

# THE UNIVERSITY *of* NEW MEXICO



## *Audit Report 2007*

*For the year ending June 30, 2007*



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# THE UNIVERSITY OF NEW MEXICO

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June 30, 2007

## BOARD OF REGENTS AND PRINCIPAL OFFICERS

### *Board of Regents*

<i>Appointed Members:</i>	<i>Title:</i>	<i>Term Expires:</i>
James H. Koch	President	12/31/2008
Jack L. Fortner	Vice President	12/31/2010
Carolyn J. Abeita	Secretary/Treasurer	12/31/2012
Don L. Chalmers	Member	12/31/2012
John M. "Mel" Eaves	Member	12/31/2008
Raymond Sanchez	Member	12/31/2010
Dahlia Dorman	Student Member	12/31/2008

### *Ex officio Members:*

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

### *Advisors:*

Joseph Garcia	President, Graduate & Professional Student Association
Ashley Fate	President, Associated Students of The University of New Mexico
Vanessa Shields	President, Staff Council
Jacqueline Hood	President, Faculty Senate
Lillian Montoya-Rael	President, Alumni Association
Thelma Domenici	Chair, UNM Foundation

### *Principal Administrative Officials*

#### *University*

David J. Schmidly	President
David W. Harris	Executive Vice President for Administration, COO and CFO
Viola E. Flores	Interim Provost and Executive Vice President for Academic Affairs
Dr. Paul Roth	Executive Vice President for Health Sciences

#### *UNM Hospitals*

Stephen W. McKernan	Chief Executive Officer and Vice President for Hospital Operations
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### *Principal Financial Officials*

#### *Main Campus*

William W. Britton	Associate Vice President for Financial Services: Main Campus
Elizabeth Metzger	Associate University Controller: Operations and Reporting
Michael D. Schwantes	Associate University Controller: Sponsored Program Accounting
Julian Sandoval	Associate University Controller: Finance Project Director
Curtis R. Porter	Associate Vice President of Budget, Planning and Analysis

#### *Health Sciences Center*

Ava J. Lovell	Associate Vice President for Financial Services: Health Sciences Center
Keith Mellor	Associate Controller: Health Sciences Center

#### *UNM Hospitals*

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

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# THE UNIVERSITY OF NEW MEXICO

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June 30, 2007

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# THE UNIVERSITY OF NEW MEXICO

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## Independent Auditors' Report

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

We have audited the accompanying basic financial statements of the University of New Mexico (University) and its aggregate discretely presented component units as of and for the years ended June 30, 2007 and 2006, 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, 2007, 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 based on our audit. We did not audit the 2007 financial statements of the UNM Hospital, UNM Psychiatric Center, and the UNM Children's Psychiatric Center, collectively known as the clinical operations of the University (clinical operations), which statements reflect total assets and revenues constituting 26 percent and 27 percent, respectively, of the related totals. In addition, we did not audit the 2007 financial statements of the University Physician Associates (component unit), a discretely presented component unit. The financial statements of the clinical operations and the 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 component unit, is based solely on the reports of the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.



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

As discussed in Note 1, the financial statements of the University are intended to present the financial position and changes in its financial position and cash flows, where applicable, of only that portion of the financial reporting entity of the business type activities information 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, 2007 and 2006, and the changes in financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, based on the report of 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 University and of its discretely presented component units as of June 30, 2007 and 2006, 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 budgetary schedules referred to above present fairly, in all material respects the budgetary comparison for the year then ended in conformity with the budgetary basis of accounting prescribed by the New Mexico Administrative Code, and 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 October 15, 2007, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit and the reports of other auditors.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited

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

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 audit was conducted for the purpose of forming opinions on the basic financial statements and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards (Schedule 7) is presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the Schedule of Pledged Collateral and Schedule of Individual Deposit and Investment Accounts (Schedules 6 and 6A) and the Schedule of Pledged Revenue (Schedule 8) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Pledged Collateral have been subjected to the auditing procedures applied in the audit 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Moss Adams LLP*

Albuquerque, New Mexico  
October 15, 2007

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# THE UNIVERSITY OF NEW MEXICO

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# THE UNIVERSITY OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2007

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, 2007, 2006, and 2005. 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 2007, 2006, and 2005.

### Using the Basic Financial Statements

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

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

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

## NET ASSETS AND REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

<b>ASSETS</b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Current assets	\$ 563,368,106	\$ 514,241,683	\$ 356,147,467
Capital assets, net	954,002,967	806,823,830	685,059,421
Non-current assets	<u>448,166,926</u>	<u>470,463,069</u>	<u>499,323,049</u>
Total assets	<u>\$ 1,965,537,999</u>	<u>\$ 1,791,528,582</u>	<u>\$ 1,540,529,937</u>

<b>LIABILITIES</b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Current liabilities	\$ 218,047,182	\$ 191,771,545	\$ 175,835,553
Non-current liabilities	<u>546,600,411</u>	<u>558,963,488</u>	<u>442,218,767</u>
Total liabilities	<u>\$ 764,647,593</u>	<u>\$ 750,735,033</u>	<u>\$ 618,054,320</u>

<b>NET ASSETS</b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Invested in capital assets, net of related debt	\$ 284,379,306	\$ 327,229,723	\$ 337,266,626
Restricted	518,443,493	404,498,599	322,679,171
Unrestricted	<u>398,067,607</u>	<u>309,065,227</u>	<u>262,529,820</u>
Total net assets	<u>\$ 1,200,890,406</u>	<u>\$ 1,040,793,549</u>	<u>\$ 922,475,617</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 \$365.0 million, \$324.8 million and \$171.9 million as of June 30, 2007, 2006, and 2005 respectively.

Current liabilities are generally defined as amounts due within one year, and include accounts payable, payroll accruals, and accrued compensated absences. The 13.7% increase in current liabilities for the year ended June 30, 2007 is primarily due to an increase in deferred revenue, current portion of bonds payable, and accrued compensated absences.

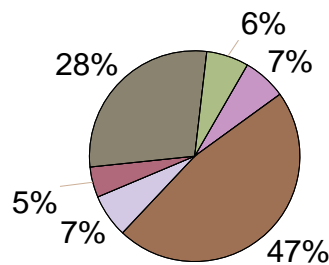
At June 30, 2007, the University's current ratio, the amount of current assets (\$563.4 million) available to cover current liabilities (\$218.0 million), was 2.58 to 1. At June 30, 2006, the University's current ratio, the amount of current assets (\$514.2 million) available to cover current liabilities (\$191.7 million), was 2.68 to 1. At June 30, 2005, the University's current ratio, the amount of current assets (\$356.1 million) available to cover current liabilities (\$175.8 million), was 2.03 to 1.

## Capital and Debt Activity

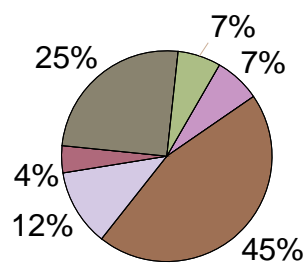
Capital assets are the largest category of non-current assets, and are shown net of accumulated depreciation, at \$954.0 million and \$806.8 million as of June 30, 2007 and 2006, respectively. During fiscal year 2007, the largest capital asset additions for the University were within Construction in Progress (CIP.) Overall, the University increased Construction in Progress by \$46.7 million in FY07, compared to a net increase of \$35 million in FY06 and net decrease in FY05 of \$24.7 million. The University's increase in CIP is primarily due to large expenditures for the Architecture and Planning Building, the Centennial Engineering Building, the Scholes Hall renovation, and several other ongoing capital projects. In addition in FY07, the University capitalized the newly opened HSC Education Building. Capital asset expenditures for Clinical Operations were \$110.1 million in 2007, an increase from \$91.8 million in 2006, and \$50.1 million in 2005 respectively. Within Clinical Operations during 2007, the largest capital expenditures were within the building & improvements (\$129.3 million), building service equipment (\$42.6 million) and major moveable equipment (\$31.3 million) categories. The increases in all three categories were primarily for expenditures related to the Barbara and Bill Richardson Children's Hospital and Critical Care Pavilion (CHCCP), a seven-floor, 476,555 square-foot addition to the existing main UNM Hospital building, which was placed in service in June 2007.

UNM's long-term debt, bonds payable, totaled \$530.8 million and \$543.8 million at June 30, 2007 and 2006, respectively. The University sold \$125 million in bonds during fiscal year 2006 to fund renewal, renovation and construction for aging academic facilities including: 1) Architecture, 2) the Centennial Engineering Center, 3) the Communication and Journalism Building, and 4) the Science and Math Learning Center.

### Total Capital Assets at Cost



**FY07**



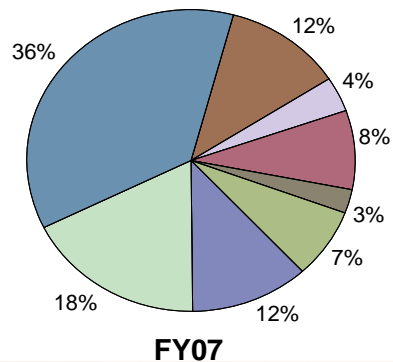
**FY06**

Capital Assets

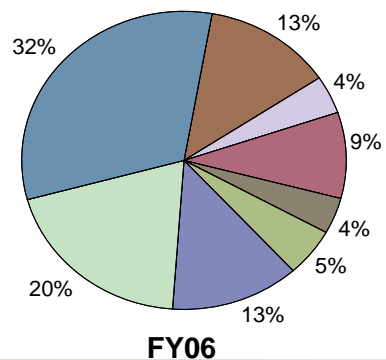
- Library Books
- Buildings
- CIP
- Land & Improvements
- Equipment & Furnishings
- Infrastructure

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 chart shows a breakdown of infrastructure assets at UNM.

### Infrastructure Assets at Cost



### Infrastructure Assets at Cost





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

**OPERATING REVENUES BY MAJOR SOURCE**

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Tuition and fees	\$ 91,687,417	\$ 87,865,694	\$ 81,391,085
Grants and contracts	268,162,204	266,650,439	274,217,939
Clinical operations	316,139,010	297,507,483	267,489,755
Patient services, net	133,379,950	113,156,291	98,661,956
Sales and services	103,402,512	98,222,173	92,795,507
Other operating revenues	<u>32,585,167</u>	<u>25,051,331</u>	<u>3,044,241</u>
Total operating revenues	<u>\$ 945,356,260</u>	<u>\$ 888,453,411</u>	<u>\$ 817,600,483</u>

**OPERATING EXPENSES BY MAJOR FUNCTION**

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction	\$ 208,476,169	\$ 197,389,591	\$ 190,210,713
Research	132,105,790	135,911,705	129,066,131
Public service	222,396,808	197,124,775	200,134,495
Academic support	39,165,662	36,048,570	35,404,185
Student services	23,156,558	21,157,649	19,772,727
Institutional support	52,434,568	49,970,332	47,429,109
Operations of plant	110,980,705	101,352,488	101,065,244
Student aid and activities	43,014,797	38,409,481	37,423,957
Intercollegiate athletics	23,885,278	24,909,654	22,902,131
Auxiliary enterprises	56,900,903	53,333,940	50,140,013
Other operating expenses	39,477,098	36,211,219	8,916,205
Clinical operations	<u>382,939,552</u>	<u>361,905,430</u>	<u>337,943,748</u>
Total operating expenses	<u>\$1,334,933,888</u>	<u>\$1,253,724,834</u>	<u>\$1,180,408,658</u>

**NON-OPERATING REVENUES (EXPENSES)**

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Appropriations	\$ 295,424,572	\$ 271,940,479	\$ 255,088,365
Gifts	22,504,697	21,086,477	15,050,574
Clinical operations	89,260,571	66,738,725	75,124,711
Investment income	88,477,470	50,580,757	34,988,450
Other non-operating expenses	4,694,158	7,811,150	(5,442,862)
Capital gifts, grants and appropriations	<u>49,313,017</u>	<u>65,431,767</u>	<u>17,770,252</u>
Net non-operating revenues	<u>\$ 549,674,485</u>	<u>\$ 483,589,355</u>	<u>\$ 392,579,490</u>

Income before other revenues, expenses, gains and losses	<u>\$ 160,096,857</u>	<u>\$ 118,317,932</u>	<u>\$ 29,771,315</u>
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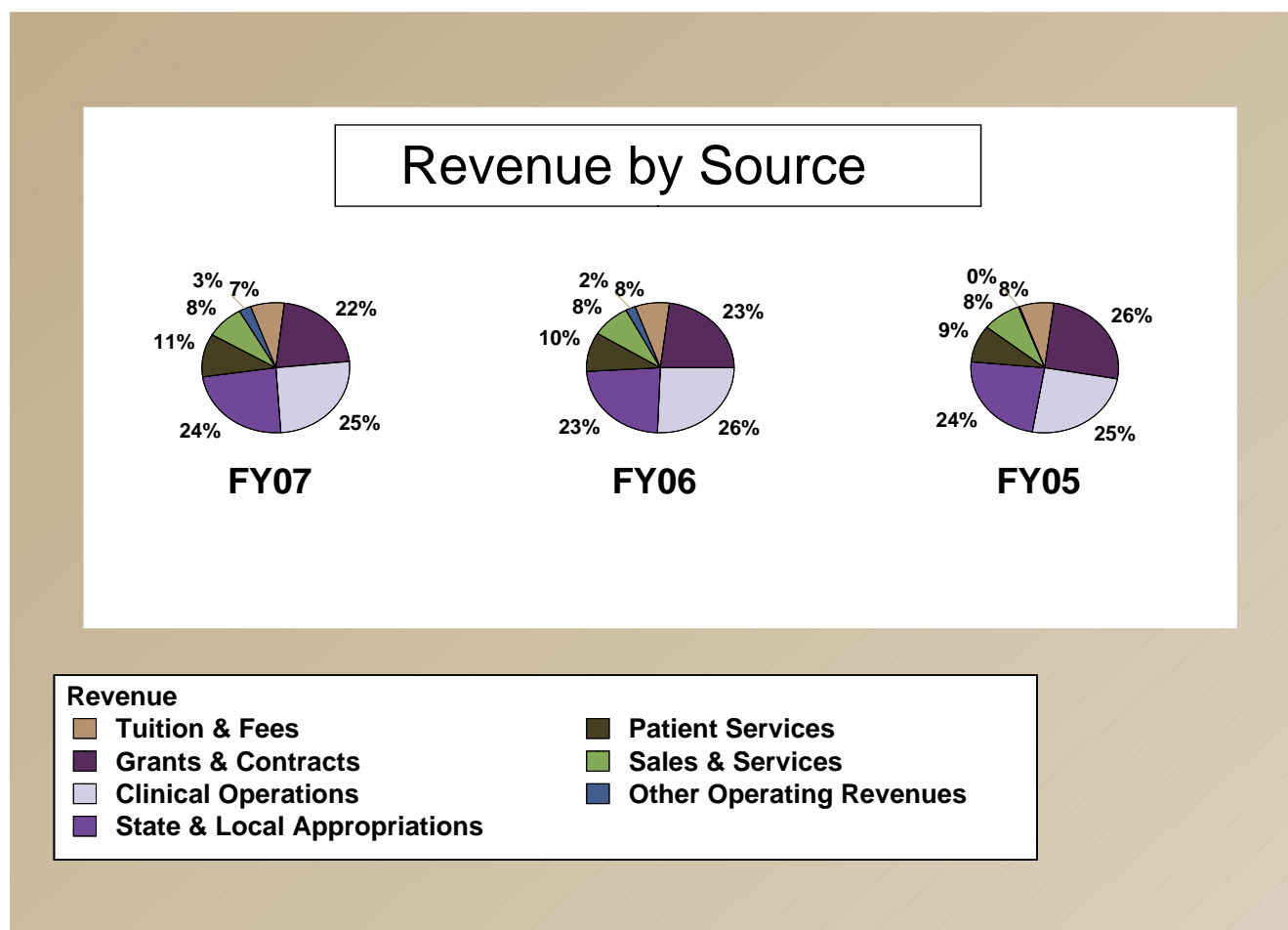
Total increase in net assets	\$ 160,096,857	\$ 118,317,932	\$ 29,771,315
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Net assets at beginning of year	<u>\$1,040,793,549</u>	<u>\$ 922,475,617</u>	<u>\$ 892,704,302</u>
Net assets at end of year	<u>\$1,200,890,406</u>	<u>\$1,040,793,549</u>	<u>\$ 922,475,617</u>

