
Local Government Contracts/Grants	5,960,121	5,642,811	4,113,909	(1,528,902)
Private Contracts/Grants	20,083,721	18,730,789	19,441,811	711,022
Endowments	346,847	390,130	143,764	(246,366)
Land and Permanent Fund	-	-	-	-
Private Gifts	-	-	-	-
Sales and Services	-	-	8,225	8,225
Other	-	162,971	1,051	(161,920)
Total Restricted Revenues	<u>\$ 240,948,086</u>	<u>\$ 252,825,254</u>	<u>\$ 242,182,349</u>	<u>\$ (10,642,905)</u>
Restricted Expenditures:				
Student Social and Cultural	\$ 450,000	\$ 450,000	\$ 180,133	\$ 269,867
Research	136,009,051	126,068,671	127,047,163	(978,492)
Public Service	62,976,531	66,245,717	61,167,903	5,077,814
Internal Services	200,000	200,000	36,602	163,398
Student Aid, Grants & Stipends	45,343,204	65,712,961	59,599,472	6,113,489
Auxiliary Services	350,000	350,000	117,306	232,694
Intercollegiate Athletics	45,000	45,000	30,700	14,300
Independent Operations	-	-	21,977	(21,977)
Capital Outlay	-	-	-	-
Building Renewal & Replacement	-	-	-	-
Retirement of Indebtedness	-	-	-	-
Total Restricted Expenditures	<u>\$ 245,373,786</u>	<u>\$ 259,072,349</u>	<u>\$ 248,201,256</u>	<u>\$ 10,871,093</u>
Net Transfers	<u>\$ 4,425,700</u>	<u>\$ 6,247,095</u>	<u>\$ 6,018,907</u>	<u>\$ (228,188)</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 Auditor's Report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 9

Budget Comparison - Unrestricted - Instruction & General
For the year ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Favorable/ (Unfavorable)</u>
Unrestricted Beginning Net Assets	\$ 19,003,968	\$ 27,282,455	\$ 27,282,455	\$ -
Unrestricted Revenues:				
Tuition and Fees	\$ 111,453,628	\$ 116,541,770	\$ 120,095,209	\$ 3,553,439
Miscellaneous Fees	5,879,010	7,969,060	9,102,370	1,133,310
Federal Government Appropriations	-	-	61,365	61,365
State Government Appropriations	276,599,100	266,828,604	266,821,190	(7,414)
Local Government Appropriations	5,590,112	6,036,105	5,944,082	(92,023)
Federal Government Contracts/Grants	250,000	250,000	200,385	(49,615)
State Government Contracts/Grants	-	620,433	388,976	(231,457)
Local Government Contracts/Grants	-	50,000	50,000	-
Private Contracts/Grants	-	-	36,659	36,659
Endowments	3,690,000	3,690,000	-	(3,690,000)
Land and Permanent Fund	7,677,245	7,677,245	9,238,337	1,561,092
Private Gifts	-	-	-	-
Sales and Services	1,131,300	1,131,300	1,198,932	67,632
Other	53,628,019	49,655,489	50,979,767	1,324,278
Total Unrestricted Revenues	<u>\$ 465,898,414</u>	<u>\$ 460,450,006</u>	<u>\$ 464,117,272</u>	<u>\$ 3,667,266</u>
Unrestricted Expenditures:				
Instruction	\$ 237,015,710	\$ 238,283,958	\$ 230,269,517	\$ 8,014,441
Academic Support	48,649,598	48,518,714	47,589,398	929,316
Student Services	26,668,245	26,325,052	24,383,953	1,941,099
Institutional Support	58,442,200	54,863,783	50,918,949	3,944,834
Operations and Maintenance	52,464,604	51,693,792	45,557,682	6,136,110
Total Unrestricted Expenditures	<u>\$ 423,240,357</u>	<u>\$ 419,685,299</u>	<u>\$ 398,719,499</u>	<u>\$ 20,965,800</u>
Net Transfers	<u>\$ (45,201,890)</u>	<u>\$ (50,660,525)</u>	<u>\$ (55,654,244)</u>	<u>\$ (4,993,719)</u>
Change in Net Assets (Budgetary Basis)	<u>\$ (2,543,833)</u>	<u>\$ (9,895,818)</u>	<u>\$ 9,743,529</u>	<u>\$ 19,639,347</u>
Ending Net Assets	<u>\$ 16,460,135</u>	<u>\$ 17,386,637</u>	<u>\$ 37,025,984</u>	<u>\$ 19,639,347</u>

See accompanying Independent Auditor's Report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 10

Budget Comparison - Restricted - Instruction & General
For the year ended June 30, 2010

	<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	67,389	(49,637)
State Government Appropriations	151,822	53,660	40,138	(13,522)
Local Government Appropriations	-	-	-	-
Federal Government Contracts/Grants	11,521,257	18,546,941	11,197,912	(7,349,029)
State Government Contracts/Grants	3,404,657	3,534,365	3,285,237	(249,128)
Local Government Contracts/Grants	900,000	1,120,803	62,008	(1,058,795)
Private Contracts/Grants	1,061,700	1,390,459	1,066,250	(324,209)
Endowments	-	-	-	-
Land and Permanent Fund	-	-	-	-
Private Gifts	-	-	-	-
Sales and Services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	<u>\$ 17,156,462</u>	<u>\$ 24,763,254</u>	<u>\$ 15,718,934</u>	<u>\$ (9,044,320)</u>
Restricted Expenditures:				
Instruction	\$ 13,377,422	\$ 15,756,171	\$ 12,677,110	\$ 3,079,061
Academic Support	763,260	872,110	604,037	268,073
Student Services	2,678,660	2,501,911	1,514,123	987,788
Institutional Support	439,360	439,360	178,936	260,424
Operations and Maintenance	119,760	5,400,260	1,273,067	4,127,193
Total Restricted Expenditures	<u>\$ 17,378,462</u>	<u>\$ 24,969,812</u>	<u>\$ 16,247,273</u>	<u>\$ 8,722,539</u>
Net Transfers	<u>\$ 222,000</u>	<u>\$ 206,558</u>	<u>\$ 528,339</u>	<u>\$ 321,781</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 Auditor's 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, 2010

Total Unrestricted and Restricted Revenues:

Budgetary Basis	\$ 1,298,012,131
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	513,785,394
University of New Mexico Behavioral Operations (amount not in budgetary basis)	26,875,548
University of New Mexico Medical Group (amount not in budgetary basis)	5,061,425
Scholarship allowance (amount not in budgetary basis)	(58,610,176)
Endowment fund items (amount not in budgetary basis)	18,036,993
Land and permanent fund income (amount not in budgetary basis)	12,918,522
Plant fund items (amount not in budgetary basis)	10,031,562
Other fund items (amount not in budgetary basis)	227,023
Adjustments subsequent to Actuals submission to HED (amount not in budgetary basis)	1,495,892
Revenue/expenditure classification differences	(32,297,747)
Other	4,582,219
Total reconciling items	<u>\$ 502,106,655</u>
Total reconciled unrestricted and restricted revenues per Budgetary Basis	<u>\$ 1,800,118,786</u>

Basic Financial Statements

Operating revenues	\$ 1,254,930,521
Non-operating revenues	488,260,179
Other revenues	56,928,086
Total unrestricted and restricted revenues per Financial Statements	<u>\$ 1,800,118,786</u>

Difference

\$ -

Total Unrestricted and Restricted Expenditures:

Budgetary Basis	\$ 1,350,669,601
Reconciling items:	
Capitalized expenditures (amount not in financial statements)	(22,667,333)
University of New Mexico Hospital (amount not in budgetary basis)	504,885,766
University of New Mexico Behavioral Operations (amount not in budgetary basis)	27,834,632
University of New Mexico Medical Group (amount not in budgetary basis)	(813,422)
Scholarship allowance (amount not in budgetary basis)	(58,610,176)
Endowment fund items (amount not in budgetary basis)	24,112
Plant fund items (amount not in financial statements)	(91,698,558)
Other fund items (amount not in budgetary basis)	223,198
Adjustments subsequent to Actuals submission to HED (amount not in budgetary basis)	8,030,193
Revenue/expenditure classification differences	(26,296,895)
Other	5,892,113
Total reconciling items	<u>\$ 346,803,630</u>
Total reconciled unrestricted and restricted expenditures per Budgetary Basis	<u>\$ 1,697,473,231</u>

Basic Financial Statements

Operating expenditures	\$ 1,676,252,753
Non-operating expenditures	21,220,478
Total unrestricted and restricted expenditures per Financial Statements	<u>\$ 1,697,473,231</u>

Difference

\$ -

See accompanying Independent Auditor's Report.

THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Collateral as of June 30, 2010 - 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
	31416BLC0	8/1/37	FNCL POOL-995023		
	31416BLC0	8/1/37	FNCL POOL-995023		
	31416BLC0	8/1/37	FNCL POOL-995023		
	31416BLC0	8/1/37	FNCL POOL-995023		
Bank of America*				Checking	UNMH Operating Account
	3128E4ZD7		U.S. FHLMC	Repo Agreement	UNMH Consolidated Automated Overnight Investment
	31385XAZ0	05/01/33	U.S. FNMA	Checking	Other Clinical Operation Account
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 Pathology
				Savings	UNMMG Savings
	31409VDH3	3/01/2036	FNMA		
	31410EM46	6/01/2036	FNMA		
	31411VT25	4/1/2037	FNMA		
	31414EMS0	6/1/2038	FNMA		
	31415RGN8	7/1/2038	FNMA		
36202DPS4	9/20/2031	GNMA			
36202DT68	8/20/2032	GNMA			
Total Primary Institution					
UNMH Petty Cash					
UNMMG Money Market					
Component Unit deposits held by UNM					
Net non-depository cash and cash equivalents					
Total Cash and Cash Equiv. Primary Institution					

* UNM Hospital

** UNMMG

See accompanying Independent Auditor's Report.

SCHEDULE 11

Total Book	Bank	FDIC	SIPC	Repurchase Agreement	Uninsured	50%		Over (under)
						Collateral	Fair Value of	
Balance	Balance	Insurance	Insurance	Collateral	Public Funds	Requirement	Collateral	Collateralized
\$ 127,723,844	\$ 83,560,883	\$ 250,000	\$ -	\$ -	\$ 83,310,883	\$ 41,655,442	\$ -	\$ (41,655,442)
624	-	-	-	-	-	-	-	-
							37,508,617	37,508,617
							37,508,617	37,508,617
							9,099,590	9,099,590
							37,508,617	37,508,617
							37,508,617	37,508,617
\$ 127,724,468	\$ 83,560,883	\$ 250,000	\$ -	\$ -	\$ 83,310,883	\$ 41,655,442	\$ 159,134,058	\$ 117,478,616
\$ 95,603,655	\$ 112,555,143	\$ 250,000	\$ -	\$ -	\$ 112,305,143	\$ 56,152,572	\$ -	\$ (56,152,572)
1,638,572	1,638,574	-	-	1,638,574	-	-	1,638,574	1,638,574
							-	-
							\$ 141,628,788	141,628,788
\$ 97,242,227	\$ 114,193,717	\$ 250,000	\$ -	\$ 1,638,574	\$ 112,305,143	\$ 56,152,572	\$ 143,267,362	\$ 87,114,790
\$ 5,605	\$ 2,841	\$ 2,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
850	127	127	-	-	-	-	-	-
5,805	3,088	3,088	-	-	-	-	-	-
3,000	784	784	-	-	-	-	-	-
5,045	5,035	5,035	-	-	-	-	-	-
5,000	1,520	1,520	-	-	-	-	-	-
\$ 25,305	\$ 13,395	\$ 13,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 16,914	\$ 16,914	\$ 16,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 16,914	\$ 16,914	\$ 16,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,368	\$ 9,168	\$ 9,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,500	\$ 2,132	\$ 2,132	-	-	-	-	-	-
\$ 11,868	\$ 11,300	\$ 11,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 18,618,487	\$ 18,884,579	\$ 250,000	\$ -	\$ -	\$ 18,634,579	\$ 9,317,290	\$ -	\$ (9,317,290)
	24,421	24,421	-	-	-	-	-	-
496,777	496,777	250,000	-	-	246,777	123,389	-	(123,389)
							3,616,525	3,616,525
							3,844,064	3,844,064
							6,682,409	6,682,409
							6,444,366	6,444,366
							4,054,286	4,054,286
							91,375	91,375
							163,815	163,815
\$ 19,115,264	\$ 19,405,777	\$ 524,421	\$ -	\$ -	\$ 18,881,356	\$ 9,440,679	\$ 24,896,840	\$ 15,456,161
\$ 244,136,046	\$ 217,201,986	\$ 1,066,030	\$ -	\$ 1,638,574	\$ 214,497,382	\$ 107,248,693	\$ 327,298,260	\$ 220,049,567
32,554								
5,918,255	5,918,255							
\$ (25,045,768)								
(9,390,473)								
\$ 215,650,614	\$ 223,120,241							

THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Collateral as of June 30, 2010 - Component Units

Financial Institution	Pledged Collateral			Account Type	Account Name
	CUSIP Identification	Maturity Date	Type of Securities		
Wells Fargo				Cash	Operating
				Cash	Gift
	314D9W6Y2	5/20/2031	G2SF	Repo Agreement	UNM Foundation, Inc Operating Account
	36202DM40	5/1/2036	FNCL	Repo Agreement	UNM Foundation, Inc Operating Account
	314D9W6Y2	4/1/2036	FNCL	Repo Agreement	UNM Foundation, Inc Gift Account
Total Foundation					
Foundation Money Market					
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
				Checking	Payroll
Bank of the West				Checking	Operating
				Checking	Merchant
	3128QTBW3	3/1/38	FHLMC		
	31412SVZ5	8/1/38	FNMA		
	36208LBW6	11/15/27	GNMA		
	38375A4Z4	8/20/35	GNMA		
Total STC.UNM					
STC.UNM 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 Auditor's Report.

SCHEDULE 11

Total Book	Bank	FDIC	SIPC	Repurchase Agreement	Uninsured	50%		Over (under)
						Collateral	Fair Value of	
Balance	Balance	Insurance*	Insurance	Collateral	Public Funds	Requirement	Collateral	Collateralized
\$ 4,514,764	\$ 4,572,484	\$ 125,000	\$ -	\$ -	\$ 4,447,484	\$ 2,223,742	\$ -	\$ (2,223,742)
723,122	589,544	125,000	-	-	464,544	232,272	-	(232,272)
-	-	-	-	-	-	-	4,447,390	4,447,390
-	-	-	-	-	-	-	464,544	464,544
\$ 5,237,886	\$ 5,162,028	\$ 250,000	\$ -	\$ -	\$ 4,912,028	\$ 2,456,014	\$ 4,911,934	\$ 2,455,920
\$ 5,237,886	\$ 5,162,028	\$ 250,000	\$ -	\$ -	\$ 4,912,028	\$ 2,456,014	\$ 4,911,934	\$ 2,455,920
\$ 1,365,891	\$ 1,365,899							
\$ 21,692,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 28,296,680	\$ 6,527,927	\$ 250,000	\$ -	\$ -	\$ 4,912,028	\$ 2,456,014	\$ 4,911,934	\$ 2,455,920
\$ 6,654	\$ 6,654	\$ 6,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,654	\$ 6,654	\$ 6,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 181,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 187,791	\$ 6,654	\$ 6,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,973	\$ 3,034	\$ 3,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,973	\$ 3,034	\$ 3,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 324,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 327,052	\$ 3,034	\$ 3,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,483	\$ 3,483	\$ -	\$ -	\$ -	\$ 3,483	\$ 1,742	\$ -	\$ (1,742)
-	-	-	-	-	-	-	-	-
1,216,581	1,771,600	250,000	-	-	\$ 1,521,600	760,800	-	(760,800)
2,798	2,798	-	-	-	\$ 2,798	1,399	-	(1,399)
-	-	-	-	-	-	-	687,200	687,200
-	-	-	-	-	-	-	455,497	455,497
-	-	-	-	-	-	-	174,813	174,813
-	-	-	-	-	-	-	430,651	430,651
\$ 1,222,862	\$ 1,777,881	\$ 250,000	\$ -	\$ -	\$ 1,527,881	\$ 763,941	\$ 1,748,161	\$ 984,220
\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,222,962	\$ 1,777,881	\$ 250,000	\$ -	\$ -	\$ 1,527,881	\$ 763,941	\$ 1,748,161	\$ 984,220
\$ 30,034,485	\$ 8,315,496	\$ 509,688	\$ -	\$ -	\$ 6,439,909	\$ 3,219,955	\$ 6,660,095	\$ 3,440,140
\$ 7,590,822	\$ 3,545,775	\$ 571,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 37,625,307	\$ 11,861,271	\$ 1,081,277	\$ -	\$ -	\$ 6,439,909	\$ 3,219,955	\$ 6,660,095	\$ 3,440,140

THE UNIVERSITY OF NEW MEXICO

Schedule of Individual Deposit and Investment Accounts as of June 30, 2010 - 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	\$ 83,560,883	127,723,844
	Gallup Campus Depository	Checking	-	624
	UNMH Operating Account	Checking	112,555,143	\$ 95,603,655
	UNMH Consolidated Automated Overnight Investment	Repo Agreement	1,638,574	1,638,572
First Community Bank	Taos Harwood Depository	Checking	2,841	5,605
	Taos Harwood Petty Cash	Checking	127	850
	Taos Education Center Depository	Checking	3,088	5,805
	Taos Education Center Petty Cash	Checking	784	3,000
	Valencia Campus Depository	Checking	5,035	5,045
	Valencia Campus Petty Cash	Checking	1,520	5,000
	UNMH Change Campaign	Checking	16,914	16,914
Los Alamos National Bank	Los Alamos Campus Depository	Checking	9,168	9,368
	Los Alamos Campus Petty Cash	Checking	2,132	2,500
Wells Fargo Bank	UNMMG Operating Accounting	Checking	18,884,579	18,618,487
	UNMMG Pathology	Checking	24,421	-
	UNMMG Savings	Savings	496,777	496,777
Morgan Stanley Smith Barney	UNMMG Board Designated Assets	Money Market	5,918,255	5,918,255
Other	UNMH/OCO Petty Cash	Cash on Hand	-	32,554
	Component Unit deposits held by UNM			(25,045,768)
	Net non-depository cash and cash equivalents			(9,390,473)
Primary Institution - Cash			\$ 223,120,241	215,650,614

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

SCHEDULE 12

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	\$ 388,128	388,128
		Certificate of Deposit	994,324	994,324
Fidelity Investments	ASM Endowment Account	Equity	1,796,451	1,796,451
	ASM Endowment Account	Money Market	9,521	9,521
Morgan Stanley Smith Barney	Bond Proceeds	Cash	315	315
	Bond Proceeds	Money Market	3,280,094	3,280,094
	Bond Proceeds	U.S. Treasury Securities	6,391,789	6,391,789
	Bond Proceeds	U.S. Gov't Obligations	44,258,866	44,258,866
	Bond Proceeds	Corporate Bonds	13,494,007	13,494,007
	Bond Proceeds	Municipal Bonds	10,999,127	10,999,127
	Operating Investment Account	Cash	64,716	64,716
	Operating Investment Account	Money Market	38,125,293	38,125,293
	Operating Investment Account	U.S. Treasury Securities	76,335,720	76,335,720
	Operating Investment Account	U.S. Gov't Obligations	55,351,684	55,351,684
	Operating Investment Account	Corporate Bonds	14,156,205	14,156,205
	Retirement of Indebtedness	Cash	119	119
	Retirement of Indebtedness	Money Market	539,777	539,777
	UNMMG Investment Account	Corporate Bonds	3,076,887	3,076,887
	UNMMG Investment Account	U.S. Gov't Obligations	251,712	251,712
	UNMMG Investment Account	U.S. Treasury Securities	757,429	757,429
	UNMH Investment Account	Money Market	661,497	661,497
UNMH Investment Account	U.S. Gov't Obligations	9,668,965	9,668,965	
UNMH Investment Account	U.S. Treasury Securities	23,029,354	23,029,354	
Northern Trust	Primary Institution CIF	Money Market	6,581,219	6,581,219
	Primary Institution CIF	Mutual Funds	28,576,193	28,576,193
	Primary Institution CIF	Equity	66,888,341	66,888,341
	Primary Institution CIF	Alternative Investments	66,185,132	66,185,132
Wells Fargo	Bldg, Renewal & Replacement	Money Market	1,632,956	1,632,956
	Bldg, Renewal & Replacement	Certificate of Deposit	4,146,595	4,146,595
	Endowment Account	Money Market	248,710	248,710
	Endowment Account	Equity	354,461	354,461
	Retirement of Indebtedness	Money Market	269,022	269,022
	Retirement of Indebtedness	Commercial Paper	10,365,595	10,365,595
	UNMMG	Certificate of Deposit	22,579	22,579
	UNMH Investment Account	Money Market	15,154,999	16,222,118
	UNMH Investment Account	Repurchase Agreement	13,438,588	13,438,588
	UNMH Investment Account	U.S. Gov't Obligations	2,113,393	2,113,393
UNMH Investment Account	U.S. Treasury Securities	1,060,551	1,060,551	
Other				
Investment in TLSC	UNMH Investment Account	Equity	5,421,719	5,421,719
Investment in TriWest	UNMH Investment Account	Equity	2,612,500	2,612,500
Investment in TRL (TriCore)	UNMH Investment Account	Equity	5,707,274	5,707,274
			\$ 534,411,807	535,478,926
State Investment Council	See Note Below		\$ 141,598,075	141,598,075
			\$ 676,009,882	677,077,001

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, 2010 financial statements of the State Investment Council.

THE UNIVERSITY OF NEW MEXICO

Schedule of Individual Deposit and Investment Accounts as of June 30, 2010 - 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	\$ 16,563	16,561
	Scholarship Trust	80,480	80,474
Morgan Stanley	UNM Foundation Inc. TTEE	2	2
Southwest Securities	Charitable Trust Fund	30,090	30,090
UBS Financial Services	Endowed Chair	999,811	999,811
	Endowed Professorship	141,480	141,480
Wells Fargo	Operating	4,572,484	4,514,764
	Gift Account	589,544	723,122
	Irrevocable Trust Fund	97,473	97,473
Other*	UNM Operating		(1,895,136)
	UNM Development		23,588,039
University of New Mexico Foundation, Inc. - Cash		\$ 6,527,927	28,296,680
Lobo Development, Inc.			
Compass Bank	Business Checking	\$ 6,654	6,654
Other*	UNM Operating	-	181,137
Lobo Development, Inc. - Cash		\$ 6,654	187,791
Lobo Energy, Inc.			
Compass Bank	Business Checking	\$ 3,034	2,973
Other*	UNM Operating		324,079
Lobo Energy, Inc. - Cash		\$ 3,034	327,052
STC.UNM			
Bank of America	Operating	\$ 3,483	3,483
	Payroll	-	-
Bank of the West	Operating	1,771,600	1,216,581
	Merchant	2,798	2,798
Other*	UNM Operating		100
STC.UNM - Cash		\$ 1,777,881	1,222,962
Component Units - Public Money Entities		\$ 8,315,496	30,034,485
	Alumni	1,777,536	2,034,889
	ASM	1,141,530	1,170,211
	Lobo Club	626,709	4,385,722
Component Units - Non-Public Money Entities		\$ 3,545,775	7,590,822
Total Component Units - Cash		\$ 11,861,271	37,625,307

* - Held by Primary Institution in General Depository Account

SCHEDULE 12

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 Fund	\$ 160,605	160,605
	Scholarship Fund	313,890	313,890
	Scholarship Trust	277,328	277,328
	Scholarship Trust	617,497	617,497
Morgan Stanley	UNM Foundation, Inc.	61,110	61,110
Northern Trust	Foundation CIF	4,514,978	4,514,978
	Foundation CIF	19,604,410	19,604,410
	Foundation CIF	45,888,072	45,888,072
	Foundation CIF	45,405,643	45,405,643
Southwest Securities	Charitable Trust Fund	190,610	190,610
	Charitable Trust Fund	96,900	96,900
	Charitable Trust Fund	74,465	74,465
UBS Financial Services	Endowed Chair	1,937,876	1,937,876
	Endowed Professorship	269,762	269,762
Wells Fargo	Charitable Trust Fund	107,097	107,097
	Charitable Trust Fund	329,834	329,834
	Charitable Trust Fund	193,285	193,285
	Charitable Trust Fund	594,949	594,949
	Charitable Trust Fund	130,543	130,543
	Charitable Trust Fund	165,972	165,972
	University of New Mexico Foundation, Inc. - Investments	\$ 120,934,826	120,934,826
Lobo Development	Lobo Development - Investments	\$ -	-
Lobo Energy	Lobo Development - Investments	\$ -	-
STC.UNM			
Other	Private Equity	7,973	7,973
	STC.UNM - Investments	\$ 7,973	7,973
	Component Units - Public Money Entities	\$ 120,942,799	120,942,799
	Alumni	6,000,673	6,000,673
	ASM	1,024,195	1,024,195
	LoboClub	-	-
	Component Units - Non-Public Money Entities	\$ 7,024,868	7,024,868
	Total Component Unit - Investments	\$ 127,967,667	127,967,667

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
MAJOR PROGRAMS			
<i>Research & Development</i>			
Department of Agriculture	10		\$ 301,591
Department of Commerce	11		\$ 283,415
Department of Defense			
DTRA	12		\$ 7,479,986
Department of the Air Force	12		6,850,352
Department of the Army	12		1,407,893
Department of the Navy	12		3,414,006
Other Departments	12		2,695,692
Total Department of Defense			<u>\$ 21,847,929</u>
Department of the Interior	15		\$ 1,766,225
Department of Justice	16		\$ 110,218
Department of Transportation	20		\$ 154,427
National Aeronautics & Space Administration	43		\$ 2,237,121
National Foundation on the Arts & the Humanities	45		\$ 19,791
National Science Foundation	47		\$ 22,169,877
Department of Veterans Affairs	64		\$ 321,005
U.S. Environmental Protection Agency	66		\$ 270,712
Department of Energy	81		\$ 10,980,931
Department of Education	84		\$ 489,667
Department of Health & Human Services			
AHRQ	93		\$ 634,245
Centers for Disease Control and Prevention	93		3,120,701
Health Resources & Services Admin	93		177,786
Indian Health Services	93		253,970
National Institutes of Health	93		68,002,647
Substance Abuse and Mental Health Services Admin	93		518,204
Other Departments	93		4,108,318
Total Department of Health & Human Services			<u>\$ 76,815,871</u>
Other Agencies			\$ 355,775
			<u>\$ 138,124,555</u>
<i>Subtotal Research & Development - Non-ARRA</i>			
<i>American Recovery and Reinvestment Act (ARRA)</i>			
Department of Commerce			
NTIA State Broadband Data & Development Grant Program	11.000		\$ 16,756
Total Department of Commerce			<u>\$ 16,756</u>
Department of Justice			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program / G	16.803		\$ 71,351
Total Department of Justice			<u>\$ 71,351</u>
National Science Foundation			
Geosciences	47.050		\$ 66,494
Trans-NSF Recovery Act Research Support	47.082		1,758,317
Total National Science Foundation			<u>\$ 1,824,811</u>
Department of Energy			
State Energy Program	81.041		\$ 39,441
Office of Science Financial Assistance Program	81.049		6,925
Total Department of Energy			<u>\$ 46,366</u>
Department of Health & Human Services			
Centers for Disease Control and Prevention_Investigations and Techni	93.283		\$ 4,948
Community Services Block Grant Discretionary	93.573		72,547
Trans-NIH Recovery Act Research Support	93.701		8,164,681
Total Department of Health & Human Services			<u>\$ 8,242,176</u>
			<u>\$ 10,201,460</u>
<i>Subtotal Research & Development - ARRA</i>			
<i>Total Research & Development</i>			
			<u>\$ 148,326,015</u>

THE UNIVERSITY OF NEW MEXICO**SCHEDULE 13****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2010

	<u>FEDERAL CFDA NUMBER</u>	<u>CONTRACT/GRANT NUMBER</u>	<u>EXPENDITURES</u>
<i>Student Financial Aid</i>			
Department of Education			
Federal Supplemental Educational Opportunity Grants	84.007		\$ 798,780
Federal Work-Study Program	84.033		2,203,639
Pell Grants	84.063		48,138,887
Academic Competitiveness Grants	84.375		404,076
SMART	84.376		413,285
TEACH Grant Program	84.379		414,259
Total Department of Education			<u>\$ 52,372,926</u>
Department of Health & Human Services			
Scholarships for Health Professions Students from Disadvantaged Bac	93.925		\$ 500,797
Total Department of Health & Human Services			<u>\$ 500,797</u>
<i>Total Student Financial Aid</i>			<u>\$ 52,873,723</u>
<i>Other</i>			
Department of Health & Human Services			
ARRA - Child Care and Development Block Grant	93.575		686,749
Total Department of Health & Human Services			<u>\$ 686,749</u>
<i>Total Other</i>			<u>\$ 686,749</u>
TOTAL MAJOR PROGRAMS			<u>\$ 201,886,487</u>

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
NONMAJOR PROGRAMS			
Department of Agriculture	10.000	0577	\$ 101
Department of Agriculture	10.000	06-521-0400-0026	710
Department of Agriculture	10.000	3177	8,366
Department of Agriculture	10.000	AGREEMENT 091608	19,963
Hispanic Serving Institutions Education Grants	10.223	2005-38422-15954	45,103
Indian Tribes and Tribal Corporation Loans	10.421	Shell - Davis, Sally M	68,397
WIC Grants To States (WGS) (B)	10.578	09 UNM 02 1002	45,093
International Agricultural Research Program	10.961	58-3148-4-083	18,641
ARRA - Department of Commerce	11.000	35-43-B10002	18,661
Department of Commerce	11.000	08-01-04287	542,771
Department of Commerce	11.000	35-09-U90078	17,092
Census Customer Services	11.002	YA 132309SE0435/500	18,672
Investments for Public Works and Economic Development Facilities	11.300	08-01-04119	274,128
ARRA - Public Safety Interoperable Communications Grant Program	11.555	MOU031710	4,605
Department of Defense	12.000	FA9401-06-P-0005	15,458
Department of Defense	12.000	FA9401-07-P-0247	(1)
Department of Defense	12.000	IPA-RAZANI	25,085
Department of Defense	12.000	W912PP-06-P-0068	23,518
Basic Scientific Research	12.431	LTR. DATED 09/01/08	14,293
Basic Scientific Research	12.431	W911NF-04-1-0001	10,430
Basic Scientific Research	12.431	W911NF-10-1-0037	6,942
Basic, Applied, and Advanced Research in Science and Engineering	12.630	HM1582-09-1-0033	272,782
Air Force Defense Research Sciences Program	12.800	F2KTAT8143A003, 005	598,103
Air Force Defense Research Sciences Program	12.800	FA3300-09-P0141	66,755
Air Force Defense Research Sciences Program	12.800	FA3300-10-P-0142	22,435
Air Force Defense Research Sciences Program	12.800	FA3300-10-P-0155	14,887
Air Force Defense Research Sciences Program	12.800	IPA-ALAN LYNN	51,145
Air Force Defense Research Sciences Program	12.800	IPA-PETER JONES	149,968
Mathematical Sciences Grants Program	12.901	H98230-10-1-0014	68,746
Department of Housing and Urban Development	14.000	HSIAC-08-NM-24	577,441
Department of the Interior	15.000	#GDA070010	3,933
Department of the Interior	15.000	CMK0E020149/0001	(1,567)
Department of the Interior	15.000	H1212060017	61,467
Department of the Interior	15.000	PSA-04-02	(265)
Bureau of Indian Affairs	15.100	HHSI242200910057I,002	17,010
Department of Justice	16.000	07-PC- OMI-FY10	7,919
Department of Justice	16.000	PSA 12-22-09	218
Desegregation of Public Education	16.100	00-TFO-10-UNM	(1,883)
Desegregation of Public Education	16.100	08-PC-OMI-FY09	11,741
Desegregation of Public Education	16.100	09-PC-OMI-SFY10	37,369
Desegregation of Public Education	16.100	9P-CIV01-0005	345
Crime Victim Assistance	16.575	2010-VA-537/2011-VA-643	58,141
Crime Victim Assistance	16.575	2010-VA-539, 2011-VA-645	25,127
Department of Labor	17.000	090808, PO#5107	41,883
ARRA - WIA Youth Activities (A)	17.259	E340-09-607 ARRA	33,172
H-1B Job Training Grants	17.268	GRANT AGREEMENT 3/4/09	88,887
H-1B Job Training Grants	17.268	WR-16380-07-60-A-35	67,500
Community Based Job Training Grants (B)	17.269	CB-18183-0960-A35	416,219
Department of State	19.000	S-NEAPI-06-CA-182	(4,228)
Highway Training and Education	20.215	C05220	68,090
Public Transportation for Nonurbanized Areas	20.509	741-99-0159/LA-18-X019	(7,294)
Low Income Taxpayer Clinics	21.008	2009096	79,457
Copyright Service	42.002	091809 GRANT 106202M	6,949
National Foundation on the Arts and the Humanities	45.000	FNMM 03-10-10	10,346
Promotion of the Arts_Grants to Organizations and Individuals	45.024	09-4448-7100	21,059
Promotion of the Humanities_Professional Development	45.163	AP-50036-10	1,408
Promotion of the Humanities_Professional Development	45.163	BH-50311-09	128,388
National Science Foundation	47.000	071029	3,936
National Science Foundation	47.000	AGMNT 04/22/09	2,314
National Science Foundation	47.000	CBET-0736692	208,341
National Science Foundation	47.000	DGE-0237002	6,887
Science and Education Problem Assessment and Experimental Project	47.046	Q01314	88,245
Computer and Information Science and Engineering	47.070	CNS-0539982	3,069
Computer and Information Science and Engineering	47.070	HS-0734784	(6,689)
Computer and Information Science and Engineering	47.070	IIS-0723374	2,320
Biological Sciences	47.074	99-007	(7,758)
Biological Sciences	47.074	DEB-0516468	15
Biological Sciences	47.074	DUE-0433818	15,000
Social Behavioral and Economic Sciences	47.075	BCS-0505107	28,854
Social Behavioral and Economic Sciences	47.075	BCS-0951240	8,420
Social Behavioral and Economic Sciences	47.075	BCS-1011190	7,540
Education and Human Resources	47.076	10-220	36,898