## Revenues and Expenses

The presentation of revenues in the GASB reporting model requires that we exclude state and local appropriation income when calculating the financial results of operations. This presentation method results in an “operating loss”. The operating loss is offset by “Non-operating Revenues (Expenses)” to arrive at an actual result of operations amount. The definition of “non-operating revenues” revolves around the concept of exchange versus non-exchange transactions. State and local appropriations, along with the Bernalillo County Mill Levy, are considered revenues from non-exchange transactions because they do not involve an exchange of value for value. Conversely, tuition income is defined as “operating revenue” since 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 24%, 23%, and 24% of total operating revenues for fiscal years 2007, 2006, and 2005 respectively. The following chart depicts operating revenues (with state and local appropriations) by source (some categories have been combined).



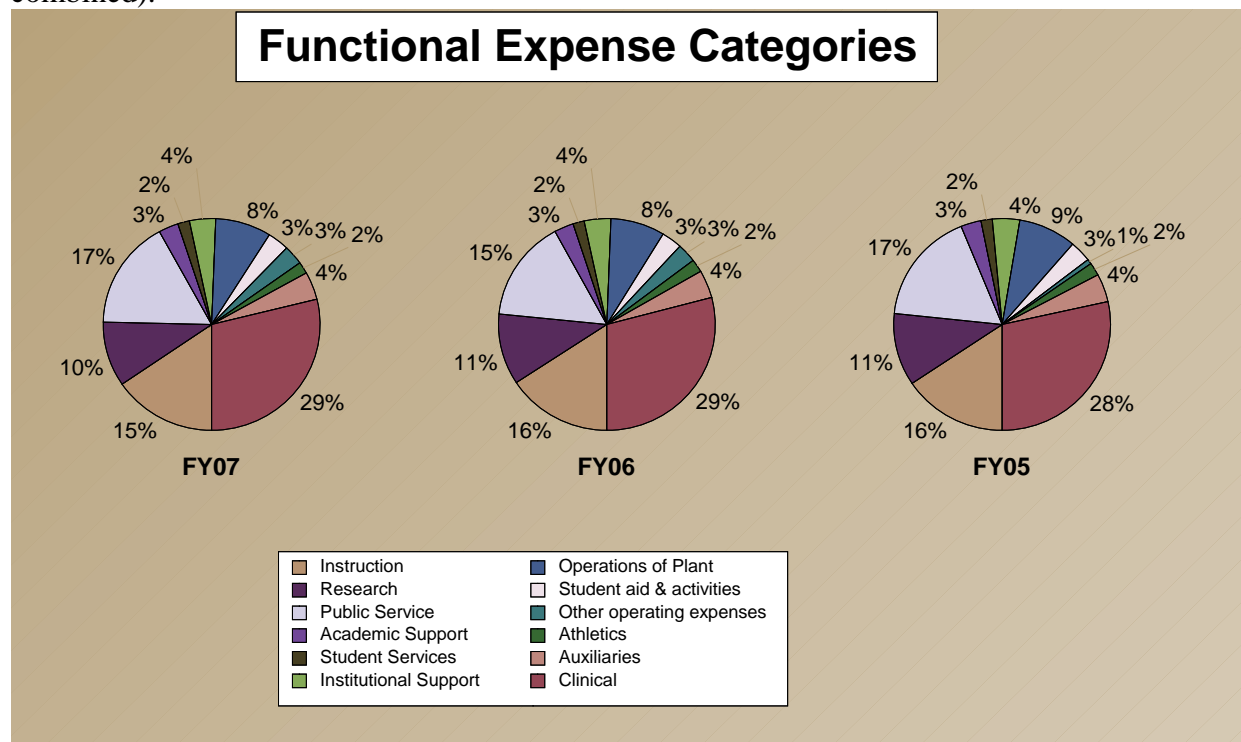
The changes in operating revenues for the University over the fiscal years of 2005, 2006, and 2007 show increases of 8.7% for 2006 over 2005 and 6.4% for 2007 over 2006. Additional enrollment and tuition rate increases in academic functions of the University are:

	<u>Fall 2006</u>	<u>Fall 2005</u>	<u>Fall 2004</u>
Enrollment increase(decrease)	(1.7)%	(1.1)%	2.1%
Tuition rate increase	5.6%	9.9%	12.8%
Peer institutions avg. rate increase	8.0%	9.2%	12.6%

The slight enrollment decreases are a product of fluctuating headcount and student credit hours at UNM branch campuses and a stabilization of main campus enrollment. Branch campuses are essentially community colleges and will always be dependent on population demographics, work force needs, and public school connections to maintain or increase enrollment. They tend to adjust to the market and declines in enrollments are often followed by increases in a cyclical manner. The main campus has renewed emphasis on student success meaning increases in retention and graduation rates are primary goals. This planning will lead to shifts of student populations in an effort to obtain optimal enrollment levels to support students but careful planning will ensure stable headcount and student credit hour generation as well as healthier, more predictable projections.

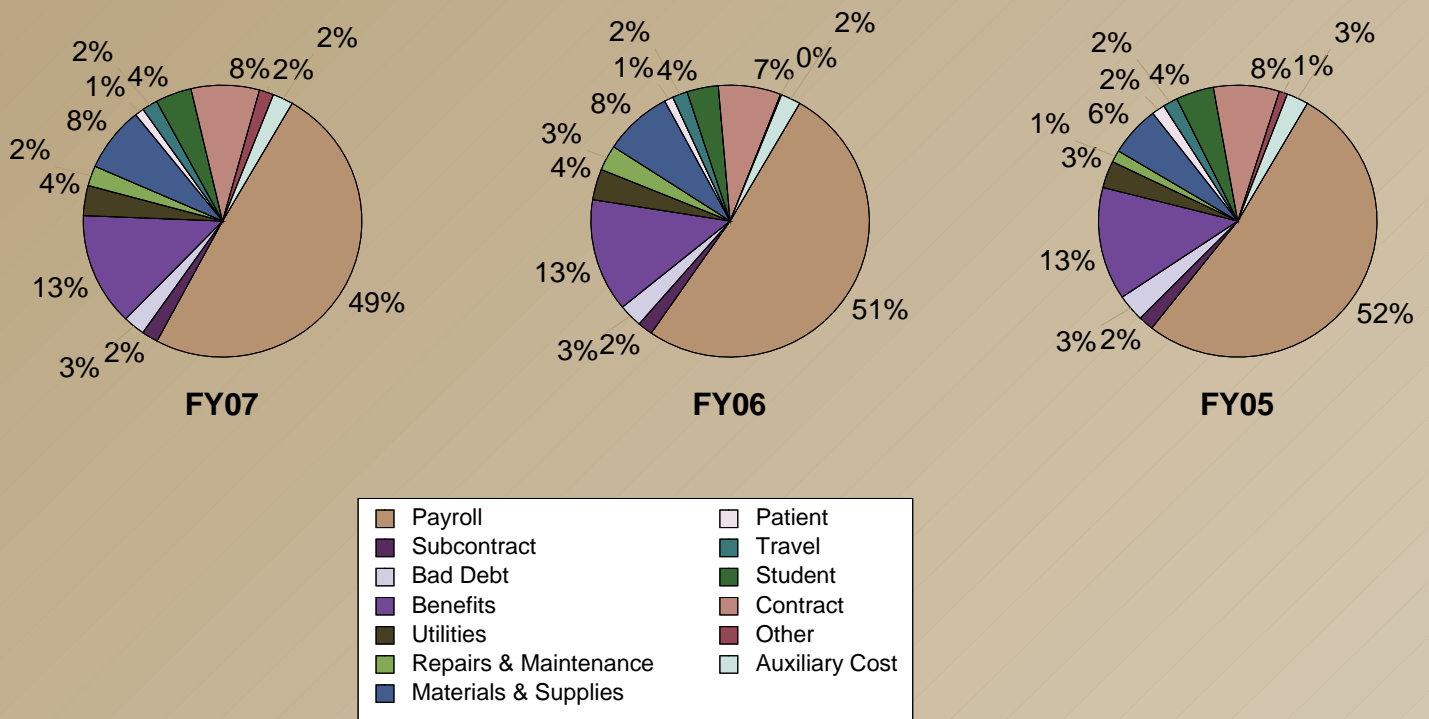
The net non-operating revenue increases of 13.7% and 23.2% for the years ended 2007 and 2006, respectively, are primarily driven by investment income from endowments. UNM has experienced investment rebound since market downturn in 2002.

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



The charts below show total expenses by natural category (excluding clinical operations and component units) for the years ended June 30, 2007, 2006, and 2005.

## Natural Expense Categories

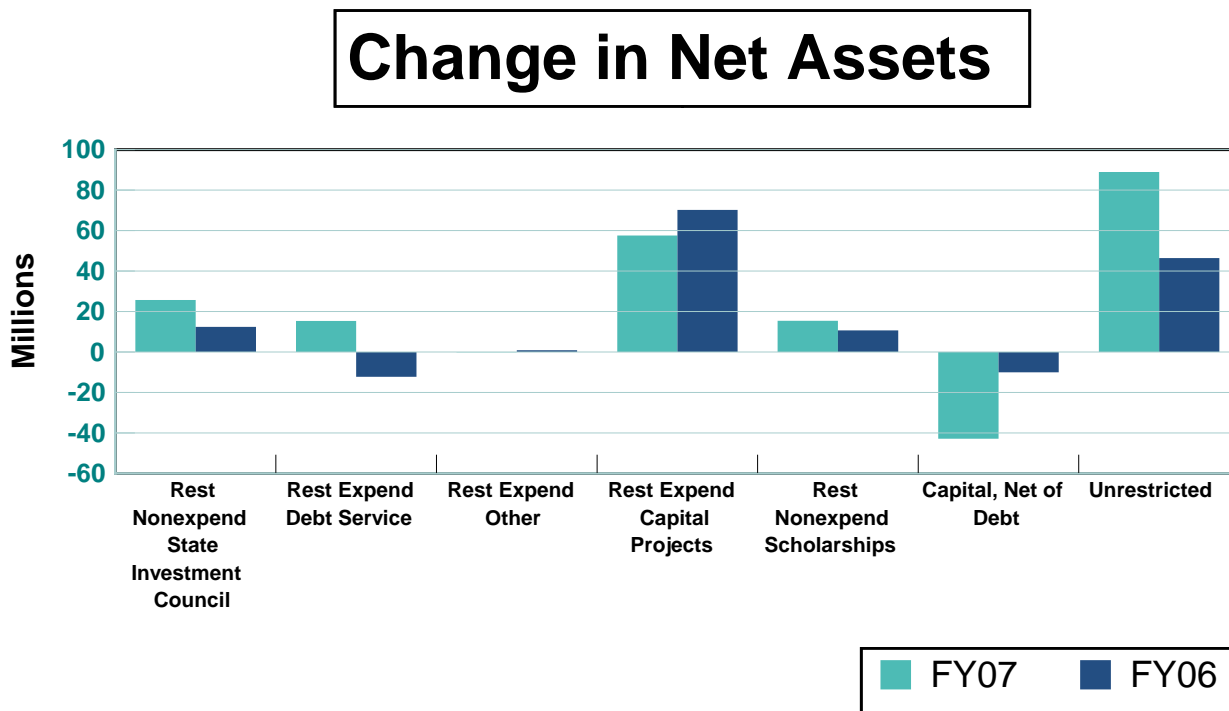


On June 13, 2007, UNM Carrie Tingley Hospital (CTH) inpatient unit relocated to the Barbara and Bill Richardson Pavilion (CHCCP), a new addition to the Hospital. As a result, the Hospital's fiscal year 2007 financial statements include financial activity for CTH. Net patient revenues for 2007 increased \$57.0 million from \$320.7 million in 2006, which represents a 17.8% increase, of which, \$10.2 million is attributable to the inclusion of Carrie Tingley Hospital for the fiscal year ended June 30, 2007. The remainder is due to increases in patient activity.



## Change in Net Assets

The University's total change in net assets showed a net increase for 2007 and 2006. Total net assets (assets minus liabilities) are classified by the University's ability to use these assets to meet operating needs. Net assets that are restricted as to their use by sponsoring agencies, donors or other non-UNM entities are classified as either, "non-expendable" or "expendable". Restricted nonexpendable net assets are true endowments and State Land and Permanent Fund assets. Restricted expendable net assets are those generated by contracts or grants, gifts, and assets required to be set aside for debt service. The restricted net assets are further classified in general terms as to the function for which they must be used. Unrestricted net assets may be used to meet all operating needs of the University. Net Assets increased approximately \$160 million in 2007. Some of the major reasons for the increase include a \$58 million increase in capitalization of assets, a \$38 million increase in investment income, a \$23 million increase in state appropriations and a \$20 million increase in patient service revenue. The chart below shows the change in net assets by category for the fiscal years ended June 30, 2007 and 2006.



## **Budget Activity**

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

Some of the more significant changes to the original budget for fiscal year 2007 include an increase in the state appropriation budgets in the Research category due to the additional appropriations for Lovelace Respiratory Research Institute and cancer research equipment. Public Service had increases in patient revenue and UPA bad debt expense. Student aid expenditure budget was increased to reflect actual lottery scholarships issued. The instruction and general budget was increased to reflect the Higher Education Department's award to the College of Nursing.