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	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
Education and Human Resources	47.076	1546036	\$ 6,840
Education and Human Resources	47.076	DGE-0338283	19,167
Education and Human Resources	47.076	DGE-0504276	555,797
Education and Human Resources	47.076	DGE-0538396	223,984
Education and Human Resources	47.076	DGE-0549500	583,149
Education and Human Resources	47.076	DGE-0903444	208,383
Education and Human Resources	47.076	DRL-0813414	4,997
Education and Human Resources	47.076	DUE-0422096	(357)
Education and Human Resources	47.076	DUE-0630836	120,866
Education and Human Resources	47.076	DUE-0966153	11,245
Education and Human Resources	47.076	KMS0019-21-50/SUB	396
Small Business Administration	59.000	9-603001-Z-0032-21	228,307
Small Business Development Centers	59.037	9-603001-Z-0032-21	124,630
Department of Veterans Affairs	64.000	IPA/GAVYN THOMAS	14,967
Department of Veterans Affairs	64.000	IPA/RAMADASS BALAMURUGAN	45,015
Department of Veterans Affairs	64.000	IPA: JENNIFER RICE	18,757
Department of Veterans Affairs	64.000	IPA-CHRISTOPHER ZIMA	46,759
Department of Veterans Affairs	64.000	IPA-JOANN HARNAR	25,864
Department of Veterans Affairs	64.000	IPA-REICH	37,073
Department of Veterans Affairs	64.000	V501P-2113	(5,367)
Sharing Specialized Medical Resources	64.018	9959/MA IPA/DOKLADNY	24,204
Sharing Specialized Medical Resources	64.018	HARTSHORNE IPA	89,822
Sharing Specialized Medical Resources	64.018	IPA ETHAN SIMS	5,094
Sharing Specialized Medical Resources	64.018	IPA JOANN HARNER	18,799
Sharing Specialized Medical Resources	64.018	IPA/MYERS	(1,117)
Sharing Specialized Medical Resources	64.018	IPA/ZIMA	6,689
Sharing Specialized Medical Resources	64.018	PO#691-C 00376	1,655
ARRA - Capitalization Grants for Drinking Water State Revolving Funds	66.468	2384-ADW	462,318
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008	NRC-38-09-931	28,685
Department of Energy	81.000	#0065	13,068
Department of Energy	81.000	2000070550 SHELL	10,864
Department of Energy	81.000	63802-0001-09	74,897
Department of Energy	81.000	73267-001-09	136,880
Department of Energy	81.000	74351-001-04-2H	(19)
Department of Energy	81.000	793958	946
Department of Energy	81.000	848059	24,843
Department of Energy	81.000	948139	61,023
Department of Energy	81.000	DE-FC01-08ED80524	36,400
Department of Energy	81.000	FA9401-089-P-0111	8,285
Department of Energy	81.000	LANS IA-0050	79,428
Department of Energy	81.000	NONE	41,847
Department of Energy	81.000	SG #07-570003-NEP-UNM-NM	8,070
Department of Energy	81.000	SUBAWARD AGMT 6003-0001	92,298
Federal Emergency Management Agency	83.000	06-790, 5000-0028, 07,A2, A3	24,617
Federal Emergency Management Agency	83.000	12513-PO 000030	124,828
Department of Education	84.000	#07-924-0074	68,058
Department of Education	84.000	#09 924 0097	67,080
Department of Education	84.000	06-NM07	(2,984)
Department of Education	84.000	09-924-0170	102,203
Department of Education	84.000	10UNM007.0012.MCCLAIN/14264	(4,705)
Department of Education	84.000	2008-09 FEDERAL ABE	(264)
Department of Education	84.000	2008-09 FEDERAL ABE ALLOCATION	(67)
Department of Education	84.000	AGMT # 09 924 0096	126,196
Department of Education	84.000	AGREEMENT EFFECTIVE 8/1/09	33,597
Department of Education	84.000	AMERICAN INDIAN TEACHER QUALIT	109,684
Department of Education	84.000	BAR DATED 06/25/09	103,332
Department of Education	84.000	BAR DATED 1/15/10	93,959
Department of Education	84.000	BAR DATED 6/29/09	49,166
Department of Education	84.000	BAR DATED 7/1/06	66,167
Department of Education	84.000	FEDERAL ABE 2008-2009	(2,211)
Department of Education	84.000	H325D020033-05	2,511
Department of Education	84.000	P031S060059	211,574
Department of Education	84.000	P116Z080145	72,906
Department of Education	84.000	P335A050374	45,893
Department of Education	84.000	T195N070259	282,900
Department of Education	84.000	V048A080031, 24183	20,304
Adult Education - Basic Grants to States	84.002	ABE - INSTRUCTIONAL MATERIALS	12,268
Adult Education - Basic Grants to States	84.002	BAR 6/25/09	169,162
Undergraduate International Studies and Foreign Language	84.016	P016A070093	39,188
Special Education Grants to States	84.027	CONTRACT #08-924-0195	(76)
Higher Education Institutional Aid	84.031	P031A040058	125,759
Higher Education Institutional Aid	84.031	P031C080092	1,097,280
Higher Education Institutional Aid	84.031	P031C080114	341,990

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	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
Higher Education Institutional Aid	84.031	P031S010008-05	\$ (13,989)
Higher Education Institutional Aid	84.031	P031S040017-05	68,842
Higher Education Institutional Aid	84.031	P031S0600009	420,574
Higher Education Institutional Aid	84.031	PO31SO60022	586,243
TRIO Student Support Services	84.042	P042A050666	234,111
TRIO Student Support Services	84.042	P042A051018-01 - 08	292,102
TRIO Upward Bound	84.047	P047A070127	259,914
TRIO Upward Bound	84.047	P047A070683	472,018
TRIO Educational Opportunity Centers	84.066	P042A050588	237,362
TRIO Educational Opportunity Centers	84.066	P066A02011903	(20)
TRIO Educational Opportunity Centers	84.066	P066A070157	201,499
ARRA - Bilingual Vocational Materials Methods and Techniques	84.100	PSA DATED 5/7/10	79,070
Fund for the Improvement of Postsecondary Education	84.116	P116N070002 (ACTION NO. 03)	20,333
Fund for the Improvement of Postsecondary Education	84.116	SUBAWARD #21D036-01	1,524
Fund for the Improvement of Postsecondary Education	84.116	SUBAWARD NO. 226783-01	41,174
Fund for the Improvement of Postsecondary Education	84.116	W000108745/PO 1000664002	13,875
Migrant Education High School Equivalency Program	84.141	S141A020003-03	(304)
Migrant Education High School Equivalency Program	84.141	S141A070006	377,067
Migrant Education College Assistance Migrant Program	84.149	S149A010005-03	(47)
Migrant Education College Assistance Migrant Program	84.149	S149A060032	406,995
Business and International Education	84.153	P153A060041	24,975
Special Education Preschool Grants	84.173	NMPED FUND 673/24136	(1,326)
Vocational Education Community Based Organizations	84.174	2008-09 CARL PERKINS ALLOCATIO	5,977
Special Education-Grants for Infants and Families	84.181	09UNM.007.0018	8,228
Special Education-Grants for Infants and Families	84.181	10UNM.007.0018	30,099
Special Education-Grants for Infants and Families	84.181	10UNM.007.0018 MOA	1,228,460
Special Education-Grants for Infants and Families	84.181	10UNM007.0005,MCCLAIN/14330	474,029
Special Education-Grants for Infants and Families	84.181	10UNM007.0009,MCCLAIN/14314	24,273
Special Education-Grants for Infants and Families	84.181	10UNM007.0010,MCCLAIN/14310	68,436
Special Education-Grants for Infants and Families	84.181	10UNM007.0016,MCCLAIN/14331	32,807
Drug-Free Schools and Communities National Programs	84.184	Q184T080034	218,785
McNair Post-Baccalaureate Achievement	84.217	P217A030012	(1,725)
McNair Post-Baccalaureate Achievement	84.217	P217A070135	221,122
Tech-Prep Education	84.243	BAR DATED 10/15/09	55,372
Ready-To-Learn Television	84.295	U295A05004	(88,876)
Special Education - Personnel Development to Improve Services and Resul	84.325	H325E040062-05,07	6,989
Special Education Technical Assistance and Dissemination to Improve Ser	84.326	10-927-0178	819,587
Special Education Technical Assistance and Dissemination to Improve Ser	84.326	H326C030020-06, 07	271
Special Education Technical Assistance and Dissemination to Improve Ser	84.326	H326C080057-10	98,590
Special Education-Studies and Evaluations (B)	84.329	H98230-09-1-0218	36,200
International Education-Technological Innovation and Cooperation for For	84.337	P337A050005	63,891
Transition to Teaching (B)	84.350	10-924-0122	104,913
ARRA - Homeless Education Disaster Assistance Program	84.383	10UNM.ARRA.07.0020.10UNM SHELL	85,785
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, R	84.394	S394A090032	107,796
ARRA - Department of Education	84.394A	S394A090032 & S394A090032A	1,263,025
ARRA - State Fiscal Stabilization Fund (Sfsf) - Government Services, Recc	84.397	10924P5270203	154
National Writing Project	84.928A	06-NM07	43,183
National Writing Project	84.928A	96-NM04	25,819
National Historical Publications and Records Grants	89.003	NAR09-RP-50017-09	32,686
Department of Health & Human Services	93.000	00/667/JPA/003	(82,073)
Department of Health & Human Services	93.000	01/665.4200.0335	(13,811)
Department of Health & Human Services	93.000	06UNM/01.011R	(41)
Department of Health & Human Services	93.000	07UNM/03.002	(1,933)
Department of Health & Human Services	93.000	081PA 899126	18,369
Department of Health & Human Services	93.000	08UNM/03.0032A1	30
Department of Health & Human Services	93.000	09-630-8000-0090	106,248
Department of Health & Human Services	93.000	09UNM/02.1020A1	583
Department of Health & Human Services	93.000	09UNM/07.0001	32,451
Department of Health & Human Services	93.000	09UNM020027	102,518
Department of Health & Human Services	93.000	100249-001,MCCLAIN SHELL	209,074
Department of Health & Human Services	93.000	10-647-P739-0200,MCCLAIN/14286	79,864
Department of Health & Human Services	93.000	10-647-P739-0203,MCCLAIN/14256	67,188
Department of Health & Human Services	93.000	10UNM/03.0038	3,006
Department of Health & Human Services	93.000	10UNM/03.0039	63,101
Department of Health & Human Services	93.000	10UNM02.0002,WILLIAMS/14261	28,188
Department of Health & Human Services	93.000	122211/122209 AMD#3	24,027
Department of Health & Human Services	93.000	242-03-0055	1,131
Department of Health & Human Services	93.000	467-MZ-501807	(12,589)
Department of Health & Human Services	93.000	5F31CA132628-03	16,634
Department of Health & Human Services	93.000	604CCOP	11,445
Department of Health & Human Services	93.000	A07542 (M07A00654) SHELL	8,700
Department of Health & Human Services	93.000	ALTTO N0630	5,941
Department of Health & Human Services	93.000	BEI-1033-2007-UNM	(3,382)

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SCHEDULE 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
Department of Health & Human Services	93.000	CA 98543-05 /16602	\$ (4,729)
Department of Health & Human Services	93.000	FY10.003.007 AMD8 UNM YR20SHEL	2,496
Department of Health & Human Services	93.000	FY10.329.001	3,639
Department of Health & Human Services	93.000	GSA 09-630-7903-0032	513
Department of Health & Human Services	93.000	GSA 10-630-8000-0002	887,994
Department of Health & Human Services	93.000	HHSI242200910379P AMD 1	31,405
Department of Health & Human Services	93.000	HHSN276200900836P	23,133
Department of Health & Human Services	93.000	HMS 2010 REACH, MOD 4	80,661
Department of Health & Human Services	93.000	MCCLAIN/13415 SHELL	68,433
Department of Health & Human Services	93.000	N01-LM-6-3505	35,594
Department of Health & Human Services	93.000	NO2-CO-51111	68,385
Department of Health & Human Services	93.000	PCR: 98543-1058	9,269
Department of Health & Human Services	93.000	PSA-09-44	411
Department of Health & Human Services	93.000	PSA-2009-23	13,716
Department of Health & Human Services	93.000	PSA-UNM-00	39,985
Department of Health & Human Services	93.000	RTOG 98-04	1,834
Medical Reserve Corps Small Grant Program (B)	93.008	MRC 10 0014	959
Public Health Emergency Preparedness	93.069	10UNM/03.0033	46,813
Public Health Emergency Preparedness	93.069	10UNM03.0094	23,116
Area Health Education Centers - Model Programs	93.107	5 U77HP03032-15-00	170,795
Maternal and Child Health Federal Consolidated Programs	93.110	5-T72-MC00004-18-00	77
Maternal and Child Health Federal Consolidated Programs	93.110	6T72MC00004-19-01	284,539
Maternal and Child Health Federal Consolidated Programs	93.110	H6MMC15103	117,398
Maternal and Child Health Federal Consolidated Programs	93.110	T73MC00025-14-00,MCCLAIN/14250	643,439
Biological Response to Environmental Health Hazards	93.113	IF3IES017196-01	11,630
Biological Response to Environmental Health Hazards	93.113	R25 ES014347-01.03	16,255
Emergency Medical Services for Children	93.127	2 H33MC07873-04-00	129,618
Centers for Research and Demonstration for Health	93.135	08 UNM/03.0091	(682)
Injury Prevention and Control Research and State Grants	93.136	09UNM/03.0009	1,486
Injury Prevention and Control Research and State Grants	93.136	10UNM/03.009 SHELL	63,792
Injury Prevention and Control Research and State Grants	93.136	10UNM03.0032. DEFFRANSCO/14227	47,294
National AIDS Education and Training Centers	93.145	6 H4AHA000064-08-01; SHELL	243,006
HIV Demonstration Program for Children Adolescents and	93.153	5 H12HA23021-10-00	405,149
Quentin N. Burdick Program for Rural Interdisciplinary Training	93.192	D36HP16001-16	2,408
Urban Indian Health Services	93.193	242-06-0021	81,295
Urban Indian Health Services	93.193	HHSI242200910057I	46,505
Health Services Research and Development Grants	93.226	5R24HS016510-03	549,959
Epidemiology Cooperative Agreements	93.231	CONTRACT 05-6296-3, AMD. 1, 3	103,747
Mental Health Research Grants	93.242	2 R25 MH060288-07	260,217
Substance Abuse and Mental Health Services-Projects of Regional and Nat	93.243	09-950-1000-00004	52,992
Substance Abuse and Mental Health Services-Projects of Regional and Nat	93.243	09UNM.02.1004	169
Substance Abuse and Mental Health Services-Projects of Regional and Nat	93.243	10UNM.02.0029 SHELL	437,198
Substance Abuse and Mental Health Services-Projects of Regional and Nat	93.243	1H13SM058922-01	23,130
Substance Abuse and Mental Health Services-Projects of Regional and Nat	93.243	1H79TI020504-01	(5,359)
Substance Abuse and Mental Health Services-Projects of Regional and Nat	93.243	CIRCLES OF CARE/ALTSCHUL	98,163
Substance Abuse and Mental Health Services-Projects of Regional and Nat	93.243	GSA 10-630-7903-0025	128,399
Substance Abuse and Mental Health Services-Projects of Regional and Nat	93.243	LEWIS/APASAMHSA	31,183
Substance Abuse and Mental Health Services-Projects of Regional and Nat	93.243	SCPAU-2009-02-01	126,057
Poison Control Stabilization and Enhancement Grants (B)	93.253	6H4BHS15529-01-01	99,529
Poison Control Stabilization and Enhancement Grants (B)	93.253	H4BHS00001-08-00	18,567
Poison Control Stabilization and Enhancement Grants (B)	93.253	U4BHS08565-01-02-03	134,183
Occupational Safety and Health Program	93.262	5 U60 OH008486-02, 03	(5,622)
Childhood Immunization Grants	93.268	09UNM/02.0007.A1 SHELL	174,020
Alcohol National Research Service Awards for Research	93.272	5F30AA017813-02	3,695
Alcohol National Research Service Awards for Research	93.272	5T32AA014127-07 SHELL	120,841
Mental Health National Research Service Awards for Research Training	93.282	10UNM/02.0001	85,000
Centers for Disease Control and Prevention Investigations	93.283	09UNM/02.0019	9
Centers for Disease Control and Prevention Investigations	93.283	09UNM/03.0020	589
Centers for Disease Control and Prevention Investigations	93.283	09UNM/03.0021	12
Centers for Disease Control and Prevention Investigations	93.283	10UNM/03.0020	188,987
Centers for Disease Control and Prevention Investigations	93.283	10UNM/03.0026, FY11 MSU	(17,422)
Centers for Disease Control and Prevention Investigations	93.283	10UNM/03.0029 SHELL	(27,551)
Centers for Disease Control and Prevention Investigations	93.283	10UNM02.1020, DAVIS/14232	70,452
Centers for Disease Control and Prevention Investigations	93.283	FY10.003.002 AMD 3 UNM	13,178
Centers for Disease Control and Prevention Investigations	93.283	RS20051890-08, RS20080230-01	621
Centers for Disease Control and Prevention Investigations	93.283	U36/CCU319276	9,608
Discovery and Applied Research for Technological Innovations to Improve	93.286	5 T32EB009414-02	165,795
Minority Health and Health Disparities Research	93.307	OUHSC RS20081697-05	28,630
Biomedical Research Support	93.337	5T34GM008751-09	344,250
Cancer Treatment Research	93.395	18781/CA98543-07/19728	9,447
Cancer Research Manpower	93.398	5F32CA125955-04	53,666
ARRA-Public Health Traineeship Program	93.405	1A0AHP16424-01-00	4,808
ARRA-Scholarships for Disadvantaged Students	93.407	T0AHP15969-01/00	222,046

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	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
ARRA - Community Services Block Grant Discretionary	93.573	10-690-9999-01009	\$ 14,802
ARRA - Child Care Mandatory and Matching Funds of the Child Care and	93.596	PSA ED 01/04/2010	11,226
Child Care Mandatory and Matching Funds of the Child Care and Develop	93.596	06-690-0817-1	2,304
Child Care Mandatory and Matching Funds of the Child Care and Develop	93.596	08-690-5418	5,274
Child Care Mandatory and Matching Funds of the Child Care and Develop	93.596	10-690-9999-01009	244,621
Head Start	93.600	5210-9	7,617
Developmental Disabilities Basic Support and Advocacy	93.630	09-647-P727-0205	5,000
Developmental Disabilities Basic Support and Advocacy	93.630	10-647-P727-0206	2,500
Developmental Disabilities Basic Support and Advocacy	93.630	10-647-P727-0211	10,234
Developmental Disabilities Basic Support and Advocacy	93.630	10UNM007.0001, FY11 MSU	995,392
Developmental Disabilities Projects of National	93.631	90DN0187 / 05	96,479
Developmental Disabilities Projects of National	93.631	90DN024901	74,943
Developmental Disabilities University Affiliated Programs	93.632	890	10,432
Developmental Disabilities University Affiliated Programs	93.632	90DD0G11 104	524,733
ARRA - DHHS/NIH/NCRR	93.701	1R25TW008099-02	78,996
ARRA - DHHS/NIH/NCRR	93.701	2162-8224	83,274
ARRA Child Care & Development Block Grant	93.713	10-690-9999-03029	2,500
Medical Assistance Program	93.778	09.2009.665.0007.3472	737,700
Medical Assistance Program	93.778	GSA09-630-7903-0082	465
Cardiovascular Diseases Research	93.837	11211/IMMEDTRIAL/AMD 5	135,900
Cardiovascular Diseases Research	93.837	5K01HL092598-03	131,113
Cardiovascular Diseases Research	93.837	IMMEDIATE TRIAL #3	96,919
Lung Diseases Research	93.838	23063609	89,203
Lung Diseases Research	93.838	23063610/1U01HL064288	72,295
Lung Diseases Research	93.838	CAMP CONTINUATION/U01HL075420	112,531
Blood Diseases and Resources Research	93.839	5F31HL090024-03	35,238
Blood Diseases and Resources Research	93.839	BRIDGE/U01HL087229	8,161
Arthritis Musculoskeletal and Skin Diseases Research	93.846	PO 1000724694	591
Kidney Diseases Urology and Hematology Research	93.849	04-0037 SHELL	4,812
Kidney Diseases Urology and Hematology Research	93.849	04-0044 AMD#6 SHELL	8,411
Clinical Research Related to Neurological Disorders	93.853	5U01NS044876-05 A07223 M05A003	(72)
Clinical Research Related to Neurological Disorders	93.853	A07593 (M10A10564)	6,706
Clinical Research Related to Neurological Disorders	93.853	SA-NIH 5U01NS042167	10,991
Clinical Research Related to Neurological Disorders	93.853	U01 NS 045719	66,580
Allergy Immunology and Transplantation Research	93.855	5T32AI007538-12	201,504
Pharmacology Physiology and Biological Chemistry	93.859	1K12GM088021-01	216,996
Pharmacology Physiology and Biological Chemistry	93.859	5R25 GM060201-09	664,489
Pharmacology Physiology and Biological Chemistry	93.859	5R25GM075149-01	328,868
Child Health and Human Development Extramural Research	93.865	5U10HD053089-05	272,819
Medical Library Assistance	93.879	1R13LM010054-01	15,230
Grants for Training in Primary Care Medicine and Dentistry	93.884	1D59HP15245-01-00,02	348,222
Grants for Training in Primary Care Medicine and Dentistry	93.884	5 D56HP08339-03-00	154,000
Grants for Training in Primary Care Medicine and Dentistry	93.884	5 D58HP08296-03-00	63,216
Grants for Training in Primary Care Medicine and Dentistry	93.884	D54 HP00032-05, 06,07,09,10-01	272,852
Grants for Training in Primary Care Medicine and Dentistry	93.884	D56HP00028-05,06	221
Grants for Training in Primary Care Medicine and Dentistry	93.884	D57HP09963-02-01, 03-00	157,537
Project Grants for Renovation or Construction of Non-Acute	93.887	1 C76HF00754-01-00	1,049,769
Specially Selected Health Projects (B)	93.888	1D1ARH16079-01-00	85,183
HIV Care Formula Grants	93.917	10UNM021016 SHELL	245,061
Grants to Provide Outpatient Early Intervention Services	93.918	6 H76HA00130-18-01	785,693
Research and Demonstration Projects for Indian Health	93.933	070042002	79,088
Research and Demonstration Projects for Indian Health	93.933	N01-A1-45250	21,341
Trauma Care Systems Planning and Development	93.952	07UNM/03.0082	17,331
Block Grants for Community Mental Health Services	93.958	MCC 05-01	314,961
Block Grants for Prevention and Treatment of Substance Abuse	93.959	MCC 05-01	1,160,099
Public Health Traineeships	93.964	1A03HP15132-01-00-02	2,313
Grants for Geriatric Education Centers	93.969	D31 HP08820-01,02,03	431,113
Preventive Health Services Sexually Transmitted Diseases	93.977	10UNM020004	47,895
National Health Promotion	93.990	HHSN2762008005555P	16,900
Preventive Health and Health Services Block Grant	93.991	09UNM.02.0039,10UNM.02.1004	86,613
Maternal and Child Health Services Block Grant to the	93.994	09UNM/02.0016.A1	990
Maternal and Child Health Services Block Grant to the	93.994	10UNM 02 0016	7,107
Maternal and Child Health Services Block Grant to the	93.994	10UNM03.0013.A1	158,793
Maternal and Child Health Services Block Grant to the	93.994	HHS233200700442G.CAHILL/14305	38,355
Maternal and Child Health Services Block Grant to the States	93.994	10UNM/02.0025	188,694
Maternal and Child Health Services Block Grant to the States	93.994	10UNM/02.0026	40,030
Maternal and Child Health Services Block Grant to the States	93.994	10UNM/02.0037	101,565
Bioterrorism Training and Curriculum Development Program (B)	93.996	5T01HP01421-04,05	(5,582)
Planning and Program Development Grants	94.007	05EDHNM001	(1,655)
Planning and Program Development Grants	94.007	08EDHNM001	39,138
Homeland Security	97.000	2005-GE-T5-0012	(12,811)
Homeland Security	97.000	EMT-2008-GR-0007	32,893
Homeland Security	97.000	HSFEHQ-05-L-0202	41,806

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

	<u>FEDERAL CFDA NUMBER</u>	<u>CONTRACT/GRANT NUMBER</u>	<u>EXPENDITURES</u>
Cooperating Technical Partners	97.045	EMT-2009-GR-0010	\$ 23,308
Map Modernization Management Support (B)	97.070	EMT-2007-GR-0010	(21)
Federal Appropriation	99.999	08/01/08 AGREEMENT	4,360
Federal Appropriation	99.999	12309	4,500
Federal Appropriation	99.999	1507	5,803
Federal Appropriation	99.999	1810	629,702
Federal Appropriation	99.999	AGREEMENT 10/27/09	227,578
Federal Appropriation	99.999	AGREEMENT 5/12/09	25,467
Federal Appropriation	99.999	CK157326	21,266
Federal Appropriation	99.999	SERVICE GRANT AGR 2009	27,992
Federal Appropriation	99.999	TV DSG 2009	33,000
Federal Appropriation	99.999	TVCSG 2009	426,613
Federal Appropriation	99.999	TVIC 2009	20,420
TOTAL NONMAJOR PROGRAMS			\$ 40,704,696
TOTAL FEDERAL AWARDS			\$ 242,591,183

Reconciliation to Exhibit B - Statement of Revenues, Expenditures and Changes in Net Assets

Federal awards revenue (per Exhibit B):

Federal grants and contracts revenue	\$ 244,668,931
Portion of capital grants and gifts revenue that is federal	3,235,652
Federal stabilization grant revenue	1,263,025
Portion of clinical operations revenue that is federal	1,890,349
Total federal awards revenue	251,057,957

Reconciling items:

Fee for service federal contract revenues - not reportable on Schedule 9	(6,357,152)
Residual balances on federal grants and contracts	(2,109,622)
Total federal expenditures per Schedule 9	\$ 242,591,183

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

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 2010 totaled \$313,619. The outstanding Perkins loan balance at June 30, 2010 was \$10,683,551. FFEL loans advanced to students in fiscal year 2010 totaled \$105,883,098.

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>EXPENDITURES</u>
BAE Systems	12.000	\$ 51,946
Defense Threat Reduction Agency	12.000	1,167,361
Office of Naval Research	12.300	1,007,127
Defense Threat Reduction Agency	12.351	1,486,637
Army Research Office	12.431	170,136
Air Force Office of Scientific Research	12.800	946,359
Defense Advanced Research Projects Agency	12.910	50,000
National Park Service	15.000	42,831
NASA - Goddard	43.000	134,819
NASA - Stennis	43.002	1,423
National Science Foundation	47.000	441,324
National Science Foundation	47.041	104,493
National Science Foundation	47.049	55,478
National Science Foundation	47.050	5,872
National Science Foundation	47.070	109,000
National Science Foundation	47.074	131,966
National Science Foundation	47.076	70,529
National Science Foundation	47.079	173,112
National Science Foundation	47.080	1,499,252
National Science Foundation	47.081	10,292
Santa Fe Community College	59.037	21,689
Environmental Protection Agency	66.509	1,955
Argonne National Laboratory	81.000	68,161
Department of Energy	81.000	426,050
Sandia National Laboratories	81.000	199,425
Department of Energy	81.113	19,019
Federal Emergency Management Agency	83.000	4,883
NM Public Education Department	84.000	22,672
Department of Education	84.116	2,788
Department of Education	84.337A	9,031
Department of Health & Human Services	93.000	142,066
National Institute of General Medical Sciences	93.000	119,164
Department of Health & Human Services	93.063	172,268

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>EXPENDITURES</u>
Health Resources and Services Administration	93.107	\$ 122,814
National Institutes of Health	93.115	151,486
Health Resources and Services Administration	93.153	157,131
National Institute of Mental Health	93.242	49,574
National Institutes of Health	93.242	410,695
Department of Health & Human Services	93.253	40,000
Centers for Disease Control and Prevention	93.262	166,779
Department of Health & Human Services	93.273	152,101
National Institute on Alcohol Abuse and Alcoholism	93.273	1,239,171
National Institutes of Health	93.273	351,140
Department of Health & Human Services	93.279	63,696
National Institute on Drug Abuse	93.279	129,245
National Institutes of Health	93.279	29,881
Centers for Disease Control and Prevention	93.283	42,516
National Institutes of Health	93.310	87,959
National Center for Research Resources	93.389	323,203
National Institutes of Health	93.393	215,344
National Institutes of Health	93.394	691,983
National Institutes of Health	93.395	41,088
National Institutes of Health	93.397	14,208
Administration for Children and Families	93.631	53,793
Department of Health & Human Services/NIH/NCRR - ARRA	93.701	419,594
National Institute on Drug Abuse	93.701	197,004
San Diego State University Foundation	93.701	15,473
National Institutes of Health	93.837	32,279
National Institutes of Health	93.839	45,483
National Institutes of Health	93.847	61,591
National Institutes of Health	93.849	405,186
National Institutes of Health	93.855	1,927,998
National Institute of Allergy and Infectious Diseases	93.856	16,532
National Institutes of Health	93.856	5,444,360
National Institute of General Medical Sciences	93.859	300,110
National Institutes of Health	93.859	983,048
National Institutes of Health	93.865	64,511
National Institutes of Health	93.866	73,707
National Institutes of Health	93.960	47,181
Health Resources and Services Administration	93.969	29,532
National Institutes of Health	93.989	136,262
Department of Health & Human Services	93.996	(3,652)
TOTAL PASSED THROUGH TO SUBRECIPIENTS		\$ 23,599,134

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>EXPENDITURES</u>
Middle Rio Grande Conservancy District	10.000	AGREEMENT 091608	\$ 19,963
New Mexico Children Youth and Family Department	10.000	0577	101
New Mexico Children Youth and Family Department	10.000	3177	8,366
New Mexico Energy Minerals and Natural Resources Dept	10.000	06-521-0400-0026	710
University of Nebraska	10.000	25-0511-0053-008	4,570
Pueblo of Acoma	10.028	PO #10-0966	12,988
New Mexico Human Services Department	10.561	63000-0000013732, DAVIS/14231	11,554
New Mexico Department of Health	10.578	09 UNM 02 1002	45,093
New Mexico Department of Information Technology	11.000	CONTRACT NO. 10-361-3046	16,756
New Mexico State Library	11.000	35-43-B10002	18,661
University Corp for Atmospheric Research	11.431	S09-81066	8,053
New Mexico State Library	11.555	MOU031710	4,605
BAE Systems	12.000	316097	360,286
CU Aerospace	12.000	SUBAWARD #07-01-UNM	581
Gulf South Research Corporation	12.000	80302024S3SITES - UNM	45,804
Gulf South Research Corporation	12.000	80302024SHISTORIC-UNM	8,237
Gulf South Research Corporation	12.000	80316001SHV-UNM	263,969
Gulf South Research Corporation	12.000	80320014S-UNM	4,422
KTECH Corporation	12.000	SUBAWARD NO. KS07-015	11,068
Management Sciences	12.000	09-1434	43,825
Miratek Corporation	12.000	SC AGMT DTD 10/25/02	7,833
Moberg Research Inc	12.000	SC#W81XWH08C0091-S	45,094
New Mexico Military Affairs Department	12.000	08-04/70500-0000001413	47,371
New Mexico Military Affairs Department	12.000	08-06/70500-0000001415	11,446
Polaris Sensor Technologies, Inc.	12.000	PO 09-186	36,967
QmagiQ LLC	12.000	2009-UNM2	297,391
R. Christopher Goodwin & Associates, Inc.	12.000	AGREEMENT 073009	76,563
RNET Technologies, Inc.	12.000	2010-UNM-AF093-160-1	29,436
SAIC	12.000	4400162501	29,425
Sandia National Laboratories	12.000	749169	9,221
State University of New York	12.000	R670517	10,838
University of Illinois	12.000	SUBAWARD NO 2003-08000-02	5
Virtual EM	12.000	SUBCON DTD 6/21/07	(3,484)
Gulf South Research Corporation	12.100	80320015S-UNM	6,831
New Mexico Institute of Mining and Technology	12.114	FPIB10-710428	72,218
New Mexico Institute of Mining and Technology	12.114	NMIMT SUB FA9453-04-3-0374	2,796
Colorado State University	12.300	G-2400-1/N00014-07-1-1068	213,416
New Mexico Army National Guard	12.401	10-09	1,523
New Mexico Military Affairs Department	12.401	07-08 TASK 1	12,380
New Mexico Military Affairs Department	12.401	07-08 TASK 2	13,607
New Mexico Military Affairs Department	12.401	07-08 TASK 3	37,627
New Mexico Military Affairs Department	12.401	07-08 TASK 4	5,605
New Mexico Military Affairs Department	12.401	08-05/70500-0000001414	2,601
New Mexico Military Affairs Department	12.401	08-07/70500-0000001416	2,363
New Mexico Military Affairs Department	12.401	08-08/70500-0000001417	27,950
New Mexico Military Affairs Department	12.401	08-09/70500-0000001418	23,897
New Mexico Military Affairs Department	12.401	10-05	3,743
Academy of Applied Science	12.431	LTR. DATED 09/01/08	14,293