Overall, the University's change in net assets on a budgetary basis for unrestricted and restricted funds was over \$588 thousand (see Schedule 1), with actual revenues less than budgeted revenues primarily due to less than budgeted contracts and grants received, and actual expenditures less than budgeted expenditures largely due to less than anticipated capital outlays occurring in fiscal year 2007.

## **Factors Impacting Future Periods**

The web-based management information system, SungardSCT Banner, continues to move toward complete implementation. The Finance module was implemented in July, 2004. The Financial Aid module and the Student/Academic (STAC) module were substantially implemented in July, 2006, with full implementation completed in December, 2006. The Human Resources/Payroll module will be fully implemented by January, 2008. All modules have been purchased. The enterprise-wide system, including peripheral products, is expected to cost in excess of \$60 million over the implementation period. The software costs associated with this system are capitalized upon completion of implementation for each module, and depreciated over the estimated useful life of the system.

The Governmental Accounting Standards Board (GASB) issued Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions in June, 2004. Although not effective until the fiscal year ended June 30, 2008, the statement is expected have a significant impact on the way certain employee benefits are presented in the Financial statements. GASB 45 requires that the University account for and report the cost and obligations related to post-employment healthcare and other non-pension benefits ("OPEB") and include specific disclosures regarding these OPEB plans. OPEB costs will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. GASB 45 may be applied prospectively and will not require the University to fund its existing OPEB plans. The University may establish its OPEB liability at zero as of the beginning of the initial year of implementation, although the unfunded liability will require amortization over future periods. The University has not completed the process of evaluating the impact that will result from adopting GASB 45 and is therefore unable to disclose the effect that adopting the Statement will have on its financial statements.

In the fourth quarter of fiscal year 2007, the faculty members of University Physicians Associates (UPA) and the Regents of the University of New Mexico voted to approve the merger of UPA into the newly

formed University of New Mexico Medical Group, Inc. (UNMMG), a New Mexico nonprofit corporation organized under and pursuant to the New Mexico University Research Park Act. The purpose of the merger was to align the clinical, educational, and operational mission of the UPA with the strategic goals of the University of New Mexico Health Sciences in advancing leading healthcare services across New Mexico through the establishment of an integrated medical practice. The effective date of the Merger is July 1, 2007. At the effective date, all the property, rights, privileges, debts, liabilities, and duties of the UPA shall be assumed by the UNMMG. UNMMG will continue as the surviving corporation and the Regents of the University of New Mexico are its sole members.

In the first quarter of fiscal year 2008, the Regents of the University of New Mexico approved the articles and bylaws of a new entity, the Lobo Development Corporation (LDC). This nonprofit corporation will be formed under the University Research Park and Economic Development Act, which authorizes the creation and operation of University-affiliated corporations for certain purposes, including, as proposed for LDC, undertaking projects for the development of real property. The activities of the corporation shall include the acquisition, development, disposition, and rental of University real estate. The Regents of the University of New Mexico will be the sole member of the corporation, and the Board of Regents will appoint the nine members of LDC's Board. It is anticipated that incorporation of LDC will be completed during fiscal year 2008.

The Board of Regents has adopted an authorizing (parameters) resolution for a Fiscal Year 2008 Institutional Bond Issue for approximately \$160 million. This Bond Issue will 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, student housing improvements, classroom modernization, and renovation and improvement to the University's athletic facilities. Many of these projects will be self-supporting. Final approvals and closing of this Bond Issue is expected to occur by December 2007.

### **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, 2007 and 2006, 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.

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# THE UNIVERSITY OF NEW MEXICO

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# THE UNIVERSITY OF NEW MEXICO

## BASIC FINANCIAL STATEMENTS

### Statements of Net Assets as of June 30, 2007 and 2006

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2007	2006	2007	2006
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents (note 3)	\$ 156,081,340	\$ 94,066,929	\$ 40,424,185	\$ 41,625,592
Short-term investments (note 3)	208,943,711	230,776,365	6,505,413	5,389,785
Accounts receivable, net (note 4)	75,968,593	70,557,420	1,841,656	1,568,157
Patient receivables, net (note 4)	54,084,290	52,234,542	12,052,055	9,363,575
Notes receivable, net (note 5)	5,581,321	4,117,985	-	-
Due from component units	19,668,726	20,840,575	-	-
Estimated third-party payor settlements	13,232,912	19,620,564	-	-
Other receivables, net (note 4)	4,153,591	1,698,971	1,108,397	494,565
Inventories	12,713,323	11,960,052	20,671	61,685
Due from The University of New Mexico	-	-	34,301	-
Other current assets	12,940,299	8,368,280	423,361	40,055
Total current assets	\$ 563,368,106	\$ 514,241,683	\$ 62,410,039	\$ 58,543,414
Non-current assets				
Notes receivable - non-current (note 5)	\$ 13,535,073	\$ 13,580,331	\$ -	\$ -
State Investment Council assets (note 3)	175,313,519	149,643,237	-	-
Deferred bond issuance costs	6,197,105	6,757,425	-	-
Investments (note 3)	246,140,749	294,466,891	121,153,924	90,674,716
Other non-current assets	6,980,480	6,015,185	4,760,019	4,589,935
Capital assets, net (note 6)	954,002,967	806,823,830	477,909	663,578
Total non-current assets	\$ 1,402,169,893	\$ 1,277,286,899	\$ 126,391,852	\$ 95,928,229
Total assets	\$ 1,965,537,999	\$ 1,791,528,582	\$ 188,801,891	\$ 154,471,643
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued payroll (note 7)	\$ 60,466,723	\$ 59,353,691	\$ 408,241	\$ 362,711
Due to The University of New Mexico	-	-	19,668,726	20,840,575
Due to component units	34,301	-	-	-
Estimated third-party payor liability	17,425,454	16,894,736	-	-
Accrued compensated absences (note 8)	31,254,280	29,106,738	-	-
Other accrued liabilities (note 9)	36,961,436	36,215,275	-	-
Deferred revenue (note 10)	47,687,261	31,775,402	2,441,634	2,232,789
Bonds payable - current (notes 11 & 12)	12,792,506	9,232,741	-	-
Other current liabilities	2,345,588	367,997	2,767,086	2,686,197
Deposits and funds held for others	9,079,633	8,824,965	-	-
Total current liabilities	\$ 218,047,182	\$ 191,771,545	\$ 25,285,687	\$ 26,122,272
Non-current liabilities (note 11)				
Bonds payable - non-current (notes 11 & 12)	\$ 530,820,677	\$ 543,789,681	\$ -	\$ -
Student loan program (note 11)	15,440,417	15,173,807	-	-
Deferred annuities payable	339,317	-	1,634,457	1,541,399
Total non-current liabilities	\$ 546,600,411	\$ 558,963,488	\$ 1,634,457	\$ 1,541,399
Total liabilities	\$ 764,647,593	\$ 750,735,033	\$ 26,920,144	\$ 27,663,671

# EXHIBIT A

## Statements of Net Assets as of June 30, 2007 and 2006

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2007	2006	2007	2006
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	\$ 284,379,306	\$ 327,229,723	\$ 32,034	\$ 35,072
Restricted for:				
Non-expendable:				
State Investment Council	175,313,519	149,643,237	-	-
Scholarships	115,171,993	99,766,152	-	-
Grants, bequests and contributions	-	-	107,086,236	79,936,299
Expendable:				
Scholarships	3,373,027	2,860,832	-	-
Grants, bequests and contributions	1,959,274	2,501,514	-	-
Debt service	27,815,597	12,515,663	-	-
Capital projects	194,810,083	137,211,201	-	-
Other	-	-	42,439,942	36,919,644
Unrestricted	398,067,607	309,065,227	12,323,535	9,916,957
Total net assets	<u>\$ 1,200,890,406</u>	<u>\$ 1,040,793,549</u>	<u>\$ 161,881,747</u>	<u>\$ 126,807,972</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, 2007 and 2006

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2007	2006	2007	2006
<b>OPERATING REVENUES</b>				
Student tuition and fees (net of scholarship allowances of \$30,667,258 in 2007 and \$30,007,134 in 2006)	\$ 91,687,417	\$ 87,865,694	\$ -	\$ -
Patient services (net of provision for doubtful accounts of \$24,259,191 in 2007 and \$26,265,611 in 2006) (note 13)	133,379,950	113,156,291	-	-
Federal grants and contracts	195,481,369	202,635,488	-	-
State and local grants and contracts	27,789,682	25,112,169	-	-
State lottery scholarships	20,928,658	18,985,799	-	-
Non-governmental grants and contracts	23,962,495	19,916,983	24,970,345	21,756,493
Sales and services (net of scholarship allowances of \$5,317,087 in 2007 and \$5,216,304 in 2006)	103,402,512	98,222,173	14,805,101	15,115,602
Other operating revenues	32,585,167	25,051,331	6,006,211	5,187,461
Clinical operations				
University of New Mexico Hospital	291,602,454	262,276,318	-	-
University of New Mexico Psychiatric Center	16,683,105	17,965,466	-	-
University of New Mexico Children's Psychiatric Center	7,853,451	6,726,477	-	-
University of New Mexico Carrie Tingley Hospital	-	10,539,222	-	-
Total operating revenues	\$ 945,356,260	\$ 888,453,411	\$ 45,781,657	\$ 42,059,556
<b>OPERATING EXPENSES</b>				
Educational and general				
Instruction	\$ 208,476,169	\$ 197,389,591	\$ -	\$ -
Research	132,105,790	135,911,705	-	-
Public service	222,396,808	197,124,775	-	-
Academic support	39,165,662	36,048,570	-	-
Student services	23,156,558	21,157,649	-	-
Institutional support	52,434,568	49,970,332	-	-
Operations and maintenance of plant	68,281,149	58,087,588	-	-
Depreciation expense	42,699,556	43,264,900	-	-
Student aid	37,352,791	32,941,565	-	-
Student activities	5,662,006	5,467,916	-	-
Intercollegiate athletics	23,885,278	24,909,654	-	-
Auxiliary enterprises	56,900,903	53,333,940	-	-
Other operating expenses	39,477,098	36,211,219	47,736,598	44,696,189
Clinical operations				
University of New Mexico Hospital	343,808,529	307,647,349	-	-
University of New Mexico Psychiatric Center	24,788,414	26,526,610	-	-
University of New Mexico Children's Psychiatric Center	14,342,609	12,622,969	-	-
University of New Mexico Carrie Tingley Hospital	-	15,108,502	-	-
Total operating expenses	\$ 1,334,933,888	\$ 1,253,724,834	\$ 47,736,598	\$ 44,696,189
Operating loss	\$ (389,577,628)	\$ (365,271,423)	\$ (1,954,941)	\$ (2,636,633)

# EXHIBIT B

## Statements of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2007 and 2006

	PRIMARY INSTITUTION		COMPONENT UNITS	
	2007	2006	2007	2006
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
State appropriations	\$ 291,077,007	\$ 267,899,383	\$ -	\$ -
Local appropriations	4,347,565	4,041,096	-	-
Gifts	22,504,697	21,086,477	-	-
Investment income (note 3)	88,477,470	50,580,757	21,244,322	11,170,268
Other non-operating revenues	13,262,588	13,607,659	62,638	45,743
Interest on capital asset-related debt	(15,250,886)	(15,206,365)	-	-
Gain on disposal of capital assets	6,682,456	9,409,856	-	-
Clinical operations				
University of New Mexico Hospital	73,700,149	50,532,018	-	-
University of New Mexico Psychiatric Center	9,099,451	5,394,180	-	-
University of New Mexico Children's Psychiatric Center	6,460,971	5,724,400	-	-
University of New Mexico Carrie Tingley Hospital	-	5,088,127	-	-
Net non-operating revenues	\$ 500,361,468	\$ 418,157,588	\$ 21,306,960	\$ 11,216,011
Income before other revenues, expenses, gains and losses	\$ 110,783,840	\$ 52,886,165	\$ 19,352,019	\$ 8,579,378
Capital appropriations	\$ 41,651,658	\$ 55,528,717	\$ -	\$ -
Capital grants and gifts	7,661,359	9,903,050	-	-
Contributions to permanent endowments	-	-	15,721,756	5,417,434
Total other revenues	\$ 49,313,017	\$ 65,431,767	\$ 15,721,756	\$ 5,417,434
Change in net assets	\$ 160,096,857	\$ 118,317,932	\$ 35,073,775	\$ 13,996,812
<b>NET ASSETS</b>				
Net assets at beginning of year	1,040,793,549	922,475,617	126,807,972	112,811,160
Net assets at end of year	\$ 1,200,890,406	\$ 1,040,793,549	\$ 161,881,747	\$ 126,807,972

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, 2007 and 2006

	<b>2007</b>	<b>2006</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 93,577,293	\$ 87,128,137
Grants and contracts	281,758,855	297,497,484
Insurance and patients	514,938,248	404,059,513
Sales and services	99,993,894	95,802,224
Payments to suppliers	(374,752,495)	(315,023,840)
Payments to employees	(709,060,246)	(670,774,511)
Payments for utilities	(35,217,228)	(33,886,525)
Payments for benefits	(130,808,168)	(124,938,043)
Payments for scholarships and fellowships	(42,969,613)	(37,354,318)
Loans issued to students	(4,483,586)	(1,497,310)
Collection of loans to students	2,356,376	(41,019)
Other payments	(6,558,675)	(8,567,900)
Net cash used by operating activities	<u>\$ (311,225,345)</u>	<u>\$ (307,596,108)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
State appropriations	\$ 295,328,733	\$ 268,010,635
Local appropriations	4,347,565	4,041,096
Bernalillo County mill levy	75,922,429	69,651,074
Tricare gross receipts tax refund	-	1,221,389
Land and permanent fund	820,916	-
Gifts	22,504,697	21,086,477
Other non-operating receipts	43,102,798	31,577,383
Net cash provided by non-capital financing activities	<u>\$ 442,027,138</u>	<u>\$ 395,588,054</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Interest payments on bonds	\$ (24,463,427)	\$ (19,373,849)
Capital appropriations	48,083,438	48,574,740
Capital gifts and grants	18,514,486	13,344,184
Additions to bonds	-	126,082,415
Principal payments of bonds	(9,232,741)	(12,602,259)
Cash received from cigarette tax bonds	2,357,033	-
Cash received from disposal of capital assets	3,610,000	2,195,000
Purchase of capital assets	(221,733,563)	(175,327,131)
Other receipts	264,227	2,048,452
Net cash used by capital financing activities	<u>\$ (182,600,547)</u>	<u>\$ (15,058,448)</u>

# EXHIBIT C

## Statements of Cash Flows for the years ended June 30, 2007 and 2006

	2007	2006
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturities of investments	\$ 384,046,965	\$ 690,100,585
Purchase of investments	(292,783,877)	(719,003,490)
State investment income	8,408,285	9,140,303
Investment income	14,141,792	9,446,504
Net cash provided (used) by investing activities	<u>\$ 113,813,165</u>	<u>\$ (10,316,098)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	\$ 62,014,411	\$ 62,617,402
Cash and cash equivalents - beginning of the year	94,066,929	31,449,527
Cash and cash equivalents - end of the year	<u>\$ 156,081,340</u>	<u>\$ 94,066,929</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Assumption of surplus in net assets of CTH as of 7/1/06	\$ 3,845,872	\$ -
Assumption of deficit in net assets of ASAP as of 7/1/05	\$ -	\$ (3,027,645)
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (389,577,628)	\$ (365,271,423)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	62,488,917	61,188,691
Bad debt expense	91,794,961	79,996,592
Gain on retirement of assets	1,849,400	15,994
Changes in assets and liabilities		
Accounts receivable	(28,740,860)	(16,428,190)
Patient receivables	(67,949,890)	(55,577,691)
Estimated third-party payor settlements	6,387,652	(9,215,229)
Notes receivable	(1,418,078)	(680,852)
Inventories	(753,271)	(369,010)
Other assets	(55,604)	(610,530)
Due from component units	1,171,849	(1,271,057)
Accounts payable	(2,739,497)	(1,401,777)
Accrued expenses and compensated absences	9,607,273	(295,200)
Other current liabilities	605,927	(200,667)
Estimated third-party payor liability	530,718	3,365,808
Deferred revenue	5,572,786	(841,567)
Net cash used by operating activities	<u>\$ (311,225,345)</u>	<u>\$ (307,596,108)</u>

See accompanying notes to the basic financial statements.