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>EXPENDITURES</u>
Academy of Applied Science	12.431	W911NF-04-1-0001	\$ 10,430
University of California, Santa Barbara	12.431	KK1017	10,019
BAE Systems	12.800	SUBCONTRACT #683140	39,113
Boeing Company	12.800	Q07897000	688
California Institute of Technology	12.800	67F-1080970/FA9550-06-1-0443	20,152
Collins Clark Technologies Inc.	12.800	CCT-SC-050109-01	29,995
Henry M Jackson Foundation	12.800	663770	100,000
Mesa Photonics LLC	12.800	01/20/09 SUBCONTRACT	8,580
Southwest Sciences	12.800	5/2/07 AGMT/FA8650-07-M-1182	121,779
University of Arizona	12.800	Y502715	120,576
University of Texas Austin	12.800	UTA04-498	213,449
University of Virginia	12.800	GG10959-128685[FA9550-07-1-053	175,225
Mesa Photonics LLC	12.910	SIBR SUB W31P4Q-09-C-0575	3,565
Gulf South Research Corporation	15.000	80316001SJV-UNM	66,157
Navajo Nation	15.000	C06753	17,425
New Mexico Energy Minerals and Natural Resources Dept	15.000	06-521-06EE-0024	7,294
New Mexico Game and Fish Department	15.000	MOU 09-516-000-00008	31,279
Pueblo of Laguna	15.000	PSA-04-02	(265)
Tetra Tech Inc	15.000	T22967	16,372
New Mexico Institute of Mining and Technology	15.225	RBCV10-710412 P0008302	26,497
Desert Research Institute	15.507	06-FC-81-1276	20,852
New Mexico Energy Minerals and Natural Resources Dept	15.605	JPA 06-521-0429-0031 WO 10-2	8,982
New Mexico Energy Minerals and Natural Resources Dept	15.605	JPA# 06-521-0429-0031, WO#10-1	16,795
University of Wyoming	15.805	DOIUSGS43613P20	791
Florida Supreme Court	16.000	PSA 12-22-09	218
New Mexico Public Safety Department	16.000	07-ANTI-GANG-UNM-ISR-FY08	10,413
New Mexico Public Safety Department	16.000	07-PC- OMI-FY10	7,919
New Mexico Public Safety Department	16.000	08-PSN-UNM-SAC-FY09	648
New Mexico Public Safety Department	16.100	00-TFO-10-UNM	(1,883)
New Mexico Public Safety Department	16.100	08-PC-OMI-FY09	11,741
New Mexico Public Safety Department	16.100	09-PC-OMI-SFY10	37,369
University of Nevada System	16.560	10-696J-00	9,375
New Mexico Crime Victims Reparation Commission	16.575	2010-VA-537/2011-VA-643	58,141
New Mexico Crime Victims Reparation Commission	16.575	2010-VA-539, 2011-VA-645	25,127
Justice Research & Statistics Association	16.734	NM16-2010-001	1,395
New Mexico Corrections Department	16.803	CONTRACT 10-7700-1100-0012	20,091
New Mexico Public Safety Department	16.803	RA-JAG-UNM-SFY10	51,260
New Mexico Department of Workforce Solutions	17.000	090808, PO#5107	41,883
City of San Bernardino	17.259	E340-09-607 ARRA	33,172
New Mexico Department of Workforce Solutions	17.268	GRANT AGREEMENT 3/4/09	88,887
State of New Mexico	17.268	WR-16380-07-60-A-35	67,500
New Mexico Department of Transportation	20.000	CO 4817; CN CA612; TPA 7500(52	24,079
New Mexico Traffic Safety Bureau	20.215	C05220	68,090
State of Louisiana	20.509	741-99-0159/LA-18-X019	(7,294)
Jet Propulsion Lab	43.000	1395929	4,158
New Mexico State University	43.000	Q01253	1,972
New Mexico State University	43.000	Q01261	146,500
New Mexico State University	43.000	Q-01262	16,353

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>EXPENDITURES</u>
New Mexico State University	43.000	Q01263	\$ 1,392
New Mexico State University	43.000	Q01264	6,491
New Mexico State University	43.000	Q01297	19
New Mexico State University	43.000	Q01419 PO#P0085501	56,747
New Mexico State University	43.000	SUBAWARD #Q01378	25,849
Ohio Aerospace Institute	43.000	WE500048	253
University of California Los Angeles	43.000	2090-S-JB-690	13,622
University of Colorado	43.002	154-5649	18,230
Washington University	43.002	PO#2912163A WU-HT-10-46	2,282
Friends of New Mexico MainStreet, Inc.	45.000	FNMM 03-10-10	10,346
Arizona State University	47.000	KMS0019-21-48-SUB	(137)
Central New Mexico Community College	47.000	2123-8224A	(173)
Chabot Space & Science Center	47.000	ES10610253 (PRIME AGREEMENT)	87,557
Gratings Inc	47.000	SUB DATED 11/23/09	8,647
International Continental Drilling Program	47.000	AGMNT 04/22/09	2,314
New Mexico State University	47.000	Q01277	435,797
University of Notre Dame	47.000	#201215	33,149
Yale University	47.000	C09D10192	3,133
Arizona State University	47.041	#07-839/SC 34107M00289	152,104
Iowa State University	47.041	420-72-24	183,471
Rensselaer Polytechnic Institute	47.041	A12020	739,839
T3 Scientific LLC	47.041	PO #1141	36,045
University of Rochester	47.041	PO414932-G	27,597
New Mexico State University	47.046	Q01314	88,245
Arizona State University	47.049	06-625	6,709
Regents of the University of Minnesota	47.049	A528605647	30,000
University of Arizona	47.050	Y414421	187,106
Columbia University	47.070	PO# 541117	42,766
Cornell University	47.070	CNS-0539982	4,562
Oklahoma State University	47.070	OSU #AA-5-20738	66,548
University of Oklahoma	47.070	SUBCONTRACT NO. 2008-21	25,464
Duke University	47.074	09-NSF-1036	60,382
NatureServe	47.074	NM-008-FY10	7,962
The Board of Trustees of Western Illinois University	47.074	5-22900 YR 1	28,203
University of Alabama	47.074	99-007	(7,758)
University of California Los Angeles	47.074	0521 GKB076	109,334
University of Kansas Center for Research	47.074	FY02009-071	7,593
University of Puerto Rico	47.074	SUB AGREEMENT DATED 5/1/07	36,056
Boston University	47.075	GC206254NGA	41,431
Gallaudet University	47.075	0000018405	133,337
New Mexico State University	47.075	Q01157	22,571
Arizona State University	47.076	10-220	36,898
Arizona State University	47.076	KMS0019-21-49/SUB	(126)
Arizona State University	47.076	KMS0019-21-50/SUB	396
Arizona State University	47.076	KMS0019-21-53/SUB	568
Colorado State University	47.076	G-3062-1	69,199
Southern Oregon Public Television	47.076	DRL-0813414	4,997
University of Arizona	47.076	Y410675	103,360

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>EXPENDITURES</u>
University of Colorado	47.076	1546036	\$ 6,840
Arizona State University	47.079	KMS0019-21-50/SUB	754
Mesa Photonics LLC	47.082	AGREEMENT 07.01.09	61,029
Titan Optics & Engineering	47.082	SUB 1010078	50,768
Santa Fe Community College	59.000	9-603001-Z-0032-21	228,307
Santa Fe Community College	59.037	9-603001-Z-0032-21	124,630
New Mexico Finance Authority	66.468	2384-ADW	462,318
Argonne National Laboratory	81.000	9F-30343	376,114
Battelle Memorial Institute	81.000	CONT NO. 00044825 REL NO.00002	74,759
Battelle Memorial Institute	81.000	CONTRACT 0044825 RELEASE 00003	16,495
Battelle Memorial Institute	81.000	CONTRACT NO. 00044825	76,003
Brookhaven Science Associates LLC	81.000	146160	28,974
Brookhaven Science Associates LLC	81.000	95247	120,925
Fermi Laboratory	81.000	PO 589163	19,079
HyperV Technologies Corp	81.000	AGREEMENT DATE 11/18/08	91
International Atomic Energy Agency	81.000	EGY/08009	14,514
Johns Hopkins University	81.000	2000070550 SHELL	10,864
Lawrence Berkeley National Laboratory	81.000	SC NO. 6905310	22,675
Lawrence Livermore National Laboratory	81.000	B565062	(8,333)
Lawrence Livermore National Laboratory	81.000	B590510	6,759
Los Alamos National Laboratory	81.000	09166-001-05	81,571
Los Alamos National Laboratory	81.000	1A-0015	15,895
Los Alamos National Laboratory	81.000	44628-001-07	14,752
Los Alamos National Laboratory	81.000	49379-001-07	43,447
Los Alamos National Laboratory	81.000	53184-001-078	51,739
Los Alamos National Laboratory	81.000	57461-001-07	148,189
Los Alamos National Laboratory	81.000	61971-001-08	24,878
Los Alamos National Laboratory	81.000	63802-0001-09	74,897
Los Alamos National Laboratory	81.000	69122-001-09	70,872
Los Alamos National Laboratory	81.000	70137-001-09	119,242
Los Alamos National Laboratory	81.000	71909-001-09	349,758
Los Alamos National Laboratory	81.000	73267-001-09	136,880
Los Alamos National Laboratory	81.000	74351-001-04-2H	(19)
Los Alamos National Laboratory	81.000	74767-001-09	30,651
Los Alamos National Laboratory	81.000	76825-001-09	11,315
Los Alamos National Laboratory	81.000	77005-001-09	124,682
Los Alamos National Laboratory	81.000	80955-001-10	12,580
Los Alamos National Laboratory	81.000	DE-AC52-06NA25396	21,395
Los Alamos National Laboratory	81.000	LANS IA-0050	79,428
Los Alamos National Laboratory	81.000	NONE	41,847
Los Alamos National Laboratory	81.000	PO 57630-001-07	88,018
Los Alamos National Laboratory	81.000	SC #64041-001-08	(1,181)
Los Alamos National Laboratory	81.000	STB-UC: 06-36	5,555
Los Alamos National Security, LLC	81.000	#0065	13,068
Los Alamos National Security, LLC	81.000	85004-001-10	7,931
MIND Research Network	81.000	#1A/PSA DATED 10/22/09	136,675
MIND Research Network	81.000	06-450M-N1	(308)
MIND Research Network	81.000	10421//WILLIAMSON,12058	12,821

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>EXPENDITURES</u>
MIND Research Network	81.000	SUBAWARD AGMT 6003-0001	\$ 92,298
MIND Research Network	81.000	TASK ORDER MEMO DOE #6002-023	15,925
Oak Ridge Associated Universities	81.000	2-19106	(118)
Oak Ridge Associated Universities	81.000	2-19107	(10)
Rensselaer Polytechnic Institute	81.000	A30560	29,726
Sandia National Laboratories	81.000	1003483	8,025
Sandia National Laboratories	81.000	1020104	15,232
Sandia National Laboratories	81.000	543234	156,265
Sandia National Laboratories	81.000	570462	213,586
Sandia National Laboratories	81.000	660193	57,712
Sandia National Laboratories	81.000	665142	35,165
Sandia National Laboratories	81.000	667014	39,269
Sandia National Laboratories	81.000	669152	45,801
Sandia National Laboratories	81.000	678280	166,568
Sandia National Laboratories	81.000	685890	97,225
Sandia National Laboratories	81.000	689442	11,476
Sandia National Laboratories	81.000	692463	4,518
Sandia National Laboratories	81.000	696997	(838)
Sandia National Laboratories	81.000	699182	(30,152)
Sandia National Laboratories	81.000	719287	139,772
Sandia National Laboratories	81.000	727112	(8,359)
Sandia National Laboratories	81.000	752594	(350)
Sandia National Laboratories	81.000	772629	128,532
Sandia National Laboratories	81.000	775091	338,349
Sandia National Laboratories	81.000	793958	946
Sandia National Laboratories	81.000	795706	54,378
Sandia National Laboratories	81.000	796180	22,089
Sandia National Laboratories	81.000	808467	24,499
Sandia National Laboratories	81.000	846724	13,430
Sandia National Laboratories	81.000	846734	8,657
Sandia National Laboratories	81.000	846737	2,093
Sandia National Laboratories	81.000	848059	24,843
Sandia National Laboratories	81.000	862888	2,559
Sandia National Laboratories	81.000	875328	6,374
Sandia National Laboratories	81.000	885771	11,892
Sandia National Laboratories	81.000	890706	28,552
Sandia National Laboratories	81.000	891459	294
Sandia National Laboratories	81.000	896179	19,715
Sandia National Laboratories	81.000	904938	67,146
Sandia National Laboratories	81.000	911452	(5,017)
Sandia National Laboratories	81.000	948139	61,023
Sandia National Laboratories	81.000	962213	76,866
Sandia National Laboratories	81.000	969539	12,141
Sandia National Laboratories	81.000	970419	19,422
Sandia National Laboratories	81.000	970566	21,002
Sandia National Laboratories	81.000	971008	4,983
Sandia National Laboratories	81.000	979664	41,506
Sandia National Laboratories	81.000	985735	29,429

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<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>EXPENDITURES</u>
Sandia National Laboratories	81.000	DOC #749924/PO# 438290	\$ 15,402
Sandia National Laboratories	81.000	DOC#713387 PO#438290	17,228
Sandia National Laboratories	81.000	DOCUMENT NO. 673382	124,585
Sandia National Laboratories	81.000	DOCUMENT NO. 673387	117,268
Sandia National Laboratories	81.000	PO # 982610	17,388
Sandia National Laboratories	81.000	PO 875455	43,172
Sandia National Laboratories	81.000	PO 883603	35,130
Sandia National Laboratories	81.000	PO 884199	15,386
Sandia National Laboratories	81.000	PO 909872	40,499
Sandia National Laboratories	81.000	PO 912447	80,968
Sandia National Laboratories	81.000	PO 944066	36,419
Sandia National Laboratories	81.000	PO 947388	62,125
Sandia National Laboratories	81.000	PO 976306	73,999
Sandia National Laboratories	81.000	PO 978919	14,036
Sandia National Laboratories	81.000	PO935397	25,000
Sandia National Laboratories	81.000	PURCHASE ORDER NO. 927511	45,375
Sandia National Laboratories	81.000	SPO 940925	20,089
Sandia National Laboratories	81.000	SPO 972649	29,044
Sandia National Laboratories	81.000	STANDARD PO 942625	21,374
Sandia National Laboratories	81.000	STANDARD PO 944184	71,809
South Carolina State University	81.000	SG #07-570003-NEP-UNM-NM	8,070
State University of New York	81.000	PO# R404499	67,369
Universities Research Association Fermilab	81.000	09-F-024 DR. JOHN STROLOGAS	8,175
New Mexico Energy Minerals and Natural Resources Dept	81.041	DE-EE0000108	39,441
Colorado State University	81.049	G-0113-2	5,351
Duke University	81.049	07-SC-NICCR	5,903
MIND Research Network	81.049	6003-020	5,138
MIND Research Network	81.049	6003-024 SUB 3 (LAURIELLO)	590
MIND Research Network	81.049	6003-024 SUB 4(ADELSHEIM)	310
MIND Research Network	81.049	6003-147	14,187
MIND Research Network	81.049	6804-002, 6003-147	29,106
MIND Research Network	81.049	JOINT UNM/MIND RESEARCHERS	104,755
MIND Research Network	81.049	TASK ORDER DOE #6003-007	57,131
Northern Arizona University	81.049	MPC 35XA	56,837
University of Florida	81.049	ENCUMBRANCE #1904-2052	65,906
Texas A&M University	81.113	SUBRECIPIENT AGR NO. C08-00883	19,837
Trustees of Purdue University	81.113	4105-23185	182,879
Washington State University	81.121	SUBAWARD NO. 108880_G002293	45,885
MIND Research Network	83.000	12513-PO 000030	124,828
New Mexico Public Safety Department	83.000	06-790, 5000-0028, 07,A2, A3	24,617
Sandia National Laboratories	83.000	SPO# 883164	83,309
National Writing Project Corp	84.000	06-NM07	(2,984)
New Mexico Department of Health	84.000	10UNM007.0012,MCCLAIN/14264	(4,705)
New Mexico Higher Education Department	84.000	2008-09 FEDERAL ABE	(264)
New Mexico Higher Education Department	84.000	2008-09 FEDERAL ABE ALLOCATION	(67)
New Mexico Higher Education Department	84.000	AMERICAN INDIAN TEACHER QUALIT	109,684
New Mexico Higher Education Department	84.000	BAR DATED 06/25/09	103,332
New Mexico Higher Education Department	84.000	BAR DATED 6/29/09	49,166

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New Mexico Higher Education Department	84.000	BAR DATED 7/1/06	\$ 66,167
New Mexico Higher Education Department	84.000	FEDERAL ABE 2008-2009	(2,211)
NM Public Education Department	84.000	#07-924-0074	68,058
NM Public Education Department	84.000	#09 924 0097	67,080
NM Public Education Department	84.000	09-924-0170	102,203
NM Public Education Department	84.000	AGMT # 09 924 0096	126,196
NM Public Education Department	84.000	BAR DATED 1/15/10	93,959
NM Public Education Department	84.000	V048A080031, 24183	20,304
Northern New Mexico College	84.000	P031S060059	211,574
Public Broadcasting Service	84.000	AGREEMENT EFFECTIVE 8/1/09	33,597
New Mexico Higher Education Department	84.002	BAR 6/25/09	169,162
NM Public Education Department	84.002	ABE - INSTRUCTIONAL MATERIALS	12,268
NM Public Education Department	84.027	CONTRACT #08-924-0195	(76)
Albuquerque Public Schools	84.100	PSA DATED 5/7/10	79,070
East Tennessee State University	84.116	SUBAWARD NO. 226783-01	41,174
Texas Tech University Health Science Center	84.116	SUBAWARD #21D036-01	1,524
University of Iowa	84.116	W000108745/PO 1000664002	13,875
NM Public Education Department	84.173	NMPED FUND 673/24136	(1,326)
NM Public Education Department	84.174	2008-09 CARL PERKINS ALLOCATIO	5,977
New Mexico Department of Health	84.181	10UNM.007.0018	30,099
New Mexico Department of Health	84.181	10UNM007.0005,MCCLAIN/14330	474,029
New Mexico Department of Health	84.181	10UNM007.0009,MCCLAIN/14314	24,273
New Mexico Department of Health	84.181	10UNM007.0010,MCCLAIN/14310	68,436
New Mexico Department of Health	84.181	10UNM007.0016,MCCLAIN/14331	32,807
NM Public Education Department	84.181	09UNM.007.0018	8,228
NM Public Education Department	84.181	10UNM.007.0018 MOA	1,228,460
NM Public Education Department	84.243	BAR DATED 10/15/09	55,372
Michael Cohen Group, LLC	84.295	U295A05004	(88,876)
Washington University	84.305	WU-HT-07-02/PO 29088Y	153,270
NM Public Education Department	84.326	10-927-0178	819,587
NM Public Education Department	84.350	10-924-0122	104,913
New Mexico Department of Health	84.383	10UNM.ARRA.07.0020.10UNM SHELL	85,785
New Mexico Higher Education Department	84.394	S394A090032	107,796
New Mexico Higher Education Department	84.394A	S394A090032 & S394A090032A	1,263,025
NM Public Education Department	84.397	10924P5270203	154
National Writing Project Corp	84.928A	06-NM07	43,183
National Writing Project Corp	84.928A	96-NM04	25,819
Albuquerque Area Indian Health Board Inc	93.000	PSA NO. 09-56	89,981
AMC Cancer Research Center	93.000	720-4621/MOD 3,EXT DATE	(2,047)
American Cancer Society Inc	93.000	SIRGS-06-281-01-04-COUN	117,302
Association for Prevention Teaching & Research	93.000	SU50CD300860	9,374
BEI Resources	93.000	BEI-1033-2007-UNM	(3,382)
Biomedical Research Institute of New Mexico	93.000	PO 3125 R01 MH6530401	(2,572)
Booz Allen Hamilton Inc.	93.000	91242CBS17/TASK 1	(6,520)
Booz Allen Hamilton Inc.	93.000	GS-35F-0306J	(4,558)
Broad Institute	93.000	5700000447	55,342
Carnegie Mellon University	93.000	1090208-226006/1090237-238358	233,691
Case Western Reserve University	93.000	N01-DK-6-2203 / SUB RES429762	157,425

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Casia Software LLC	93.000	ASAP-YS	\$ 5,056
Clarity Counseling Inc	93.000	AGREEMENT DATED 03/24/08	8,648
Coley Pharmaceutical Group	93.000	981010, AMDEND #3	316,410
DeCode Genetics	93.000	HHS200400064C AB N01-AI40064	729,066
Duke University	93.000	604CCOP	11,445
Eastern Cooperative Oncology Group	93.000	PSA-UNM-00	39,985
General Hospital Corp	93.000	HHSN261200744000C	62,100
Hidalgo Medical Services	93.000	DHHS/APHPA #601901, MOD #3	52,418
Hidalgo Medical Services	93.000	HMS 2010 REACH, MOD 4	80,592
Houston Academy of Medicine - Texas Medical Center	93.000	N01-LM-6-3505	35,594
Indian Health Service	93.000	242-03-0055	1,131
Los Alamos National Laboratory	93.000	71374-001-09	38,340
Lovelace Biomedical & Environmental Research Inst	93.000	LV060442	212,244
Lovelace Respiratory Research Institute	93.000	JK090139	19,379
Lovelace Respiratory Research Institute	93.000	U01CA097356-03	24,215
Mescalero Apache Schools	93.000	PSA-09-44	411
National Childhood Cancer Foundation	93.000	CA 98543-05 /16602	65,971
National Childhood Cancer Foundation	93.000	PCR: 98543-1058	10,166
National Marrow Donor Program	93.000	CIBMTR#11079	(2,565)
Navajo Nation	93.000	MCCLAIN/13415 SHELL	68,433
New Mexico Cancer Care Alliance	93.000	JHU PO#200187757	(390)
New Mexico Cancer Care Alliance	93.000	RTOG 98-04	1,834
New Mexico Department of Health	93.000	01/665.4200.0335	(13,811)
New Mexico Department of Health	93.000	06UNM/01.011R	(41)
New Mexico Department of Health	93.000	07UNM/03.002	(1,933)
New Mexico Department of Health	93.000	08UNM/03.0032A1	30
New Mexico Department of Health	93.000	09UNM/02.1020A1	583
New Mexico Department of Health	93.000	09UNM/03.0025	(5,917)
New Mexico Department of Health	93.000	09UNM/07.0001	32,451
New Mexico Department of Health	93.000	09UNM020027	102,518
New Mexico Department of Health	93.000	10-647-P739-0203,MCCLAIN/14256	67,188
New Mexico Department of Health	93.000	10UNM/03.0038	(5,073)
New Mexico Department of Health	93.000	10UNM/03.0039	63,101
New Mexico Department of Health	93.000	10UNM02.0002,WILLIAMS/14261	28,188
New Mexico Department of Health	93.000	10UNM03.0018, SHELL FY11	75,835
New Mexico Developmental Disabilities Planning Cncl	93.000	10-647-P739-0200,MCCLAIN/14286	79,864
New Mexico Environment Department	93.000	00/667/JPA/003	(82,073)
New Mexico Human Services Department	93.000	09-630-8000-0090	106,248
New Mexico Human Services Department	93.000	GSA 09-630-7903-0032	513
New Mexico Human Services Department	93.000	GSA 10-630-8000-0002	887,994
New Mexico VA Health Care System	93.000	V501P-2839 #1,2,3 MSU SHELL	6,006
North Central Cancer Treatment Group	93.000	ALTTO N0630	5,941
Penrose-St. Francis Health Services	93.000	NO2-CO-51111	68,385
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	68,007
Senior Scientific	93.000	SENIOR SCIENTIFIC/LARSON	28,086

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Senior Scientific	93.000	SUBCONTRACT#3R86E	\$ 18,142
Sloan Kettering Institute for Cancer Research	93.000	PO NO. BD513121	17,311
The University of Texas Health Science Center at San Antonio	93.000	122211/122209 AMD#3	53,827
University of Alabama	93.000	NO1 AI30025	8,432
University of California Irvine	93.000	2006-1729 AMD 7	72,839
University of California Los Angeles	93.000	09-11	5,203
University of Colorado	93.000	FY10.003.007 AMD8 UNM YR20SHEL	17,367
University of Colorado at Denver HSC	93.000	FY10.329.001	3,639
University of Connecticut	93.000	924010	6,860
University of Maryland	93.000	SR00000241	105,035
University of Notre Dame	93.000	208000	6,534
Utah State University	93.000	100249-001,MCCLAIN SHELL	209,074
Valles Caldera Trust	93.000	04-VCT-VA-001,TASK#7	15,159
ValueOptions of New Mexico	93.000	51663	30,533
Yale University	93.000	A07542 (M07A00654) SHELL	8,283
Z-Tech	93.000	S-2705NM	1,107
University of Notre Dame	93.004	201407	23,652
National Association of County & City Health Official	93.008	MRC 10 0014	959
New Mexico Department of Health	93.069	10UNM/03.0033	46,813
New Mexico Department of Health	93.069	10UNM03.0094	23,116
New Mexico Children Youth and Family Department	93.104	10-690-11384	433,989
University of California Los Angeles	93.110	1920 G KB349	20,958
Lovelace Biomedical & Environmental Research Inst	93.113	JK090153/3360111 MOD 01	21,514
Rio Grande Community Development Corp	93.113	R25 ES014347-01,03	16,255
University of Texas at El Paso	93.113	26-1409-35-61	174,535
New Mexico Department of Health	93.135	08 UNM/03.0091	(682)
New Mexico Department of Health	93.136	09UNM/03.0009	1,486
New Mexico Department of Health	93.136	10UNM/03.009 SHELL	63,792
New Mexico Department of Health	93.136	10UNM03.0032. DEFRANSCO/14227	47,294
University of Colorado	93.145	6 H4AHA000064-08-01; SHELL	243,006
Medical College of Georgia	93.242	22089-4 AMD 2	8,607
Medical College of Wisconsin	93.242	PO#1155438	163,965
University of Iowa	93.242	PO#1000651450,1000675207	3,203
Albuquerque Healthcare for the Homeless	93.243	1H79TI020504-01	(5,359)
American Psychiatric Association	93.243	LEWIS/APASAMHSA	31,183
New Mexico Department of Health	93.243	09UNM.02.1004	169
New Mexico Department of Health	93.243	10UNM.02.0029 SHELL	437,198
New Mexico Higher Education Department	93.243	09-950-1000-00004	52,992
New Mexico Human Services Department	93.243	GSA 10-630-7903-0025	128,399
New Mexico Human Services Department	93.243	SHELL FY10	57,642
San Felipe Tribal Enterprise	93.243	CIRCLES OF CARE/ALTSCHUL	98,163
Santa Clara Indian Pueblo	93.243	SCPAU-2009-02-01	126,057
University of Colorado at Denver HSC	93.262	FY10.347.012	17,023
University of Texas Health Center at Tyler	93.262	1U500H07541 / SC07-07	265,411
New Mexico Department of Health	93.268	09UNM/02.0007.A1 SHELL	174,020
Loyola University Chicago	93.273	108942	31,130
MIND Research Network	93.273	6048 SUB N2 AMD #2, #3	18,650
MIND Research Network	93.273	PO#2010-1947	1,251

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Rutgers University	93.273	ACCT NO. 430472 PO #1201719	\$ 8,930
San Diego State University Foundation	93.273	53253F P1660 7808 211	36,369
San Diego State University Foundation	93.273	53253F P1660 7811 211	32,325
San Diego State University Foundation	93.273	53311D P1650 7803211/ E0005882	22,531
San Diego State University Foundation	93.273	53311F P1650 7803 211	197,114
University of California San Diego	93.273	10300214	8,501
MIND Research Network	93.279	6112-001 SUB N1 AMD#M1	1,439
SIMMersion LLC	93.279	R44 DA023767-02	24,542
University of Colorado	93.279	154-5702	22,789
University of Maryland	93.279	SR00000307	5,455
New Mexico Department of Health	93.282	10UNM/02.0001	85,000
Association for Prevention Teaching & Research	93.283	TS-1412	147,602
Association of American Medical Colleges	93.283	U36/CCU319276	9,608
New Mexico Department of Health	93.283	09 UNM/03.0037	20,958
New Mexico Department of Health	93.283	09UNM/02.0019	9
New Mexico Department of Health	93.283	09UNM/03.0020	589
New Mexico Department of Health	93.283	09UNM/03.0021	12
New Mexico Department of Health	93.283	09UNM/03.0031 SHELL	(3,632)
New Mexico Department of Health	93.283	09UNM02/1019	210
New Mexico Department of Health	93.283	10UNM/03.0020	188,987
New Mexico Department of Health	93.283	10UNM/03.0025	3,820
New Mexico Department of Health	93.283	10UNM/03.0026, FY11 MSU	(17,422)
New Mexico Department of Health	93.283	10UNM/03.0029 SHELL	595,581
New Mexico Department of Health	93.283	10UNM/03.0029ARRA	4,948
New Mexico Department of Health	93.283	10UNM/03.0031	13,366
New Mexico Department of Health	93.283	10UNM/03.0037	25,810
New Mexico Department of Health	93.283	10UNM02.1019	5,182
New Mexico Department of Health	93.283	10UNM02.1020, DAVIS/14232	70,452
University of California	93.283	09-41	667
University of Colorado	93.283	FY10.003.002 AMD 3 UNM	13,178
University of Oklahoma	93.283	RS20051890-08, RS20080230-01	621
University of California-Davis	93.286	SUB07000177-UNM	245,094
University of Oklahoma	93.307	OUHSC RS20081697-05	28,630
Harvard University	93.361	5R01NR010006-04	95,549
Carnegie Mellon University	93.389	1090208-226008	87,094
MIND Research Network	93.389	6087 SUB TO UNM M8	769,802
New Mexico State University	93.389	Q00923, Q01020, Q01090, Q01232	(6,399)
New Mexico State University	93.389	Q01344, AMENDMENT NO. 3	777,511
University of Washington	93.389	672126	693
Group Health Cooperative	93.393	2009120143	9,935
Northern California Institute for Research & Education	93.393	1378-01 / R01CA134425	68,309
Regents of the University of Minnesota	93.393	P663647801	66,067
University of North Carolina	93.393	1R01CA112243-01,02,03,5-50057	19,061
University of Southern California	93.393	H37983 - R01 CA114524-01A2	11,340
University of Washington	93.393	675851	21,726
Vanderbilt University Medical Center	93.393	VUMC35871	21,723
Fred Hutchinson Cancer Research Center	93.394	SUBAWARD# 0000661112 AMD 1	6,711
Fred Hutchinson Cancer Research Center	93.394	SUBAWARD#0000660984	46,999