# THE UNIVERSITY OF NEW MEXICO

## BASIC FINANCIAL STATEMENTS

### Combining Statement of Net Assets as of June 30, 2007 - Discretely Presented Component Units

	University Physician Associates	The University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 4,829,636	\$ 28,288,970	\$ 1,427,699
Short-term investments	-	-	656,725
Accounts receivable, net	-	-	1,251,828
Patient receivables, net	12,052,055	-	-
Other receivables, net	1,108,397	-	-
Inventories	-	-	20,671
Due from The University of New Mexico	-	-	15,417
Other current assets	-	-	1,900
Total current assets	\$ 17,990,088	\$ 28,288,970	\$ 3,374,240
Non-current assets			
Investments	\$ 1,619,700	\$ 119,075,665	\$ 454,729
Other non-current assets	86,077	4,673,912	-
Capital assets			
Equipment and furnishings, net	445,875	-	-
Total non-current assets	\$ 2,151,652	\$ 123,749,577	\$ 454,729
Total assets	\$ 20,141,740	\$ 152,038,547	\$ 3,828,969
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued expenses	\$ -	\$ 4,809	\$ 167,510
Due to The University of New Mexico	18,351,324	23,376	1,068,732
Deferred revenue	-	-	1,064,494
Other current liabilities	1,790,416	323,800	-
Total current liabilities	\$ 20,141,740	\$ 351,985	\$ 2,300,736
Non-current liabilities			
Deferred annuities payable	\$ -	\$ 1,634,457	\$ -
Total non-current liabilities	\$ -	\$ 1,634,457	\$ -
Total liabilities	\$ 20,141,740	\$ 1,986,442	\$ 2,300,736
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -
Restricted non-expendable	-	107,086,236	-
Restricted expendable	-	41,955,297	438,665
Unrestricted	-	1,010,572	1,089,568
Total net assets	\$ -	\$ 150,052,105	\$ 1,528,233

See accompanying notes to the basic financial statements.



# EXHIBIT D

STC.UNM	University of New Mexico Lobo Club	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Total
\$ 729,313	\$ 2,141,023	\$ 729,407	\$ 2,278,137	\$ 40,424,185
-	-	-	5,848,688	6,505,413
211,584	162,488	-	215,756	1,841,656
-	-	-	-	12,052,055
-	-	-	-	1,108,397
-	-	-	-	20,671
-	-	18,884	-	34,301
1,000	6,665	406,317	7,479	423,361
\$ 941,897	\$ 2,310,176	\$ 1,154,608	\$ 8,350,060	\$ 62,410,039
\$ 3,830	\$ -	\$ -	\$ -	\$ 121,153,924
-	-	30	-	4,760,019
28,871	3,163	-	-	477,909
\$ 32,701	\$ 3,163	\$ 30	\$ -	\$ 126,391,852
\$ 974,598	\$ 2,313,339	\$ 1,154,638	\$ 8,350,060	\$ 188,801,891
\$ 100,671	\$ 50,785	\$ 71,498	\$ 12,968	\$ 408,241
136,934	88,360	-	-	19,668,726
1,280	759,431	-	616,429	2,441,634
246,553	-	406,317	-	2,767,086
\$ 485,438	\$ 898,576	\$ 477,815	\$ 629,397	\$ 25,285,687
\$ -	\$ -	\$ -	\$ -	\$ 1,634,457
\$ -	\$ -	\$ -	\$ -	\$ 1,634,457
\$ 485,438	\$ 898,576	\$ 477,815	\$ 629,397	\$ 26,920,144
\$ 28,871	\$ 3,163	\$ -	\$ -	\$ 32,034
-	-	-	-	107,086,236
-	16,812	-	29,168	42,439,942
460,289	1,394,788	676,823	7,691,495	12,323,535
\$ 489,160	\$ 1,414,763	\$ 676,823	\$ 7,720,663	\$ 161,881,747

# THE UNIVERSITY OF NEW MEXICO

## BASIC FINANCIAL STATEMENTS

### Combining Statement of Net Assets as of June 30, 2006 - Discretely Presented Component Units

	University Physician Associates	The University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 9,804,576	\$ 24,953,853	\$ 1,249,123
Short-term investments	-	-	692,143
Accounts receivable, net	-	-	907,734
Patient receivables, net	9,363,575	-	-
Other receivables, net	494,565	-	-
Inventories	-	-	52,713
Due from The University of New Mexico	-	-	-
Other current assets	-	-	15,332
Total current assets	<u>\$ 19,662,716</u>	<u>\$ 24,953,853</u>	<u>\$ 2,917,045</u>
Non-current assets			
Investments	\$ 818,877	\$ 89,535,840	\$ 317,968
Other non-current assets	73,170	4,516,765	-
Capital assets			
Equipment and furnishings, net	628,506	-	-
Total non-current assets	<u>\$ 1,520,553</u>	<u>\$ 94,052,605</u>	<u>\$ 317,968</u>
Total assets	<u>\$ 21,183,269</u>	<u>\$ 119,006,458</u>	<u>\$ 3,235,013</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued expenses	\$ -	\$ 4,999	\$ 152,962
Due to The University of New Mexico	19,122,283	161,239	1,232,763
Deferred revenue	-	-	733,194
Other current liabilities	2,060,986	305,957	-
Total current liabilities	<u>\$ 21,183,269</u>	<u>\$ 472,195</u>	<u>\$ 2,118,919</u>
Non-current liabilities			
Deferred annuities payable	\$ -	\$ 1,541,399	\$ -
Total non-current liabilities	<u>\$ -</u>	<u>\$ 1,541,399</u>	<u>\$ -</u>
Total liabilities	<u>\$ 21,183,269</u>	<u>\$ 2,013,594</u>	<u>\$ 2,118,919</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -
Restricted non-expendable	-	79,936,299	-
Restricted expendable	-	36,502,569	358,658
Unrestricted	-	553,996	757,436
Total net assets	<u>\$ -</u>	<u>\$ 116,992,864</u>	<u>\$ 1,116,094</u>

See accompanying notes to the basic financial statements.

# EXHIBIT E

STC.UNM	University of New Mexico Lobo Club	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Total
\$ 668,112	\$ 2,093,497	\$ 632,350	\$ 2,224,081	\$ 41,625,592
-	-	-	4,697,642	5,389,785
364,989	112,862	-	182,572	1,568,157
-	-	-	-	9,363,575
-	-	-	-	494,565
-	8,972	-	-	61,685
-	-	-	-	-
1,000	1,249	-	22,474	40,055
<u>\$ 1,034,101</u>	<u>\$ 2,216,580</u>	<u>\$ 632,350</u>	<u>\$ 7,126,769</u>	<u>\$ 58,543,414</u>
\$ 2,031	\$ -	\$ -	\$ -	\$ 90,674,716
-	-	-	-	4,589,935
32,116	2,956	-	-	663,578
<u>\$ 34,147</u>	<u>\$ 2,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,928,229</u>
<u>\$ 1,068,248</u>	<u>\$ 2,219,536</u>	<u>\$ 632,350</u>	<u>\$ 7,126,769</u>	<u>\$ 154,471,643</u>
\$ 76,929	\$ 70,792	\$ 56,205	\$ 824	\$ 362,711
229,193	95,097	-	-	20,840,575
-	700,309	-	799,286	2,232,789
319,254	-	-	-	2,686,197
<u>\$ 625,376</u>	<u>\$ 866,198</u>	<u>\$ 56,205</u>	<u>\$ 800,110</u>	<u>\$ 26,122,272</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,541,399
\$ -	\$ -	\$ -	\$ -	\$ 1,541,399
<u>\$ 625,376</u>	<u>\$ 866,198</u>	<u>\$ 56,205</u>	<u>\$ 800,110</u>	<u>\$ 27,663,671</u>
\$ 32,116	\$ 2,956	\$ -	\$ -	\$ 35,072
-	-	-	-	79,936,299
-	30,367	-	28,050	36,919,644
410,756	1,320,015	576,145	6,298,609	9,916,957
<u><u>\$ 442,872</u></u>	<u><u>\$ 1,353,338</u></u>	<u><u>\$ 576,145</u></u>	<u><u>\$ 6,326,659</u></u>	<u><u>\$ 126,807,972</u></u>

# THE UNIVERSITY OF NEW MEXICO

## BASIC FINANCIAL STATEMENTS

Combining Statement of Revenues, Expenses and Changes in Net Assets for the year ended June 30, 2007 -  
Discretely Presented Component Units

	University Physician Associates	The University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation
<b>REVENUES</b>			
Operating revenues			
Fees	\$ 8,779,043	\$ -	\$ 2,283,835
Grants, bequests and contributions	-	20,909,962	359,938
Operational support	-	4,056,741	-
Other operating revenues	-	649,211	24,731
Total operating revenues	<u>\$ 8,779,043</u>	<u>\$ 25,615,914</u>	<u>\$ 2,668,504</u>
<b>EXPENSES</b>			
Operating expenses			
General and administrative	\$ 9,292,870	\$ 4,587,132	\$ 1,849,704
Program expenses	-	-	538,462
Distributions to the University of New Mexico	-	23,263,099	-
Total operating expenses	<u>\$ 9,292,870</u>	<u>\$ 27,850,231</u>	<u>\$ 2,388,166</u>
Net operating income (loss)	<u>\$ (513,827)</u>	<u>\$ (2,234,317)</u>	<u>\$ 280,338</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	\$ 513,827	\$ 19,571,802	\$ 151,495
Other non-operating revenues	-	-	(19,694)
Gain on disposal of assets	-	-	-
Total non-operating revenues	<u>\$ 513,827</u>	<u>\$ 19,571,802</u>	<u>\$ 131,801</u>
Income before other revenues	<u>\$ -</u>	<u>\$ 17,337,485</u>	<u>\$ 412,139</u>
Contributions to permanent endowments	<u>\$ -</u>	<u>\$ 15,721,756</u>	<u>\$ -</u>
Total other revenues	<u>\$ -</u>	<u>\$ 15,721,756</u>	<u>\$ -</u>
Change in net assets	<u>\$ -</u>	<u>\$ 33,059,241</u>	<u>\$ 412,139</u>
Net assets at beginning of year	<u>\$ -</u>	<u>\$ 116,992,864</u>	<u>\$ 1,116,094</u>
Net assets at end of year	<u><u>\$ -</u></u>	<u><u>\$ 150,052,105</u></u>	<u><u>\$ 1,528,233</u></u>

See accompanying notes to the basic financial statements.

## EXHIBIT F



STC.UNM	University of New Mexico Lobo Club	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Total
\$ 2,764,508	\$ 210,787	\$ 766,928	\$ -	\$ 14,805,101
-	3,700,445	-	-	24,970,345
-	-	-	-	4,056,741
-	27,320	-	1,248,208	1,949,470
<u>\$ 2,764,508</u>	<u>\$ 3,938,552</u>	<u>\$ 766,928</u>	<u>\$ 1,248,208</u>	<u>\$ 45,781,657</u>
\$ 2,753,568	\$ 543,378	\$ 700,346	\$ 66,045	\$ 19,793,043
-	3,481,375	-	660,619	4,680,456
-	-	-	-	23,263,099
<u>\$ 2,753,568</u>	<u>\$ 4,024,753</u>	<u>\$ 700,346</u>	<u>\$ 726,664</u>	<u>\$ 47,736,598</u>
<u>\$ 10,940</u>	<u>\$ (86,201)</u>	<u>\$ 66,582</u>	<u>\$ 521,544</u>	<u>\$ (1,954,941)</u>
\$ 35,348	\$ 147,626	\$ 34,096	\$ 790,128	\$ 21,244,322
-	-	-	82,332	62,638
-	-	-	-	-
<u>\$ 35,348</u>	<u>\$ 147,626</u>	<u>\$ 34,096</u>	<u>\$ 872,460</u>	<u>\$ 21,306,960</u>
<u>\$ 46,288</u>	<u>\$ 61,425</u>	<u>\$ 100,678</u>	<u>\$ 1,394,004</u>	<u>\$ 19,352,019</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,721,756</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,721,756</u>
\$ 46,288	\$ 61,425	\$ 100,678	\$ 1,394,004	\$ 35,073,775
\$ 442,872	\$ 1,353,338	\$ 576,145	\$ 6,326,659	\$ 126,807,972
<u>\$ 489,160</u>	<u>\$ 1,414,763</u>	<u>\$ 676,823</u>	<u>\$ 7,720,663</u>	<u>\$ 161,881,747</u>

# THE UNIVERSITY OF NEW MEXICO

## BASIC FINANCIAL STATEMENTS

Combining Statement of Revenues, Expenses and Changes in Net Assets for the year ended June 30, 2006 -  
Discretely Presented Component Units

	University Physician Associates	The University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation
<b>REVENUES</b>			
Operating revenues			
Fees	\$ 9,113,299	\$ -	\$ 2,258,765
Grants, bequests and contributions	-	17,792,682	256,696
Operational support	-	3,554,481	-
Other operating revenues	-	502,455	30,444
Total operating revenues	<u>\$ 9,113,299</u>	<u>\$ 21,849,618</u>	<u>\$ 2,545,905</u>
<b>EXPENSES</b>			
Operating expenses			
General and administrative	\$ 9,390,879	\$ 3,940,696	\$ 2,011,784
Program expenses	-	-	457,408
Distributions to the University of New Mexico	-	20,625,870	-
Total operating expenses	<u>\$ 9,390,879</u>	<u>\$ 24,566,566</u>	<u>\$ 2,469,192</u>
Net operating income (loss)	<u>\$ (277,580)</u>	<u>\$ (2,716,948)</u>	<u>\$ 76,713</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	\$ 277,580	\$ 10,181,401	\$ 54,357
Other non-operating revenues	-	-	(28,300)
Total non-operating revenues	<u>\$ 277,580</u>	<u>\$ 10,181,401</u>	<u>\$ 26,057</u>
Income (loss) before other revenues	<u>\$ -</u>	<u>\$ 7,464,453</u>	<u>\$ 102,770</u>
Contributions to permanent endowments	<u>\$ -</u>	<u>\$ 5,417,434</u>	<u>\$ -</u>
Total other revenues	<u>\$ -</u>	<u>\$ 5,417,434</u>	<u>\$ -</u>
Change in net assets	<u>\$ -</u>	<u>\$ 12,881,887</u>	<u>\$ 102,770</u>
Net assets at beginning of year	<u>\$ -</u>	<u>\$ 104,110,977</u>	<u>\$ 1,013,324</u>
Net assets at end of year	<u><u>\$ -</u></u>	<u><u>\$ 116,992,864</u></u>	<u><u>\$ 1,116,094</u></u>

See accompanying notes to the basic financial statements.