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Fred Hutchinson Cancer Research Center	93.394	SUBAWARD#000690042	\$ 44,463
Lovelace Respiratory Research Institute	93.394	JK081001 MOD 01 SHELL	28,625
American College of Obstetricians & Gynecologists	93.395	GOG LAB LESLIE, CA27469	(15,918)
Gynecologic Oncology Group	93.395	27469-064	2,836
Gynecologic Oncology Group	93.395	27469-64	102,779
National Childhood Cancer Foundation	93.395	18781/CA98543-07/19728	14,313
Senior Scientific	93.395	R44CA105742	119,592
University of Louisville	93.395	SUBCONTRACT 05-1233	1,818
University of Michigan	93.395	F020125	175,947
University of Michigan	93.395	SHELL	73,896
University of Missouri - Columbia	93.396	CA109545/C00015709-1	90,907
Fred Hutchinson Cancer Research Center	93.397	SUBAWARD#0000680903	5,658
West Virginia University Research Corporation	93.398	09-059-UNM	30,502
Fred Hutchinson Cancer Research Center	93.399	SUBAWARD#0000660954	2,262
University of California Irvine	93.399	2004-1437-1	(4,671)
New Mexico Children Youth and Family Department	93.573	10-690-10049	72,547
New Mexico Children Youth and Family Department	93.573	10-690-9999-01009	14,802
New Mexico Children Youth and Family Department	93.575	10.690.9999.01010	96,265
New Mexico Children Youth and Family Department	93.575	10-690-999-01014	50,522
New Mexico Children Youth and Family Department	93.575	10-690-9999-01011S	467,702
New Mexico Children Youth and Family Department	93.575	10-690-9999-01018	3,781
New Mexico Children Youth and Family Department	93.575	110-690-9999-01008	68,479
Families & Work Institute	93.596	PSA ED 01/04/2010	11,226
New Mexico Children Youth and Family Department	93.596	06-690-0817-1	2,304
New Mexico Children Youth and Family Department	93.596	08-690-5418	5,274
New Mexico Children Youth and Family Department	93.596	10-690-9999-01009	244,621
Napa County Office of Education	93.600	5210-9	7,617
New Mexico Department of Health	93.630	10-647-P727-0211	10,234
New Mexico Department of Health	93.630	10UNM007.0001, FY11 MSU	995,392
New Mexico Developmental Disabilities Planning Cncl	93.630	09-647-P727-0205	5,000
NM Developmental Disabilities Planning Council	93.630	10-647-P727-0206	2,500
THINK COLLEGE	93.632	890	10,432
Central New Mexico Community College	93.701	2162-8224	83,274
Johns Hopkins University	93.701	200792087	14,704
MIND Research Network	93.701	6117-001 SUB N1	27,487
MIND Research Network	93.701	6119-001, SUBN1	37,909
MIND Research Network	93.701	PO#000035 SUBAWARD 6101-001	58,371
National Childhood Cancer Foundation	93.701	19197	11,735
National Childhood Cancer Foundation	93.701	19308	31,957
New Mexico State University	93.701	Q01398	156,055
New Mexico State University	93.701	Q01399	94,072
Northwestern University	93.701	60024370-UNM	21,918
San Diego State University Foundation	93.701	55830A0 7802 SKO	46,157
St. Jude Children's Research Hospital	93.701	111565010-7348647	47
The Children's Mercy Hospital	93.701	09-0011	10,070
University of California Los Angeles	93.701	1580 G MD853;4-441437-RV-31852	798
University of California-Davis	93.701	2P01AG022500-06A1	39,848
University of Texas at El Paso	93.701	26-1409-49-61 ARRA	20,009

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>EXPENDITURES</u>
Utah State University	93.701	09032801	\$ 31,379
Wayne State University	93.701	WSU09097	43,502
West Virginia University Research Corporation	93.701	1RC1MH088480-01	31,446
New Mexico Children Youth and Family Department	93.713	10-690-9999-03029	2,500
New Mexico Department of Health	93.778	09.2009.665.0007.3472	737,700
State of New Mexico	93.778	GSA09-630-7903-0082	465
Fred Hutchinson Cancer Research Center	93.837	SUB#0000660947 AMD 1	62,165
Harvard University	93.837	03-132528	244,509
New England Medical Center	93.837	11211/IMMEDTRIAL/AMD 5	135,900
New England Medical Center	93.837	IMMEDIATE TRIAL #3	96,919
University of Washington	93.837	NO.613016	65,143
University of Wisconsin	93.837	1U01HL087381-01(SUB X512245)	8,389
Johns Hopkins University	93.838	RO1HL68927-01	273
National Jewish Health	93.838	23063609	89,203
National Jewish Health	93.838	23063610/1U01HL064288	72,295
Oregon Research Institute	93.838	5R01 HL064677,MOD 6	24,343
New Mexico Cancer Care Alliance	93.839	BRIDGE/U01HL087229	8,161
Washington University	93.839	WU-10-254	1,495
University of Iowa	93.846	PO 1000724694	12,755
University of Iowa	93.846	PO#1000760359	8,700
George Washington University	93.847	30730/1/CCLS90370F SHELL	40,863
The Children's Mercy Hospital	93.849	04-0037 SHELL	9,509
The Children's Mercy Hospital	93.849	04-0044 AMD#6 SHELL	25,402
MIND Research Network	93.853	6095-001 SUB N1	13,726
MIND Research Network	93.853	6095-001-SUBN2	22,381
MIND Research Network	93.853	6095-001-SUB-N3	3,699
Mount Sinai School of Medicine	93.853	U01 NS 045719	66,580
Tristan Technologies	93.853	GRANT#5R44NS046964-03 PHASE I	11,289
University of California	93.853	5826SC	123,384
University of Kansas Center for Research	93.853	FY2010-067	4,660
University of North Carolina	93.853	SA-NIH 5U01NS042167	10,991
University of Pittsburgh	93.853	1R013NS061216-01A1	4,827
Yale University	93.853	5U01NS044876-05 A07223 M05A003	(72)
Yale University	93.853	A07593 (M10A10564)	6,706
Lovelace Respiratory Research Institute	93.855	JK070803	21,865
Macrogenics	93.855	1U01A1070504-01	145,639
Mesa Tech International, Inc.	93.855	R01AI072334	88,389
University of Nevada System	93.855	R01AI059348-04 UNR-09-63	194,689
University of Wisconsin	93.855	X539125	59,619
University of Maryland	93.856	SC03520082	122,561
University of Nevada System	93.856	UNR-09-98	97,466
Boston University	93.859	GC205744NGC	126,539
Rules-Based Medicine Inc.	93.859	1R44GM082038-01	46,257
University of California San Francisco	93.859	4812SC	43,057
University of Maryland	93.859	SC035-21157A	35,574
MIND Research Network	93.865	6067-002 SUB TO UNM	18,577
Temple University	93.865	239022 UNIVERSITY OF NEW MEXIC	51,687
Santa Fe Institute	93.866	1R01AGO24119-04	167,131

THE UNIVERSITY OF NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>EXPENDITURES</u>
University of California, Santa Barbara	93.866	KK1029	\$ 146,083
University of Southern California	93.866	132254	31,745
University of Illinois	93.867	2006-00139-06	242,402
VisionQuest Biomedical, LLC	93.867	06-09.001	92,239
VisionQuest Biomedical, LLC	93.867	CONTRACT DATED 10/01/08	712
New Mexico Department of Health	93.889	09UNM/03.0081	179,954
New Mexico Department of Health	93.917	10UNM021016 SHELL	245,061
St Louis University	93.933	N01-A1-45250	21,341
Utah State University	93.933	070042002	79,088
New Mexico Department of Health	93.946	10UNM/03.0040 SHELL YEAR 2	7,621
New Mexico Department of Health	93.952	07UNM/03.0082	17,331
New Mexico Children Youth and Family Department	93.958	10/690-10027	26,573
OPTUM	93.958	MCC 05-01	314,961
OPTUM	93.959	MCC 05-01	1,160,099
New Mexico Department of Health	93.977	10UNM020004	47,895
New Mexico Department of Health	93.991	09UNM.02.0039,10UNM.02.1004	86,613
New Mexico Department of Health	93.991	10UNM/03.0035A1, SHELL FY11	14,541
New Editions Consulting, Inc.	93.994	HHSP233200700442G,CAHILL/14305	38,355
New Mexico Department of Health	93.994	09UNM/02.0016.A1	990
New Mexico Department of Health	93.994	10UNM 02 0016	7,107
New Mexico Department of Health	93.994	10UNM/02.0025	188,694
New Mexico Department of Health	93.994	10UNM/02.0026	40,030
New Mexico Department of Health	93.994	10UNM/02.0037	101,565
New Mexico Department of Health	93.994	10UNM03.0013.A1	158,793
Federal Emergency Management Agency	97.000	EMT-2007-PC-007-005-UNM	70,946
Gulf South Research Corporation	97.000	80302020S-UNM	66,057
Eurasia Foundation	98.001	A04-0152	(36,882)
Corporation for Public Broadcasting	99.999	12309	4,500
Corporation for Public Broadcasting	99.999	1507	5,803
Corporation for Public Broadcasting	99.999	1810	629,702
Corporation for Public Broadcasting	99.999	AGREEMENT 10/27/09	227,578
Corporation for Public Broadcasting	99.999	AGREEMENT 5/12/09	25,467
Corporation for Public Broadcasting	99.999	CK157326	21,266
Corporation for Public Broadcasting	99.999	SERVICE GRANT AGR 2009	27,992
Corporation for Public Broadcasting	99.999	TV DSG 2009	33,000
Corporation for Public Broadcasting	99.999	TVCSG 2009	426,613
Corporation for Public Broadcasting	99.999	TVIC 2009	20,420
Public Broadcasting Service	99.999	08/01/08 AGREEMENT	4,360
TOTAL AMOUNT PASSED THROUGH TO UNM FROM OTHER PRIME CONTRACTORS			\$ 42,242,965

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**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

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, 2010, and have issued our report thereon dated November 4, 2010. Our report includes 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 and the UNM Behavioral Operations, 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

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, 2009-05, and 2010-01 through 2010-10.

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.

Mass Adams LLP

Albuquerque, New Mexico
November 4, 2010

THE UNIVERSITY OF NEW MEXICO

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**Report on Compliance With Requirements That Could
Have a Direct and Material Effect on Each Major Program
and on Internal Control Over Compliance in Accordance
With OMB Circular A-133**

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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2010. Other auditors audited the compliance of the UNM Hospital and the UNM Behavioral Operations, 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 *OMB Circular A-133 Compliance Supplement* that are applicable to each of their major federal programs for the year ended June 30, 2010. 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. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those

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

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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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 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.

Mess Adams LLP

Albuquerque, New Mexico
November 4, 2010

THE UNIVERSITY OF NEW MEXICO

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THE UNIVERSITY OF NEW MEXICO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2010

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

Current Status: Revised and Repeated.

Finding 2009-02. General Ledger Access – Lobo Club

Current Status: Revised and Repeated.

Finding 2009-03. Credit Card Privacy – Lobo Club

Current Status: Resolved.

Finding 2009-04. Pledge Card Information – Lobo Club

Current Status: Resolved.

Finding 2009-05. Agency Account Reconciliation - Lobo Club

Current Status: Repeated.

Finding 2009-06. Physical Inventory and Disposition of Property

Current Status: Resolved.

Finding 2009-07. IT – User Access Controls

Current Status: Resolved.

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THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

Section I—Summary of Auditor’s Results

Basic Financial Statements

Type of auditor’s report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ 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? _____ Yes X None reported

Type of auditor’s 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
Child Care and Development Block Grant (ARRA) – CFDA 93.575
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, 2010

Section II—Basic Financial Statement Findings

None

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

Section III—Federal Award Findings and Questioned Costs

None

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

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 comparable to the audited financial statements distributed to outside users and in accordance with generally accepted accounting principles (GAAP). There were eleven journal entries proposed to convert the Lobo Club's trial balance to the accrual basis of accounting.

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 modified accrual basis for governmental type funds and full accrual basis for enterprise type funds.

Effect

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

Cause

It is apparent that the vacancy of the Financial Coordinator position caused inconsistencies in the posting of financial information. In addition, we noted the Lobo Club's accounting policies and procedures manual was created years ago and has been supplemented over the years and mainly focuses on how to process transactions through software utilized by the Club. We noted that some of the procedures are no longer being followed or have been superseded and that formal review and new processes have not been documented.

Recommendation

We recommend that the Lobo Club review and update its accounting policies and procedures manual. This should include a review of 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 Lobo Club hired a Financial Coordinator subsequent to year end and is in the process of reviewing and updating its accounting policies and procedures manual. This policies and procedures manual will include a monthly closing process and require supporting documentation of monthly journal entries in QuickBooks and Banner.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2009-02. General Ledger Access – Lobo Club

Condition

We noted during the year a password was established to limit access to the general ledger (QuickBooks). However, we noted that although the general ledger has a log in and password, multiple people have had access to the same login and password and QuickBooks does not have separate users set up to log who recorded each transaction.

Criteria

Separate log-in's and passwords restrict usage of the general ledger system to prevent erroneous usage and unauthorized usage. Creating separate log-in's 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

It is apparent that the vacancy of the Financial Coordinator position caused inconsistencies in the posting of financial information and more people gained access.

Recommendation

The Lobo Club should restrict access to the general ledger system and track who has access.

University Response

The Lobo Club hired a Financial Coordinator subsequent to year end and they have created a new password for her Administrative log in. The Executive Director has a new log in and password, and the accountant has her own log in and password. There will be no other users in QuickBooks.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2009-05. Agency Account Reconciliation – Lobo Club

Condition

During our testwork, we noted the agency account and Banner account balance had not been reconciled consistently 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 in deposits or cash balances go undetected.

Cause

It is apparent that the vacancy of the Financial Coordinator position caused inconsistencies in the posting of financial information.

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 Lobo Club hired a Financial Coordinator subsequent to year end. The Financial Coordinator has begun Banner training and will reconcile the agency account and Banner account balance on a monthly basis. This process will also be detailed in the developing policies and procedures manual.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-01. Debit Card Process – Lobo Club

Condition

During our internal control testwork, we noted the Lobo Club has authorized two managers to use purchasing cards that had transactions without Finance Committee review. As governed by policies and procedures designed to help ensure that the debit cards are used appropriately, the policies only include Finance Committee approve for transactions over a \$500 limit. While the transactions are not individually material, the collective balance may be significant due to the volume.

Criteria

Review and approval of transactions is designed to ensure that the Lobo Club is properly authorizing and that the transactions are consistent with the organization's business purpose.

Effect

There is increased risk that the Lobo Club resources may be expended for items not consistent with its business purpose and may not have the ability to prevent or detect unauthorized or material misstatements in their financial statements and could result in conflicting information for management and outside users.

Cause

It is apparent that the vacancy of the Financial Coordinator position caused inconsistencies in the reporting of financial information to the Finance Committee.

Recommendation

We recommend that the Lobo Club improve controls over the review of employee purchasing card expenditures to ensure that its policies and procedures are consistently followed.

University Response

The Lobo Club hired a Financial Coordinator subsequent to year end. The Lobo Club's Financial Coordinator will provide monthly debit/credit transactions to the Finance Committee for review at their monthly meetings and will process debit card receipts in a timely manner.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-02. Contributions for the PIT Renovation – Lobo Club

Condition

During the fiscal year, we noted that the Lobo Club did not consistently implement its accounting policies and procedures for contributions received related to the PIT Renovation. We also noted that there are no formal written policies and procedures for these contributions.

Criteria

To be effective control activities must be clearly communicated and deployed.

Effect

This lack of controls over these contribution transactions resulted in some transactions that were not recorded into the contribution software or were recorded and not distributed to the proper agency as defined in the Club's process.

Cause

It is apparent that the vacancy of the Financial Coordinator position caused inconsistencies in the documentation and implementation of its new contribution policies.

Recommendation

The Lobo Club should establish written policies and procedures to ensure that all nonroutine transactions, such as the PIT Renovation contributions, are properly recorded, reviewed, and reported in its financial statements.

University Response

The Lobo Club hired a Financial Coordinator subsequent to year end. The Lobo Club and the Financial Coordinator will establish proper written policies and procedures in advance of project enactment to ensure that all transactions are properly recorded, reviewed, and reported in its financial statements. The policy will be communicated to all Lobo Club staff, and the Financial Coordinator will be responsible for reviewing and reporting non-routine transactions.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-03. Accounts Payable Recording and Payment Practices – Lobo Club

Condition

During our testing, we noted that the Lobo Club had gaps in payment processing and that the Lobo Club had not been recording invoices into the general ledger system when received, but rather when invoices were to be paid. We also noted a check that was back dated to the previous month, two gaps in check numbers, and four check numbers that could not be accounted for.

Criteria

In order to ensure accurate financial reporting, transactions need to be posted into the general ledger in a timely fashion.

Effect

The timely recording of checks is an important control over cash disbursements and this will result in more accurate monthly financial statements, will keep management current on the progress of the expenditures, and may highlight a problem area earlier so that corrective action can be taken.

Cause

It is apparent that the vacancy of the Financial Coordinator position caused inconsistencies in the posting and processing of financial information.

Recommendation

We recommend that accounting personnel update the check register daily to ensure timely and proper recording of cash disbursements.