# EXHIBIT G

STC.UNM	University of New Mexico Lobo Club	Lobo Energy, Inc.	The University of New Mexico Alumni Association	Total
\$ 2,736,585	\$ 201,138	\$ 805,815	\$ -	\$ 15,115,602
-	3,707,115	-	-	21,756,493
-	-	-	-	3,554,481
-	7,753	-	1,092,328	1,632,980
<u>\$ 2,736,585</u>	<u>\$ 3,916,006</u>	<u>\$ 805,815</u>	<u>\$ 1,092,328</u>	<u>\$ 42,059,556</u>
\$ 2,917,449	\$ 527,180	\$ 659,217	\$ 65,354	\$ 19,512,559
-	3,525,518	-	574,834	4,557,760
-	-	-	-	20,625,870
<u>\$ 2,917,449</u>	<u>\$ 4,052,698</u>	<u>\$ 659,217</u>	<u>\$ 640,188</u>	<u>\$ 44,696,189</u>
<u>\$ (180,864)</u>	<u>\$ (136,692)</u>	<u>\$ 146,598</u>	<u>\$ 452,140</u>	<u>\$ (2,636,633)</u>
\$ 24,510	\$ 137,780	\$ 13,337	\$ 481,303	\$ 11,170,268
-	-	-	74,043	45,743
<u>\$ 24,510</u>	<u>\$ 137,780</u>	<u>\$ 13,337</u>	<u>\$ 555,346</u>	<u>\$ 11,216,011</u>
<u>\$ (156,354)</u>	<u>\$ 1,088</u>	<u>\$ 159,935</u>	<u>\$ 1,007,486</u>	<u>\$ 8,579,378</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,417,434
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,417,434</u>
\$ (156,354)	\$ 1,088	\$ 159,935	\$ 1,007,486	\$ 13,996,812
<u>\$ 599,226</u>	<u>\$ 1,352,250</u>	<u>\$ 416,210</u>	<u>\$ 5,319,173</u>	<u>\$ 112,811,160</u>
<u><u>\$ 442,872</u></u>	<u><u>\$ 1,353,338</u></u>	<u><u>\$ 576,145</u></u>	<u><u>\$ 6,326,659</u></u>	<u><u>\$ 126,807,972</u></u>



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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (1) Creation and Purpose of Entity

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

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

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

#### (A) Basis of Presentation

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

The University has adopted Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement 14* (GASB 39). GASB 39 provides additional guidance to determine whether certain organizations for which the University is not financially accountable should be reported as discretely presented component units based on the nature and significance of their relationship with the University. As required by GASB 14 and 39, these basic financial statements present the University and its component units, entities for which the University is considered to be financially accountable. These entities were selected for inclusion based on criteria as set forth in GASB 14 and 39. The entities are discretely presented in the financial statements as component units and include University Physician Associates; 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 Energy, Inc; and The University of New Mexico Alumni Association. In addition, there are various component units operating as foundations that are not included in the financial statements as discretely presented component units due to materiality.

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

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

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

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

### (B) *Basis of Accounting*

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

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

### (C) *Significant Accounting Policies*

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

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

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

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>2007</u>	<u>2006</u>
Medicare and Medicaid	35%	39%
Other third-party payors	45%	38%
Others	<u>20%</u>	<u>23%</u>
	<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, as well as the income derived from University lands under the control of the State of New Mexico Commissioner of Public Lands, is distributed monthly to the University.

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

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

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 Property Accounting Department and totals \$7,222,470 and \$7,235,097 at June 30, 2007 and 2006, respectively.

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

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

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

Sick leave plan: Prior to 1984, the University's sick leave plan placed no limitation on the number of hours an employee could accumulate. When the plan was revised, the existing accumulation of hours was placed into separate pools and employees may be paid 28.5% of the value of those hours on retirement from the University.

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 \$70,000,000 and \$100,000,000 at June 30, 2007 and 2006, respectively. Unspent bond proceeds for the Hospital are \$1,491,000 and \$80,016,900 at June 30, 2007 and 2006, respectively.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

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

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

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

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

*Non-operating revenues* include activities that have the characteristics of non-exchange transactions, such as a) appropriations, b) gifts c) investment income, and d) mill levy. These revenue streams are recognized under GASB Statement No. 33 – *Accounting and Financial Reporting for Non-exchange Transactions*.

Appropriations are recognized in the year they are appropriated, regardless of when actually received. Gifts are recognized when all applicable eligibility requirements have been met. Investment income is recognized in the period when it is earned. The Mill Levy is recognized in the period it is levied by Bernalillo County.

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

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

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

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

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

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

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

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) professional fees; and e) depreciation expenses related to university property, plant and equipment.

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

### (D) *Income Taxes*

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

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

### (E) *Budgetary Process*

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

### (F) *Joint Powers Agreements*

- (1) The Regents of The University of New Mexico and the Board of County Commissioners of the County of Bernalillo entered into a lease agreement for operation and lease of county healthcare facilities, effective July 1, 1999, amended June 2004 and terminating June 20, 2055. The purpose of the agreement is to operate and maintain UNM Hospital and UNM Psychiatric Center in accordance with the provisions of the Hospital Funding Act for the term of the agreement. The agreement continues in force until rescinded or terminated by either party. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an 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. The purpose of this agreement is to create a mechanism by which the Districts can jointly and cooperatively undertake any activities in their function of providing public educational services. The University has entered into this agreement in order to facilitate such joint activities. This agreement remains in force until terminated. The Council may be terminated by a two-thirds vote of all current parties. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an on-going relationship.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

- (3) The Regents of the University of New Mexico, the Regents of New Mexico State University and the Regents of the New Mexico Institute of Mining and Technology entered into an agreement to form the New Mexico University Research Consortium effective May 4, 2006. The purpose of the Research Consortium is to promote statewide cooperation in attracting research resources to New Mexico, managing them for the state's higher education research facilities, other New Mexico research facilities and for the benefit of New Mexico economic development. The agreement continues in force indefinitely. Any party may choose to withdraw with sixty days written notice. At such time, the remaining parties have forty-five days to agree to maintain the NMURC or the JPA will terminate on the date of withdrawal.
- (4) The University, New Mexico Department of Health Developmental Disabilities Supports Division and Public Education Department entered into a Joint Powers Agreement effective July 1, 2006. This agreement is an Amendment (14) to JPA #95.665.6200.0949. The purpose of this agreement is for each party to provide a staff person to assist with the Early Childhood Evaluation Program (ECEP) and amends the annual budget of this JPA through June 30, 2007 in the amount of \$1,269,750. Funding comes from the NM Department of Health, State General Funds and IDEA Part C Funds and NM Public Education Department, IDEA Part B Funds. The ECEP provides statewide developmental evaluations and assessments for children who are referred to or who are currently eligible for the Family Infant Toddler Program.

(G) *Reclassifications*

Certain 2006 amounts have been reclassified in order to be consistent with the 2007 presentation.

(H) *Deferred Bond Issuance Costs*

The deferred bond issuance costs represent the Hospital bond issuance cost for the FHA Insured Hospital Mortgage Revenue Bond. The bond issuance costs are amortized over the terms of the related indebtedness.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (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, 2007 and 2006 were \$156,081,340 and \$94,066,929, respectively. The carrying amounts of the component units' deposits with financial institutions at June 30, 2007 and 2006 were \$40,424,185 and \$41,625,592, respectively. Bank balances are categorized as follows:

<u>June 30, 2007</u>	<u>Cash</u>	<u>Deposits Classified as Investments</u>	<u>Total</u>
<b><i>Primary Institution</i></b>			
Amount insured by the FDIC	\$ 241,678		\$ 241,671
Amount collateralized with securities held in the University's name by their agent	<u>189,838,454</u>		<u>189,838,454</u>
	<u>\$ 190,080,132</u>		<u>\$ 190,080,132</u>
<b><i>Component Units</i></b>			
Amount insured by the FDIC for Public Money Entity Component Units	\$ 271,000		\$ 271,000
Amount covered by the by the SIPC for Public Money Entity Component Units	382,599		382,599
Amount collateralized with securities held in the University's name by their agent	558,377		558,377
Amount exposed to custodial credit risk	<u>495,540</u>		<u>495,540</u>
	<u>\$ 1,705,516</u>		<u>\$ 1,705,516</u>
Amount insured by the FDIC for Non Public Money Entity Component Units	\$ 400,000		\$ 400,000
Amount collateralized with securities held in the University's name by their agent	Not required		Not required
Amount exposed to custodial credit risk	<u>N/A</u>		<u>N/A</u>
Amount not covered by insurance	<u>7,460,239</u>		<u>7,460,239</u>
	<u>\$ 7,860,239</u>		<u>\$ 7,860,239</u>
	<u>\$ 9,565,755</u>		<u>\$ 9,565,755</u>



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

June 30, 2006

	<u>Cash</u>	Deposits Classified as <u>Investments</u>	<u>Total</u>
<b><i>Primary Institution</i></b>			
Amount insured by the Federal Deposit Insurance Corporation	\$ 248,555		\$ 248,555
Amount collateralized with securities held in the University's name by their agent	<u>\$ 115,895,740</u>		<u>\$ 115,895,740</u>
	<u>\$ 116,144,295</u>		<u>\$ 116,144,295</u>
<b><i>Component Units</i></b>			
Amount insured by the FDIC for Non-Public Money Entity Component Units	\$ 252,158		\$ 252,158
Amount collateralized with securities held in the University's name by their agent	631,091		631,091
Amount exposed to custodial credit risk	<u>613,158</u>		<u>613,158</u>
	<u>\$ 1,496,407</u>		<u>\$ 1,496,407</u>
Amount insured by the FDIC for Non-Public Money Entity Component Units	\$ 516,010		\$ 516,010
Amount collateralized with securities held in the University's name by their agent	Not required		Not required
Amount exposed to custodial credit risk	<u>N/A</u>		<u>N/A</u>
Amount not covered by insurance	<u>21,028,798</u>		<u>21,028,798</u>
	<u>\$ 21,544,808</u>		<u>\$ 21,544,808</u>
	<u>\$ 23,041,215</u>		<u>\$ 23,041,215</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, 2007, the primary institution's and the component units' bank deposits were not exposed to custodial credit risk.

### (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

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

NMSA, 1978 Compilation. Investments are made through local 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, 2007 and 2006, UNM's portion of the CIF was \$211,856,952 and \$182,194,900, respectively.

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).

A summary of the investments at June 30, 2007 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	
<b>Short-term investments</b>				
<i>Primary Institution</i>				
U.S. Treasury Securities	\$ -	\$ -	\$	56,736,231
U.S. Government Agency Oblg.	-	-		69,432,120
Equity	-	-		2,391,335
Money Market	-	-		1,142,508
Repurchase Agreements	-	-		69,065,511
Commercial Paper	-	-		10,176,006
Total short-term investments	\$ -	\$ -	\$	208,943,711
<i>Component Units</i>				
U.S. Treasury Securities	\$ -	\$ -	\$	27,017
Equity	267,229	-		267,229
Mutual Funds	-	-		5,210,009
Money Market	-	-		237,606
Certificate of Deposit	-	-		763,552
Total short-term investments	\$ 267,229	\$ -	\$	6,505,413

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

	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
<b>Long-term investments</b>			
<b>Primary Institution</b>			
U.S. Government Agency Oblg.	\$ -	\$ -	\$ 35,253,350
Bonds	-	-	8,459,672
Equity Securities	-	-	116,749,987
Money Market	-	-	5,785,653
Cash	-	-	333,910
Repurchase Agreement	-	-	13,513,150
Alternative Investments	-	-	66,045,027
Total long-term investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,140,749</u>
<b>Component Units</b>			
U.S. Government Agency Oblg.	\$ 324,980	\$ -	\$ 15,376,303
Corporate Bonds	620,440	-	620,440
Municipal Bonds	2,594,884	-	2,594,884
Bond Fund	4,504,053	-	4,504,053
Equity Securities	1,129,699	-	58,350,486
Mutual Funds	-	-	2,105,875
Money Market	-	-	272,779
Certificate of Deposit	-	-	1,619,700
Alternative Investments	-	-	35,215,684
Real Estate	-	-	493,720
Total long-term investments	<u>\$ 4,670,003</u>	<u>\$ -</u>	<u>\$ 121,153,924</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

A summary of the investments at June 30, 2006 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
<b>Short-term investments</b>			
<b>Primary Institution</b>			
U.S. Treasury Securities	\$ -	\$ -	\$ 94,586,426
U.S. Government Agency Oblg.	-	-	23,172,840
Equity	-	-	2,013,005
Money Market	-	-	102,632,955
Commercial Paper	-	-	8,371,139
Total short-term investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,776,365</u>
<b>Component Units</b>			
U.S. Treasury Securities	\$ 296,918	\$ -	\$ 296,918
U.S. Government Agency Oblg.	49,797	-	49,797
Equities	309,165	-	309,165
Money Market	36,263	-	36,263
Mutual Funds	4,447,642	-	4,447,642
Certificates of deposit	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total short-term investments	<u>\$ 5,389,785</u>	<u>\$ -</u>	<u>\$ 5,389,785</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