University Response

The Lobo Club hired a Financial Coordinator subsequent to year end. The Financial Coordinator will process checks/invoices in a timely manner to ensure that there is no back dating, gaps in check numbers, and that all voided checks are accounted for. This procedure will be detailed in the policies and procedures manual.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-04. Restricted Contributions Payable Reconciliation – Lobo Club

Condition

During our testwork, we noted the contributions received that were restricted for specific sports were recorded in a liability account and the balance had not been reconciled from the general ledger to supporting detail consistently during the year.

Criteria

Timely reconciliations and adjustments of the restricted contributions account will help ensure meaningful and accurate financial statements and reduce the risk that errors and multiple postings go undetected.

Effect

There is increased risk that errors may go undetected and management and the Board of Directors may not be receiving accurate financial information.

Cause

It is apparent that the vacancy of the Financial Coordinator position caused inconsistencies in the posting and reconciling of financial information.

Recommendation

The Lobo Club should reconcile the general ledger accounts for balance sheet accounts, including the restricted contribution liability account, to supporting documentation on a monthly basis.

University Response

The Lobo Club hired a Financial Coordinator subsequent to year end. The Financial Coordinator will reconcile restricted contributions on a monthly basis. This procedure will be detailed in the policies and procedures manual.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-05. Lack of Supporting Documentation – Lobo Club

Condition

During our internal control testing, we noted that supporting documentation could not be provided for some of the transactions. Specifically, these included one invoice out of eighteen selected for control testing and one cash receipts deposit out of eighteen selected for control testing.

Criteria

Orderly filing of documents should be maintained to insure proper control over all supporting documentation and invoices evidencing revenues, expenditures, etc.

Effect

There is increased risk that errors or fraud may go undetected.

Cause

It is apparent that the vacancy of the Financial Coordinator position caused inconsistencies in the storing of financial information.

Recommendation

The Lobo Club should consider implementing procedures to ensure that supporting documents and information is properly stored.

University Response

The Lobo Club hired a Financial Coordinator subsequent to year end. The Financial Coordinator will ensure that all documents are filed promptly and properly with supporting documentation. This procedure will be detailed in the policies and procedures manual.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-06. Cash Receipting Process – Lobo Club

Condition

During our observation of controls over the cash receipts process, we noted that cash receipts are not being deposited on a timely basis. At the present time, the Lobo Club accumulates cash receipts in a desk drawer and makes weekly deposits. In addition, accessibility to the drawer is not entirely restricted throughout the work day.

Criteria

Since cash is so readily subject to error and mishandling, effective control of checks, currency, and other cash items should begin at the time of receipt and continue through deposit, custody, and disbursement.

Effect

There is increased risk of loss from burglary, misplacement, or misappropriation of cash.

Cause

Currently the Lobo Club does not have a safe to store cash contributions received from donors and does not have a policy to require the daily deposit of cash receipts.

Recommendation

We recommend that the Lobo Club establish and deploy policies so that deposits are made on a daily basis both to improve cash flow and to reduce the risk of loss. If it is inconvenient for the Lobo Club's employees to make daily trips to the bank, use of a safe should be considered, whereby thresholds of cash amounts be established before daily deposits at the bank are required.

University Response

The Lobo Club will establish a policy to process cash receipts. When cash receipts are received over \$1,000.00 the Financial Coordinator will be notified and those cash receipts will be processed and taken to the bank that same day. Cash deposit will be kept in a locked drawer until it is taken to the bank. This will decrease the risk of misplacement or misappropriation of cash.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-07. Cerner and Siemens Systems Edit/Exception/Error Report Review – UNM Hospital

Condition

In performing the internal control testwork over 15 daily/exception/error reports, we noted the following errors not corrected or addressed: 1) four charges did not transfer from a pre-admit code (labs, office visits, etc.) to an admission code and therefore the pre-admit charges were not recorded to revenue, 2) two instances of incorrect codes recorded resulting in no charge being generated, and 3) one instance where a pre-admit code was charged twice.

Criteria

The UNMH clinical staff uses the Millenium (Cerner) System for the patient management (treatment/procedure coding and ordering). The UNMH patient financial services group uses the Siemens Invision application for the accounts receivable subsidiary ledger and revenue recognition. These two systems interface to transfer patient treatment/procedure data to the accounts receivable subsidiary ledger. The treatment/procedure codes per the Cerner System link to the Charge Master Codes in the Siemens System.

The Systems' interface has a function of producing daily edit/error reports for interface problems. The patient financial services (PFS) department reviews this report to address the errors for possible duplication of charges, missing (non-transferred charges) or unallowable charges. The daily reports can have dozens of edits/exceptions/errors so the report is disbursed to multiple PFS personnel to resolve items.

Effect

If there is an error in the interface (duplicate coding, incorrect coding, etc.), patient revenue and receivables could be inaccurate.

UNMH and KPMG reviewed each error that was not timely corrected to determine the financial reporting impact.

The pre-admit charges are for inpatient services of which the hospital will only receive a contractual per diem or DRG case rate for the treatment/procedures from the insurance payor; therefore the pre-admit charges that did not transfer and the duplicate pre-admit charge would have been contractually adjusted to the net revenue. The effects of these errors only have an impact on the gross revenue and receivable balances and not the net financial reporting balances.

The two incorrect codes were due to human error (transposing of numbers). One error was originally addressed by PFS department and changed to another incorrect code. The other error was not addressed. As a result, no charge was generated and therefore no revenue was earned for the two incorrect codes. The impact of the two incorrect codes was approximately \$2,000 out of approximately \$50 million of transactions in the 15 days tested.

Cause

The review of the Edit/Exception/Error Reports by the PFS department is not being thoroughly monitored resulting in certain errors not being timely addressed or corrected.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

Recommendation

We recommend that UNMH consider the cost benefit of refining the current procedure to assure the PFS department is addressing all Cerner and SMS system edit/exceptions/errors promptly. In addition, after the disbursing of the report to applicable personnel, the full report should be monitored by a supervisor or manager to assure all staff addressed their assigned report sections.

University Response

UNMH will develop a process to track and resolve all Cerner and SMS system edits, exceptions, and errors. Management will monitor the process.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-08. Physical Inventory of Capital Assets

Condition

We noted during our physical inventory testwork for equipment that 3 out of 25 items on the inventory listing could not be located by us. We were later informed the 3 items no longer existed, as 2 of the items were used for parts on other equipment, and 1 item was believed to have been destroyed when a building was demolished. The University requires every department to annually conduct a physical inventory and to certify the results, which are sent to the Financial Services Division. We obtained the inventory listing from the Financial Services Division.

Criteria

The performance of physical inventories of capital assets and related reconciliation to UNM's accounting records is a key control over the accurate and complete presentation of inventory in UNM's financial statements. Further, 12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of equipment on the inventory list at the end of each fiscal year, and the agency shall certify the correctness of the inventory after the physical inventory.

Effect

The inventory listings certified by the departments and sent to the Financial Services Division contained inaccuracies in 3 of the 25 items sampled. These items were insignificant as they had little to no remaining book value, however, they remained on the inventory listing. UNM's certification of the correctness of the inventory under 12-6-10(A) NMSA 1978 contained these inaccuracies.

Cause

The physical inventories conducted at the department level did not properly identify and/or correct these items on the inventory listing sent to the Financial Services Division.

Recommendation

We recommend that UNM conduct periodic checks of the physical inventories being conducted at the departmental level to ensure departments are properly completing their physical inventories and accurately reporting the inventories to the Financial Services Division.

University Response

Management concurs with this finding and recommendation. The University will implement periodic checks of departmental inventories submitted, to verify the accuracy of these inventories.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-09. Process for Estimation of Contractual Discounts and Bad Debt Allowances for Cancer Center Patient Receivables

Condition

We noted the model used to estimate the contractual discounts and bad debt allowance for the Cancer Center patient receivables, although resulting in a reasonable net patient accounts receivable balance, did not appropriately consider trends in recent payment patterns and collection percentages at the individual payer level. Further, there was not sufficient support for the estimates inherent in the current model.

Criteria

Significant estimates inherent in the financial statements require sufficient and appropriate analysis by management and support for those estimates should be readily available.

Effect

While net patient receivables recorded by the Cancer Center were reasonable, the model appears to be under-estimating contractual discounts and over-estimating bad debts allowances. Changes in patient volumes or payment patterns at individual payer levels, particularly over relatively short periods of time, have the potential to cause inaccuracies in the valuation of Cancer Center net patient receivables.

Cause

Management has not developed a sufficiently robust model to estimate contractual discounts and the bad debt allowance at the individual payer level.

Recommendation

We recommend that management maintain a rolling monthly schedule to document trends in payment patterns by payer, and use this information to update the contractual discounts and bad debt allowance model. Further, management should develop an expanded contractual discounts and bad debt allowance model that can be updated monthly to reflect changes in payment patterns and collection rates by payer.

University Response

Management concurs. The UNM Cancer Center staff is developing dynamic tools and reports to address changes in contractual discounts by payor. In addition, the new bad debt allowance model will provide detailed documentation for the FY2011 estimate.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

2010-10. Over-expenditure of Budgetary Authority

Condition

The University exceeded its approved budget authority within the minor capital outlay component of the plant funds budget. The plant funds budget is presented as “Capital Outlay” on the Budget Comparison schedule.

Criteria

Per Title 5 of the New Mexico Administrative Code, Chapter 3, part 4, paragraph 10, total expenditures of certain budgetary totals may not exceed the amount in the approved budget. Among other items, within the plant funds budget, expenditures cannot exceed budget for major projects and minor capital outlay projects.

Effect

The University has not complied with budgetary compliance requirements as set out in the New Mexico Administrative Code.

Cause

The 2010 increase in the OPEB obligation of approximately \$7 Million was recorded to the plant fund. The 2010 increase in the OPEB obligation of \$7 Million was approximately \$4.1 Million higher than the 2009 increase, due to an updated actuarial analysis for 2010.

Recommendation

To the extent not already done, we recommend the actual 2010 annual OPEB cost be considered in the 2011 budget. Should this result in an expected over-expenditure, management should seek a properly approved budget adjustment.

University Response

Management concurs with this finding and recommendation. The University recalculates the OPEB obligation every two years for purposes of the Audited Financial Statements. Fiscal year 2010 was one such year, and the calculation was completed after the University submitted its Budget Adjustment Request to the State. The actual fiscal year 2010 obligation of \$7.0M resulted in the total over expenditure within the Plant fund exhibit as noted above. This amount has been included in the FY11 original budget and for the next two year cycle, the Office of Planning, Budget & Analysis will budget conservatively for this obligation to avoid over reaching our approved expenditure authority.

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Schedule of Pledged Revenues for the year ended June 30, 2010 Unaudited

	Tuition and Fees	Patient Services	Clinical Operations	Contracts and Grants
Revenues	\$ 108,103,162	\$ 189,079,037	\$ 574,352,382	\$ 339,635,626
Excluded Revenues:				
State Appropriations				
Local Appropriations				
Patient Services		189,079,037		
Restricted Funds	13,163,948			
Federal Contracts & Grants				237,345,033
State Contracts & Grants				39,497,869
Local Contracts & Grants				25,440,824
Facilities and Administrative Cost Recovery				(41,289,612)
University of New Mexico Hospital			532,109,256	
University of New Mexico Behavioral Operations			42,243,126	
Total Excluded Revenues	<u>\$ 13,163,948</u>	<u>\$ 189,079,037</u>	<u>\$ 574,352,382</u>	<u>\$ 260,994,114</u>
Pledged Revenues	<u>\$ 94,939,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,641,512</u>

Resources Available to Cover Debt Service	FY10
Pledged Revenues	\$ 337,692,200
Less FY10 Debt Service:	
Interest on Debts	28,723,239
Principal Repayments on Debts	14,722,739
Excess of Pledged Revenues over Debt Service	<u>\$ 294,246,222</u>
Future average annual debt service through year ended June 30, 2036	\$ 40,747,207
Future highest annual debt service year ended June 30, 2021	\$ 47,425,451

See accompanying Independent Auditor's Report.

SCHEDULE 14

Sales and Services	Appropriations	Investments	Capital	Gifts	Other	Total
\$ 91,394,090	\$ 307,922,642	\$ 42,445,635	\$ 55,665,061	\$ 30,882,266	\$ 62,175,103	\$ 1,801,655,004
	301,874,887					301,874,887
	6,047,755					6,047,755
						189,079,037
4,682,863		4,915,986	55,665,061	3,791,000	49,395,771	131,614,629
						237,345,033
						39,497,869
						25,440,824
						(41,289,612)
						532,109,256
						42,243,126
\$ 4,682,863	\$ 307,922,642	\$ 4,915,986	\$ 55,665,061	\$ 3,791,000	\$ 49,395,771	\$ 1,463,962,804
\$ 86,711,227	\$ -	\$ 37,529,649	\$ -	\$ 27,091,266	\$ 12,779,332	\$ 337,692,200

THE UNIVERSITY OF NEW MEXICO

Schedule of Campus Statistics for the year ended June 30, 2010

Unaudited

Degrees and Certificates

Main Campus	2006	2007	2008	2009	2010
Certificate (incl Graduate Certificate)	15	11	16	8	38
Associate	7	10	9	11	-
Bachelor's	2,890	2,996	3,052	3,160	3,096
Master's	1,215	1,110	1,110	1,100	1,006
Post Masters Certificate or Education Specialist	32	22	14	13	18
Doctorate	181	185	166	208	190
Professional (Law, Medicine and Pharmacy)	250	293	269	272	281
Total	4,590	4,627	4,636	4,772	4,629

Fall Head Count

Main Campus	2006	2007	2008	2009	2010
Professional (Law, Medicine and Pharmacy)	1,009	1,008	1,006	1,009	1,043
Undergraduate	19,973	19,986	20,109	21,392	22,543
Graduate	4,835	4,755	4,705	4,903	5,171
Total	25,817	25,749	25,820	27,304	28,757
Resident	22,583	22,611	22,568	23,826	24,944
Non-resident	3,234	3,138	3,252	3,478	3,813
Total	25,817	25,749	25,820	27,304	28,757
Total FTE	20,289	20,307	20,581	21,910	23,116

SCHEDULE 15

Libraries

Number of volumes:	June 2006	June 2007	June 2008	June 2009	June 2010*
General Library	2,192,349	2,232,097	2,261,673	2,640,874	2,700,000
Law Library	235,592	236,734	237,851	239,974	240,000
Health Sciences Library and Informatics Center	162,384	154,242	154,250	154,661	155,000
Other main campus libraries	84,757	84,757	84,757	82,081	82,000
Total	2,675,082	2,707,830	2,738,531	3,117,590	3,177,000

Number of current periodical subscriptions:					
General Library	19,243	34,880	65,909	75,051	80,000
Law Library	3,281	3,296	3,295	-	-
Health Sciences Library and Informatics Center	1,790	2,198	2,211	2,039	2,000
Other main campus libraries	9	-	1	4	4
Total	24,323	40,374	71,416	77,094	82,004

* - Estimated

Facilities

Net Square Footage

Main Campus Space Use	2006	2007	2008	2009	2010
Classroom	312,203	324,476	362,643	391,232	397,207
Common	3,225,952	3,345,685	2,681,348	3,917,724	4,014,412
Gymnasium	363,123	363,123	425,317	425,391	425,391
Laboratory	707,190	731,586	760,566	764,171	814,936
Library	313,337	330,898	379,532	388,157	388,157
Office	1,147,007	1,163,202	1,425,778	1,566,968	1,617,125
Residential	826,826	828,567	830,043	830,043	830,541
Shop	57,936	58,626	85,357	89,401	89,401
Storage	285,535	283,578	438,490	879,858	900,466
Theater	40,192	10,192	128,245	135,214	135,214
Total	7,279,301	7,439,933	7,517,319	9,388,159	9,612,850

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EXIT CONFERENCE

June 30, 2010

The financial statements were prepared by the financial officials of the University of New Mexico. An exit conference was conducted on October 21, 2010, 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
Carolyn J. Abeita	Vice Chair, UNM Board of Regents Audit Committee
James H. Koch	UNM Board of Regents Audit Committee
Ava J. Lovell	Vice President for HSC/UNM Finance & University Controller
Elizabeth Metzger	Chief Accounting and Treasury Officer, Main Campus
Ella B. Watt	Chief Financial Officer, UNM Hospitals
Robert Fondino	Chief Budget and Finance Officer, HSC
Rodney Martinez	Controller, UNM Medical Group
Lawrence Ryan	Associate Director, Development, UNM Lobo Club
Staff	University Internal Audit Department

MOSS ADAMS LLP

Wayne Brown	Managing Partner
Brandon Fryar	Partner

KPMG LLP

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