	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
<b>Long-term investments</b>			
<b>Primary Institution</b>			
U.S. Government Agency Oblg.	\$ -	\$ -	\$ 89,844,604
Money Market			2,092,544
Bond Funds			31,300,234
Equity Securities			110,825,890
Repurchase Agreement			13,513,150
Alternative Investments	-	-	46,890,469
Total long-term investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,466,891</u>
<b>Component Units</b>			
U.S. Government Agency Oblg.	\$ 321,607	\$ -	\$ 321,607
Corporate Bonds	334,726	-	334,726
Municipal Bonds	2,764,664	-	2,764,664
Bond Funds	-	-	14,401,029
Equity Securities	1,115,646	-	48,535,576
Mutual Funds	1,590,433	-	1,590,433
Certificate of Deposit	818,877	-	818,877
Alternative Investments	-	-	21,368,537
Real Estate	539,268	-	539,268
Total long-term investments	<u>\$ 7,485,221</u>	<u>\$ -</u>	<u>\$ 90,674,716</u>

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

*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 \$113,845,111 and \$111,472,294 at June 30, 2007 and 2006, respectively. The fair value is \$175,313,519 and \$149,643,237 at June 30, 2007 and 2006, 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 portfolio will be "A" or better rated as established by a recognized rating service and further reinforced by independent in-house credit analyses. In cases where the yield spread adequately compensates for additional risk, up to 25% of the market value of the fixed income portfolio may be in securities rated less than BBB or the equivalent.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

A summary of the investments at June 30, 2007 and their exposure to credit risk are as follows:

Short Term Investments	Rating	Fair Value
<b>Primary Institution</b>		
Items not subject to credit risk:	N/A	
Equity Securities		\$ 2,391,335
U.S. Treasuries		<u>56,736,231</u>
		<u>\$ 59,127,566</u>
Items subject to credit risk:		
U.S. Government Securities		
FFCB	Moody's – AAA	\$ 1,098,790
FHLB	Moody's – AAA	8,621,750
FHLMC	Moody's – AAA	18,649,729
FNMA	Moody's – AAA	38,104,961
FNMA	Moody's – AA2	<u>2,956,890</u>
		<u>\$ 69,432,120</u>
Money Market	Not Rated	<u>\$ 1,142,508</u>
Repurchase Agreements	Not Rated	<u>\$ 69,065,511</u>
Commercial Paper		
General Electric Capital Corp	Not Rated	\$ 8,373,109
United Credit ITA Bank	Not Rated	<u>1,802,897</u>
		<u>\$ 10,176,006</u>
		<u>\$ 149,816,145</u>
Total short-term investments		<u>\$ 208,943,711</u>
<b>Component Units</b>		
Items not subject to credit risk:	N/A	
Equity Securities		\$ 267,229
Mutual Funds		5,210,009
U.S. Treasuries		<u>27,017</u>
		<u>\$ 5,504,255</u>
Items subject to credit risk:		
Money Market	Not Rated	\$ 237,606
Certificates of Deposit	Not Rated	<u>763,552</u>
		<u>\$ 1,001,158</u>
Total short-term investments		<u>\$ 6,505,413</u>



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Long Term Investments	Rating	Fair Value
<b>Primary Institution</b>		
Items not subject to credit risk:	N/A	
Equity Securities		<u>\$ 116,749,987</u>
Items subject to credit risk:		
U.S. Government Securities		
FNMA		\$ 6,983,414
Gov't Agency Mutual Funds	Moody's – AAA	8,775,287
Gov't Agency Mutual Funds	Moody's – Aa	<u>19,494,649</u>
		<u>\$ 35,253,350</u>
Bonds		
Mutual Bond Fund	Moody's – AA	<u>\$ 8,459,672</u>
Money Market	Not Rated	<u>\$ 5,785,653</u>
Cash	Not Rated	<u>\$ 333,910</u>
Repurchase Agreements	Moody's – Aa2	<u>\$ 13,513,150</u>
Alternative Investments	Not Rated	
Hedge Funds		\$ 39,186,253
Private Equity		5,118,022
Real Assets		<u>21,740,752</u>
		<u>\$ 66,045,027</u>
		<u>\$ 129,390,762</u>
Total long-term investments		<u>\$ 246,140,749</u>
<b>Component Units</b>		
Items not subject to credit risk:	N/A	
Equity Securities		\$ 58,350,486
Mutual Funds		2,105,875
Real Estate		<u>493,720</u>
		<u>\$ 60,950,081</u>
Items subject to credit risk:		
U.S. Government Securities		
FHLB	Moody's – AAA	\$ 225,197
FHLMC	Moody's – AAA	49,783
FNMA	Moody's – AAA	50,000
Mutual Gov't Agency Funds		<u>15,051,323</u>
		<u>\$ 15,376,303</u>
Bonds		
Mutual Bond Fund	S&P – AAA (avg rating)	<u>\$ 4,504,053</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

<b>Long Term Investments ( con't)</b>	<b>Rating</b>	<b>Fair Value</b>
Corporate Bonds		
American Express	Moody's – AA3	\$ 19,770
Catepillar Financial Services	Moody's – A2	49,537
CIT Group	Moody's – A2	48,493
Coca-Cola Enterprises	Moody's – A3	20,087
Discover Bank	Fitch – F2	32,873
General Electric Capital	Moody's – AAA	20,386
Goldman Sachs Group, Inc.	Moody's – AA3	59,963
HSBC Finance Corporation	Moody's – AA3	49,414
Lehman Bros. Bk DE US	Moody's – A1	86,051
Lehman Bros. Holdings, Inc.	Moody's – A1	134,927
Merrill Lynch & Co. Inc	Moody's – AA3	49,546
Met Life	Moody's – A2	49,393
		<u>\$ 620,440</u>
Municipal Bonds		
City	Moody's – Aaa	\$ 1,349,162
City	Moody's – Aa1	15,255
City	Moody's – Aa2	126,981
City	Moody's – Aa3	10,822
County	Moody's – Aaa	187,717
County	Moody's – Aa3	73,541
State	Moody's – Aaa	287,208
State	Moody's – Aa1	20,684
State	Moody's – A1	107,849
Other	Moody's – Aaa	405,656
Other	Moody's – Aa3	10,009
		<u>\$ 2,594,884</u>
Money Market	Not Rated	<u>\$ 272,779</u>
Certificates of Deposit	Not Rated	<u>\$ 1,619,700</u>
Alternative Investments	Not Rated	
Hedge Funds		\$ 20,878,925
Private Equity		2,725,098
Real Assets		11,611,661
		<u>\$ 35,215,684</u>
		<u>\$ 60,203,843</u>
Total long-term investments		<u>\$ 121,153,924</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

A summary of the investments at June 30, 2006 and their exposure to credit risk are as follows:

Short Term Investments	Rating	Fair Value
<b>Primary Institution</b>		
Items not subject to credit risk:	N/A	
Equity Securities		\$ 2,013,005
U.S. Treasuries		<u>94,586,426</u>
		<u>\$ 96,599,431</u>
Items subject to credit risk:		
U.S. Government Securities		
FFCB	Fitch – F1+	\$ 951,560
FHLB	Fitch – F1+	2,896,609
FHLMC	Moody's – Aaa	4,925,775
FNMA	Fitch – F1+	9,397,321
FNMA	S&P – AAA	2,533,600
FNMA	Moody's – Aaa	<u>2,467,975</u>
		<u>\$ 23,172,840</u>
Money Market	Not Rated	<u>\$ 102,632,955</u>
Commercial Paper		
General Electric Capital Corp	Not Rated	<u>\$ 8,371,139</u>
		<u>\$ 134,176,934</u>
Total short-term investments		<u>\$ 230,776,365</u>
<b>Component Units</b>		
Items not subject to credit risk	N/A	
Equity Securities		\$ 4,756,807
U.S. Treasuries		<u>296,918</u>
		<u>\$ 5,053,725</u>
Items subject to credit risk:		
U.S. Government Securities		
FHLB	Not Rated	<u>\$ 49,797</u>
Money Market	Not Rated	<u>\$ 36,263</u>
Certificates of Deposit	Not Rated	<u>\$ 250,000</u>
		<u>\$ 336,060</u>
Total short-term investments		<u>\$ 5,389,785</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Long Term Investments	Rating	Fair Value
<b>Primary Institution</b>		
Items not subject to credit risk	N/A	
Equity Securities		<u>\$ 110,825,890</u>
Items subject to credit risk:		
U.S. Government Securities		
FNMA	Fitch – F1+	\$ 89,844,604
Gov’t Agency Bond Funds	Moody’s – AAA	8,727,882
Gov’t Agency Bond Funds	Moody’s – Aaa	<u>14,336,424</u>
		<u>\$ 112,908,910</u>
Bonds		
Mutual Bond Fund	Moody’s – AA	<u>\$ 8,235,928</u>
Money Market	Not Rated	<u>\$ 2,092,544</u>
Repurchase Agreements	Moody’s – Aa2	<u>\$ 13,513,150</u>
Alternative Investments	Not Rated	
Hedge Funds		21,645,158
Private Equity		5,726,386
Real Assets		<u>19,518,925</u>
		<u>\$ 46,890,469</u>
		<u>\$ 183,641,001</u>
Total long-term investments		<u>\$ 294,466,891</u>
<b>Component Units</b>		
Items not subject to credit risk	N/A	
Equity Securities		\$ 48,513,661
Mutual Funds		1,565,378
Real Estate		<u>477,678</u>
		<u>\$ 50,556,717</u>
Items subject to credit risk:		
U.S. Government Securities		
FHLB	Moody’s – AAA	\$ 222,284
FHLMC	Moody’s – AAA	49,557
FNMA	Moody’s – AAA	49,766
Gov’t Agency Mutual Funds	Moody’s – AAA	4,015,640
Gov’t Agency Mutual Funds	Moody’s – Aaa	6,596,093
		<u>\$ 10,933,340</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Long Term Investments (con't)	Rating	Fair Value
Bonds		
Mutual Bond Fund	Moody's - AA	\$ 3,789,295
Corporate Bonds		
American Express	Moody's - AA3	\$ 19,500
Catepillar Financial Services	Moody's - A2	48,720
CIT Group	Moody's - A2	47,969
Coca-Cola Enterprises	Moody's - A2	20,063
Discover Bank	Not Rated	31,835
General Electric Capital	Moody's - AAA	20,376
HSBC Finance Corp	Moody's - AA3	48,834
Merrill Lynch & Co. Inc	Moody's - AA3	49,085
Met Life	Moody's - A2	48,344
		<u>\$ 334,726</u>
Municipal Bonds		
City	Moody's - Aaa	\$ 1,333,905
City	Moody's - Aa1	15,343
City	Moody's - Aa2	174,955
City	Moody's - Aa3	11,008
County	Moody's - Aaa	177,971
County	Moody's - A1	84,943
State	Moody's - Aaa	311,150
State	Moody's - Aa1	25,790
State	Moody's - Aa2	25,168
State	Moody's - A1	106,425
Other	Moody's - Aaa	404,589
Other	Moody's - A1	10,009
Other	No Rating	83,408
		<u>\$ 2,764,664</u>
Certificates of Deposit	Not Rated	<u>\$ 818,877</u>
Alternative Investments	Not Rated	
Hedge Funds		\$ 11,720,842
Private Equity		667,168
Real Assets		8,980,527
		<u>\$ 21,368,537</u>
		<u>\$ 40,009,439</u>
Total long-term investments		<u>\$ 90,566,156</u>

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

(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, 2007 and their exposure to interest rate risk are as follows:

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Short-term Investments	Fair Value	Less than 1 Year	Investment Maturities		
			1-5 Years	5-10 Years	Greater than 10 Years
<b>Primary Institution</b>					
Items not subject to interest rate risk:					
Equity Securities	<u>\$ 2,391,335</u>				
Items subject to interest rate risk:					
U.S. Treasury Securities	<u>\$ 56,736,231</u>	<u>\$ 2,512,500</u>	<u>\$ 54,223,731</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Gov't Obligations					
FFCB	\$ 1,098,790	\$ 1,098,790	\$ -	\$ -	\$ -
FHLB	8,621,750	-	8,621,750		
FHLMC	18,649,729	5,448,915	13,200,814		
FNMA	<u>41,061,851</u>	<u>11,523,425</u>	<u>29,538,426</u>	<u>-</u>	<u>-</u>
	<u>\$ 69,432,120</u>	<u>\$ 18,071,130</u>	<u>\$ 51,360,990</u>	<u>\$ -</u>	<u>\$ -</u>
Money Market	<u>\$ 1,142,508</u>	<u>\$ 1,142,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Repurchase Agreements	<u>\$ 69,065,511</u>	<u>\$ 69,065,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commercial Paper					
General Electric Capital Corp	\$ 8,373,109	\$ 8,373,109	\$ -	\$ -	\$ -
United Credit ITA Bank	<u>1,802,897</u>	<u>1,802,897</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,176,006</u>	<u>\$ 10,176,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 206,552,376</u>	<u>\$ 100,967,655</u>	<u>\$ 105,584,721</u>	<u>\$ -</u>	<u>\$ -</u>
Total short-term investments	<u>\$ 208,943,711</u>				

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Short-term Investments (con't)	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:					
Equity Securities	\$ 267,229				
Mutual Funds	<u>5,210,009</u>				
	<u>\$ 5,477,238</u>				
Items subject to interest rate risk:					
U.S. Treasury Securities	<u>\$ 27,017</u>	<u>\$ 27,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Money Market	<u>\$ 237,606</u>	<u>\$ 237,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Certificates of Deposit	<u>\$ 763,552</u>	<u>\$ 763,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 1,028,175</u>	<u>\$ 1,028,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total short-term investments	<u>\$ 6,505,413</u>				



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Long-term Investments	Fair Value	Less than 1 Year	Investment Maturities			Greater than 10 Years
			1-5 Years	5-10 Years		
<b>Primary Institution</b>						
Items not subject to interest rate risk:						
Equity Securities	\$ 116,749,987					
Alternative Investments	<u>66,045,027</u>					
	<u>\$ 182,795,014</u>					
Items subject to interest rate risk:						
U.S. Gov't Obligations						
FNMA	\$ 6,983,414	\$ 6,983,414	\$ -	\$ -	\$ -	\$ -
Mutual Funds – Gov't Agencies	<u>28,269,936</u>	<u>-</u>	<u>-</u>	<u>\$ 28,269,936</u>	<u>-</u>	<u>-</u>
	<u>\$ 35,253,350</u>	<u>\$ 6,983,414</u>	<u>\$ -</u>	<u>\$ 28,269,936</u>	<u>\$ -</u>	<u>-</u>
Bonds						
Mutual Bond Fund	<u>\$ 8,459,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,459,672</u>	<u>\$ -</u>	<u>-</u>
Money Market	<u>\$ 5,785,653</u>	<u>\$ 5,785,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Cash	<u>\$ 333,910</u>	<u>\$ 333,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Repurchase Agreements	<u>\$ 13,513,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,513,150</u>	<u>-</u>
	<u>\$ 63,345,735</u>	<u>\$ 13,102,977</u>	<u>\$ -</u>	<u>\$ 36,729,608</u>	<u>\$ 13,513,150</u>	<u>-</u>
Total long-term investments	\$ 246,140,749					

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Long-term Investments (con't)	Fair Value	Less than 1 Year	Investment Maturities			Greater than 10 Years
			1-5 Years	5-10 Years		
<i>Component Units</i>						
Items not subject to interest rate risk:						
Equity Securities	\$ 58,350,486					
Mutual Funds	2,105,875					
Alternative Investments	35,215,684					
Real Estate	<u>493,720</u>					
	<u>\$ 96,165,765</u>					
Items subject to interest rate risk:						
U.S. Gov't Obligations						
FHLB	\$ 225,197		\$ 7,525	\$ 147,672		
FHLMC	49,783		49,783			
FNMA	50,000		50,000			
Mutual Gov't Agency Funds	<u>15,051,323</u>	-	-	<u>15,051,323</u>	-	
	<u>\$ 15,376,303</u>	<u>\$ -</u>	<u>\$ 177,308</u>	<u>\$ 15,198,995</u>	<u>\$ -</u>	
Bonds						
Mutual Bond Fund	<u>\$ 4,504,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,504,053</u>	<u>\$ -</u>	
Corporate Bonds						
American Express	\$ 19,770	\$ -	\$ 19,770	\$ -	\$ -	
Catepillar Financial Services	49,537		49,537			
CIT Group	48,493		48,493			
Coca-Cola Enterprises	20,087		20,087			
Discover Bank	32,873					32,873
General Electric Capital	20,386		20,386			
Goldman Sachs Group, Inc	59,963			59,963		
HSBS Finance Corporation	49,414		49,414			
Lehman Bros. DE Bk	86,051			86,051		

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Lehman Bros. Holdings, Inc.	134,927			134,927	
Merrill Lynch & Co., Inc	49,546		49,546		
Met Life	<u>49,393</u>	<u>-</u>	<u>-</u>	<u>49,393</u>	<u>-</u>
	<u>\$ 620,440</u>	<u>\$ -</u>	<u>\$ 257,233</u>	<u>\$ 330,334</u>	<u>\$ 32,873</u>
Municipal Bonds					
City	\$ 1,502,220	\$ -	\$ 61,481	\$ 15,255	\$ 1,425,484
County	261,258	-	-	-	261,258
State	415,741	-	10,164	63,359	342,218
Other	<u>415,665</u>	<u>-</u>	<u>-</u>	<u>52,844</u>	<u>362,821</u>
	<u>\$ 2,594,884</u>	<u>\$ -</u>	<u>\$ 71,645</u>	<u>\$ 131,458</u>	<u>\$ 2,391,781</u>
Money Market	<u>\$ 272,779</u>	<u>\$ 272,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Certificates of Deposit	<u>\$ 1,619,700</u>	<u>\$ 1,619,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 24,988,159</u>	<u>\$ 1,892,479</u>	<u>\$ 506,186</u>	<u>\$ 20,164,840</u>	<u>\$ 2,424,654</u>
Total long-term investments	<u>\$ 121,153,924</u>				

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

A summary of the investments and their respective maturities at June 30, 2006 and their exposure to interest rate risk are as follows:

Short-term Investments	Fair Value	Less than 1 Year	Investment Maturities		
			1-5 Years	5-10 Years	Greater than 10 Years
<b>Primary Institution</b>					
Items not subject to interest rate risk:					
Equity Securities	<u>\$ 2,013,005</u>				
Items subject to interest rate risk:					
U.S. Treasury Securities	<u>\$ 94,586,426</u>	<u>\$ 8,874,000</u>	<u>\$ 79,294,862</u>	<u>\$ 6,417,564</u>	<u>\$ -</u>
U.S. Gov't Obligations					
FFCB	\$ 951,560	\$ -	\$ 951,560	\$ -	\$ -
FHLB	2,896,609	899,109	1,997,500		
FHLMC	4,925,775		4,925,775		
FNMA	14,398,896	7,588,020	6,810,876	-	-
	<u>\$ 23,172,840</u>	<u>\$ 8,487,129</u>	<u>\$ 14,685,711</u>	<u>\$ -</u>	<u>\$ -</u>
Money Market	<u>\$ 102,632,955</u>	<u>\$ 102,632,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commercial Paper					
General Electric Capital Corp	<u>\$ 8,371,139</u>	<u>\$ 8,371,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 228,763,360</u>	<u>\$ 128,365,223</u>	<u>\$ 93,980,573</u>	<u>\$ 6,417,564</u>	<u>\$ -</u>
Total short-term investments	<u>\$ 230,776,365</u>				

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Short-term Investments Component Units	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:					
Equity Securities	\$ 309,165				
Mutual Funds-					
Equity Securities	<u>4,447,642</u>				
	<u>\$ 4,756,807</u>				
Items subject to interest rate risk:					
U.S. Treasury Securities	<u>\$ 296,918</u>	<u>\$ 296,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Gov't Obligations FNMA	<u>\$ 49,797</u>	<u>\$ 49,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Money Market	<u>\$ 36,263</u>	<u>\$ 36,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Certificates of Deposit	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 632,978</u>	<u>\$ 632,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total short-term investments	<u>\$ 5,389,785</u>				

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Long-term Investments	Fair Value	Less than 1 Year	Investment Maturities			Greater than 10 Years
			1-5 Years	5-10 Years		
<b>Primary Institution</b>						
Items not subject to interest rate risk:						
Equity Securities	\$ 110,825,890					
Alternative Investments	<u>46,890,469</u>					
	<u>\$ 157,716,359</u>					
Items subject to interest rate risk:						
U.S. Gov't Obligations						
FNMA	\$ 89,844,604	\$ 89,844,604	\$ -	\$ -	\$ -	
Mutual Funds – Gov't Agencies	<u>23,064,306</u>	<u>-</u>	<u>-</u>	<u>23,064,306</u>	<u>-</u>	
	<u>\$ 112,908,910</u>	<u>\$ 89,844,604</u>	<u>\$ -</u>	<u>\$ 23,064,306</u>	<u>\$ -</u>	
Bonds						
Mutual Bond Fund	<u>\$ 8,235,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,235,928</u>	<u>\$ -</u>	
Money Market	<u>\$ 2,092,544</u>	<u>\$ 2,092,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Repurchase Agreements	<u>\$ 13,513,150</u>	<u>\$ 13,513,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
	<u>\$ 136,750,532</u>	<u>\$ 105,450,298</u>	<u>\$ -</u>	<u>\$ 31,300,234</u>	<u>\$ -</u>	
Total long-term investments	<u>\$ 294,466,891</u>					

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Long-term Investments (cont') <i>Component Units</i>	Fair Value	Investment Maturities				Greater than 10 Years
		Less than 1 Year	1-5 Years	5-10 Years		
Items not subject to interest rate risk:						
Equity Securities	\$ 48,535,576					
Mutual Funds	1,590,433					
Alternative Investments	21,368,537					
Real Estate	539,268					
	<u>\$ 72,033,814</u>					
Items subject to interest rate risk:						
U.S. Gov't Obligations						
FFCB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FHLB	222,284		76,050	146,234		
FHLMC	49,557		49,557			
FNMA	49,766		49,766			
FFCB						
Mutual Gov't Agency Funds	10,611,733	-	-	10,611,733		-
	<u>\$ 10,933,340</u>	<u>\$ -</u>	<u>\$ 175,373</u>	<u>\$ 10,757,967</u>		<u>\$ -</u>
Bonds						
Mutual Bond Fund	\$ 3,789,295	\$ -	\$ -	\$ 3,789,295		\$ -
Corporate Bonds						
American Express	\$ 19,500	\$ -	\$ 19,500	\$ -		\$ -
Catepillar Financial Services	48,720		48,720			
CIT Group	47,969		47,969			
Coca-Cola Enterprises	20,063		20,063			
Discover Bank	31,835					31,835
General Electric Capital	20,376		20,376			
HSBC Finance Corp	48,834		48,834			
Merrill Lynch & Co. Inc	49,085		49,085			
Met Life	48,344	-	-	48,344		-
	<u>\$ 334,726</u>	<u>\$ -</u>	<u>\$ 254,547</u>	<u>\$ 48,344</u>		<u>\$ 31,835</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Long-term Investments	Fair Value	Less than 1 Year	Investment Maturities		Greater than 10 Years
			1-5 Years	5-10 Years	
Municipal Bonds					
City	1,535,212	65,011	62,182	15,343	1,392,676
County	262,914	84,943	-	-	177,971
State	468,533	50,183	10,287	62,031	346,032
Other	<u>498,005</u>	<u>-</u>	<u>-</u>	<u>83,408</u>	<u>414,597</u>
	<u>\$ 2,764,664</u>	<u>\$ 200,137</u>	<u>\$ 72,469</u>	<u>\$ 160,782</u>	<u>\$ 2,331,276</u>
Certificates of Deposit	<u>\$ 818,877</u>	<u>\$ 818,877</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 18,640,902</u>	<u>\$ 1,019,014</u>	<u>\$ 502,389</u>	<u>\$ 14,756,388</u>	<u>\$ 2,363,111</u>
Total long-term investments	<u>\$ 90,674,716</u>				



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

- (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.

The University's exposure to concentrated credit risk for the primary institution and component units is a total of \$142,191,133, invested in the following:

Instrument	Amount	Percentage
FNMA (implicitly guaranteed by the U.S. Government	\$43,208,117	7.41%
JP Morgan (Repurchase Agreements)	\$69,065,511	11.85%
Northern Trust fund, Vanguard Inflation Protected Securities	\$29,917,705	5.13%
Total	\$142,191,133	24.39%

- (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, 2007 the University was not exposed to foreign currency fluctuations.

### (H) *Investment Income (Loss)*

At June 30, 2007 and 2006, investment income (loss) consists of the following:

	<u>2007</u>	<u>2006</u>
Primary Institution investment income (loss)		
Investment revenue:		
Investment income	\$ 21,650,513	\$ 14,473,627
State Investment Council Permanent Fund distribution	8,408,282	9,140,303
Realized gains:		
State Investment Permanent Fund	25,670,282	12,380,064
Realized gains (losses):		
Endowments – Common Investment Fund	11,870,171	27,451,348
Non-Endowment Investments	-	26,559
Unrealized gains (losses):		
Endowments – Common Investment Fund	20,223,613	(11,727,742)
Non-Endowment Investments	<u>654,605</u>	<u>( 1,163,402)</u>
	<u>\$ 88,477,470</u>	<u>\$ 50,580,757</u>
Component Units investment income	<u>\$ 21,244,322</u>	<u>\$ 11,170,268</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (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, 2007 and 2006, receivables consisted of the following:

	<u>2007</u>	<u>2006</u>
Primary Institution accounts receivable, net		
Contracts and grants	\$ 34,924,781	\$ 39,273,297
HSC health services	2,640,390	3,347,215
Sales and services	15,739,813	11,810,632
Auxiliaries	12,642,398	7,813,932
Tuition and fees	6,828,034	5,653,305
State of New Mexico bonds	15,184,168	11,276,875
Other	552,810	4,970,125
	<u>\$ 88,512,394</u>	<u>\$ 84,145,381</u>
Less: Allowance for doubtful accounts	<u>(12,543,801)</u>	<u>(13,587,961)</u>
	<u>\$ 75,968,593</u>	<u>\$ 70,557,420</u>
 Component Units accounts receivable, net	 <u>\$ 1,841,656</u>	 <u>\$ 1,568,157</u>
 Primary Institution patient receivables, net		
Patient receivables	\$ 142,290,974	\$ 151,348,552
Less: Allowance for doubtful accounts	<u>(88,206,684)</u>	<u>(99,114,010)</u>
	<u>\$ 54,084,290</u>	<u>\$ 52,234,542</u>
 Component Units patient receivables, net	 <u>\$ 12,052,055</u>	 <u>\$ 9,363,575</u>
 Primary Institution other receivables		
Bernalillo County Treasurer	\$ 1,113,798	\$ 1,453,396
Other receivables	3,039,793	245,575
	<u>\$ 4,153,591</u>	<u>\$ 1,698,971</u>
 Component Units other receivables, net	 <u>\$ 1,108,397</u>	 <u>\$ 494,565</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, 2007 and 2006, notes receivable consisted of the following:

	<u>2007</u>	<u>2006</u>
Primary Institution notes receivable, net		
Current notes receivable		
Student loans	\$ 5,581,321	\$ 4,117,985
 Non-current notes receivable		
Student loans	<u>\$ 13,535,073</u>	<u>\$ 13,580,331</u>

Federal Perkins Loans make up approximately 67% and 71% of the student loans at June 30, 2007 and 2006, respectively. Under this program, the federal government provides funds for approximately 75% of the total contribution for student loans, with the University providing the balance. Under certain conditions such loans can be forgiven at annual rates of 10% to 30% of the original balance up to maximums of 50% to 100% of the original loan. The federal government reimburses the University 10% for the amounts cancelled on loans originated prior to July 1, 1993 under the Federal Perkins Loan Program.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (6) Capital Assets (in thousands)

	Year Ended June 30, 2007				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
University capital assets not being depreciated					
Land	\$ 25,026	11,804	-	(108)	\$ 33,722
Construction in-progress	<u>56,789</u>	<u>82,878</u>	<u>(36,166)</u>	<u>-</u>	<u>103,501</u>
	<u>\$ 81,815</u>	<u>94,682</u>	<u>(36,166)</u>	<u>(108)</u>	<u>\$ 140,223</u>
University depreciable capital assets					
Land improvements	\$ 37,550	-	-	-	\$ 37,550
Infrastructure	101,242	-	11,412	-	112,654
Buildings	576,615	-	24,754	(451)	600,918
Equipment and furnishings	231,583	16,292	-	(17,131)	230,744
Library books	<u>108,144</u>	<u>6,585</u>	<u>-</u>	<u>-</u>	<u>114,729</u>
Total depreciable capital assets	<u>\$1,055,134</u>	<u>22,877</u>	<u>36,166</u>	<u>(17,582)</u>	<u>\$ 1,096,595</u>
Less: Accumulated depreciation for					
Land improvements	\$ (26,978)	(710)	-	-	\$ (27,688)
Infrastructure	(27,847)	(5428)	-	-	(33,275)
Buildings	(225,175)	(15101)	-	427	(239,849)
Equipment and furnishings	(164,410)	(16,472)	-	13,653	(167,229)
Library books	<u>(99,064)</u>	<u>(4,989)</u>	<u>-</u>	<u>-</u>	<u>(104,053)</u>
Total accumulated depreciation	<u>\$ (543,474)</u>	<u>(42,700)</u>	<u>-</u>	<u>14,080</u>	<u>\$ (572,094)</u>
University depreciable capital assets, net	<u>\$ 511,660</u>	<u>(19,823)</u>	<u>36,166</u>	<u>(3,502)</u>	<u>\$ 524,501</u>
Capital asset summary					
University capital assets not being depreciated	\$ 81,815	94,682	(36,166)	(108)	\$ 140,233
University depreciable capital assets at cost	<u>1,055,134</u>	<u>22,877</u>	<u>36,166</u>	<u>(17,582)</u>	<u>1,096,595</u>
University total cost of capital assets	\$1,136,949	117,559	-	(17,690)	\$ 1,236,818
Less: Accumulated depreciation	(504,041)	(40,858)	-	13,293	(531,606)
Less: Accumulated depreciation - Auxiliaries	<u>(39,433)</u>	<u>(1,842)</u>	<u>-</u>	<u>787</u>	<u>(40,488)</u>
University capital assets, net	<u>\$ 593,475</u>	<u>74,859</u>	<u>-</u>	<u>(3,610)</u>	<u>\$ 664,724</u>
Clinical Operations capital assets	\$ 391,613	110,114	-	(21,914)	\$ 479,813
Less: Accumulated depreciation	<u>(178,264)</u>	<u>(28,982)</u>	<u>-</u>	<u>16,712</u>	<u>(190,534)</u>
Clinical Operations capital assets, net	<u>\$ 213,349</u>	<u>81,132</u>	<u>-</u>	<u>(5,202)</u>	<u>\$ 289,279</u>
Primary Institution capital assets, net	<u>\$ 806,824</u>	<u>155,991</u>	<u>-</u>	<u>(8,812)</u>	<u>\$ 954,003</u>
Component Units capital assets, net	<u>\$ 664</u>	<u>(186)</u>	<u>-</u>	<u>-</u>	<u>\$ 478</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, 2007 and 2006, the University capitalized interest expense of approximately \$1,109,000 and \$464,000, respectively. The Hospital capitalized interest expense of approximately \$5,711,000 and \$3,857,000 for the years ended June 30, 2007 and 2006.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (6) Capital Assets (in thousands)

	Year Ended June 30, 2006				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
University capital assets not being depreciated					
Land	\$ 24,988	38	-	-	\$ 25,026
Construction in-progress	<u>21,662</u>	<u>73,344</u>	<u>(38,217)</u>	<u>-</u>	<u>56,789</u>
	<u>\$ 46,650</u>	<u>73,382</u>	<u>(38,217)</u>	<u>-</u>	<u>\$ 81,815</u>
University depreciable capital assets					
Land improvements	\$ 37,586	-	-	(36)	\$ 37,550
Infrastructure	81,298	-	19,944	-	101,242
Buildings	559,841	494	18,273	(1,993)	576,615
Equipment and furnishings	225,835	16,510	-	(10,762)	231,583
Library books	<u>105,105</u>	<u>3,846</u>	<u>-</u>	<u>(807)</u>	<u>108,144</u>
	<u>\$ 1,009,665</u>	<u>20,850</u>	<u>38,217</u>	<u>(13,598)</u>	<u>\$ 1,055,134</u>
Less: Accumulated depreciation for					
Land improvements	\$ (25,722)	(1,267)	-	11	\$ (26,978)
Infrastructure	(23,010)	(4,837)	-	-	(27,847)
Buildings	(210,679)	(14,764)	-	268	(225,175)
Equipment and furnishings	(157,015)	(17,761)	-	10,366	(164,410)
Library books	<u>(95,186)</u>	<u>(4,636)</u>	<u>-</u>	<u>758</u>	<u>(99,064)</u>
Total accumulated depreciation	<u>\$ (511,612)</u>	<u>(43,265)</u>	<u>-</u>	<u>11,403</u>	<u>\$ (543,474)</u>
University depreciable capital assets, net	<u>\$ 498,053</u>	<u>(22,415)</u>	<u>38,217</u>	<u>(2,195)</u>	<u>\$ 511,660</u>
Capital asset summary					
University capital assets not being depreciated	\$ 46,650	73,382	(38,217)	-	\$ 81,815
University depreciable capital assets at cost	<u>1,009,665</u>	<u>20,850</u>	<u>38,217</u>	<u>(13,598)</u>	<u>1,055,134</u>
	\$ 1,056,315	94,232	-	(13,598)	\$ 1,136,949
Less: Accumulated depreciation	(474,709)	(40,756)	286	11,138	(504,041)
Less: Accumulated depreciation - Auxiliaries	<u>(36,903)</u>	<u>(2,509)</u>	<u>(286)</u>	<u>265</u>	<u>(39,433)</u>
	<u>\$ 544,703</u>	<u>50,967</u>	<u>-</u>	<u>(2,195)</u>	<u>\$ 593,475</u>
Clinical Operations capital assets	\$ 300,682	91,758	-	(827)	\$ 391,613
Less: Accumulated depreciation	<u>(160,326)</u>	<u>(18,290)</u>	<u>-</u>	<u>352</u>	<u>(178,264)</u>
	<u>\$ 140,356</u>	<u>73,468</u>	<u>-</u>	<u>(475)</u>	<u>\$ 213,349</u>
Primary Institution capital assets, net	<u>\$ 685,059</u>	<u>124,435</u>	<u>-</u>	<u>( 2,670)</u>	<u>\$ 806,824</u>
Component Units capital assets, net	<u>\$ 890</u>	<u>(226)</u>	<u>-</u>	<u>-</u>	<u>\$ 664</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

**(7) Accounts Payable and Accrued Payroll**

At June 30, 2007 and 2006, accounts payable and accrued payroll consisted of the following:

	<u>2007</u>	<u>2006</u>
Primary Institution accounts payable		
Trade payables	\$ 14,508,016	\$ 12,153,446
Clinical Operations – trade payables	25,822,603	31,482,151
Accrued Payroll and benefits	3,912,099	6,566,988
Clinical Operations - accrued payroll and benefits	<u>16,224,005</u>	<u>9,151,106</u>
	<u>\$ 60,466,723</u>	<u>\$ 59,353,691</u>
Component Units accounts payable	<u>\$ 408,241</u>	<u>\$ 362,712</u>

**(8) Accrued Compensated Absences**

During the years ended June 30, 2007 and 2006, the following changes occurred in accrued compensated absences:

<u>Fiscal Year</u>	Balance, <u>July 1</u>	<u>Additions</u>	<u>Deductions</u>	Balance, <u>June 30</u>
2007	\$ 29,106,738	\$ 41,886,435	\$ (39,738,893)	\$ 31,254,280
2006	27,020,416	37,080,053	(34,993,731)	29,106,738

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, 2007 and 2006, other accrued liabilities consisted of the following:

	<u>2007</u>	<u>2006</u>
Primary Institution other accrued liabilities		
Employer/Employee – payroll tax liability	\$ 19,941,974	\$ 15,810,929
Clinical Operations – payroll tax liability	1,674,053	7,698,866
Utilities	1,382,302	1,272,588
Bond interest	5,914,032	5,945,792
Other	<u>8,049,075</u>	<u>5,487,100</u>
	<u>\$ 36,961,436</u>	<u>\$ 36,215,275</u>

**(10) Deferred Revenue**

At June 30, 2007 and 2006, deferred revenue consisted of the following:

	<u>2007</u>	<u>2006</u>
Primary Institution deferred revenue		
Contracts and grants	\$ 29,365,873	\$ 28,289,492
Prepaid tuition and fees	4,487,959	2,158,204
Sales and service	3,207,223	793,131
Capital Projects	10,339,073	-
Prepaid auxiliary operations sales	<u>287,133</u>	<u>534,575</u>
	<u>\$ 47,687,261</u>	<u>\$ 31,775,402</u>
Component Units deferred revenue	<u>\$ 2,441,634</u>	<u>\$ 2,232,789</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (11) Long-Term Liabilities

At June 30, 2007 and 2006, long-term liabilities consisted of the following:

	Year Ended June 30, 2007				
	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Primary Institution long-term liabilities					
Bonds payable	\$543,789,681	-	(12,969,004)	530,820,677	\$ 12,792,506
Student loan programs	15,173,807	497,858	(231,248)	15,440,417	-
Deferred annuities payable	-	339,318	-	339,318	-
	<u>\$558,963,488</u>	<u>837,176</u>	<u>(13,200,252)</u>	<u>546,600,412</u>	<u>\$ 12,792,506</u>
Component Units long-term liabilities					
Deferred annuities payable	1,541,399	160,067	(67,009)	1,634,457	323,800
	<u>\$ 1,541,399</u>	<u>160,067</u>	<u>(67,009)</u>	<u>1,634,457</u>	<u>\$ 323,800</u>

	Year Ended June 30, 2006				
	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Primary Institution long-term liabilities					
Bonds payable	\$427,013,581	125,575,000	(8,798,900)	543,789,681	\$ 9,232,741
Student loan programs	15,183,540	149,819	(159,552)	15,173,807	-
	<u>\$442,197,121</u>	<u>125,724,819</u>	<u>(8,958,452)</u>	<u>558,963,488</u>	<u>\$ 9,232,741</u>
Component Units long-term liabilities					
Deferred annuities payable	1,284,274	438,366	(181,241)	1,541,399	305,957
	<u>\$ 1,284,274</u>	<u>438,366</u>	<u>(181,241)</u>	<u>1,541,399</u>	<u>\$ 305,957</u>

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (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>2007</u>	<u>2006</u>
Subordinate Lien System Improvement Revenue Bonds	\$124,965,000	\$125,575,000
Series 2005 with interest ranging from		
3.0% to 4.5% - final maturity 2035		
FHA Insured Hospital Mortgage Revenue Bonds	192,225,000	192,250,000
Series 2004 with interest ranging from		
2.00% to 5.00% - final maturity 2031		
Subordinate Lien System Refunding Revenue Bonds	18,380,000	19,235,000
Series 2003A with interest ranging from		
2.00% to 5.25% - final maturity 2018.		
Subordinate Lien System Revenue Bonds (Taxable)	5,585,000	5,585,000
Series 2003B with interest ranging from		
1.35% to 5.625% - final maturity 2024		
Subordinate Lien System Revenue Bonds	5,395,000	5,615,000
Series 2003C with interest ranging from		
4.5% to 4.6% - final maturity 2033		
Subordinate Lien System Refunding & Improvement Revenue Bonds	52,980,000	54,745,000
Series 2002A with interest ranging from		
2.5% to 5.25% - final maturity 2032		
Subordinate Lien System Refunding Revenue Bonds	25,475,000	25,475,000
Series 2002B (Variable) with a synthetic fixed interest rate of 3.83%		
achieved through an interest rate exchange agreement		
with final maturity 2026		
Subordinate Lien System Refunding Revenue Bonds	36,940,000	36,940,000
Series 2002C (Variable) with a synthetic fixed interest rate of 3.94%		
achieved through an interest rate exchange agreement -		
final maturity 2030		
Subordinate Lien System Improvement Revenue Bonds	46,090,000	47,640,000
Series 2001 with interest at a variable rate with a		
ceiling of 12% - final maturity 2026		
System Revenue Bonds	9,273,930	11,381,671
Series 2000 with interest ranging from		
4.65% to 6.35% - final maturity 2029		
Subordinate Lien System Revenue Bonds	-	895,000
Series 1996 with interest ranging from		
4.80% to 5.5% - bonds called 06/01/06		
System Revenue Refunding Bonds	26,455,000	27,660,000
Series 1992-A with interest ranging from		
5.60% to 6.25% - final maturity 2021		
	\$543,763,930	\$552,996,671
Add: Bond premium	8,637,542	9,493,079
Less: Loss on defeased bonds	(5,486,230)	(6,030,203)
Bond discounts	(1,620,023)	(1,692,574)
Current portion of bonds payable	(12,792,506)	(9,232,741)
Bond insurance and surety premiums	(548,941)	(569,371)
Original issue discount	(1,133,095)	(1,175,180)
Long term bonds payable	<u>\$530,820,677</u>	<u>\$543,789,681</u>

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

Future debt service as of June 30, 2007 for the bonds follows:

Year ending June 30	Principal	Interest	Total
2008	12,792,506	25,476,972	38,269,478
2009	14,326,741	24,950,839	39,277,580
2010	14,932,739	24,357,583	39,290,322
2011	15,492,231	23,757,288	39,249,519
2012	16,171,584	23,091,493	39,263,077
2013-2017	91,974,397	104,555,522	196,529,919
2018-2022	115,558,732	78,384,126	193,942,860
2023-2027	125,730,000	49,039,063	174,769,063
2028-2032	115,680,000	19,177,257	134,857,257
2033-2035	<u>21,105,000</u>	<u>1,958,450</u>	<u>23,063,450</u>
	<u>\$543,763,930</u>	<u>\$374,748,593</u>	<u>\$918,512,525</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, 2007 is \$30,030,000.

On January 30, 2003, the University of New Mexico defeased \$21,095,000 of the 1996 series. Sinking fund monies in the amount of \$23,477,000 from the Series 2002B 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 \$1,210,000. These bonds were fully called on June 1, 2006.

On April 16, 2003, the University of New Mexico defeased \$4,090,000 of the 1996 series and \$15,655,000 of the 1994 series. Sinking fund monies in the amount of \$16,337,621 for the 1994 and \$4,640,561 for the 1996 from the series 2003A Refunding Revenue Bonds were placed in an irrevocable trust to provide for all future debt service payments. The 1994 series bonds were fully called in 2003. Total cash flow savings to the University from this defeasance are \$708,000. The 1996 bonds were fully called on June 1, 2006.

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

### Interest Rate Swap Agreement:

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

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



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

The notional amounts of the swap agreements match the percentage of bonds payable principal amounts that are protected by the swap agreements. All swaps have a non-material change in fair value as of June 30, 2007. However, should interest rates change and the fair values of the swaps become positive, the University would be exposed to credit rate risk in the amount of the interest swaps' fair value.

The swap agreements are summarized as follows:

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

2006 Repurchase Agreement – The University of New Mexico entered into a Repurchase Agreement with JPMorgan Chase, N.A. on its 2005 bond proceeds (through the competitive bid process) on November 16, 2006. Through JPMorgan, the University invested unspent bond proceeds of \$92,962,539. The yield on the Repurchase Agreement is 4.911% and it expires on September 2008.

2006 Constant Maturity Basis Swaps (the “Five-Year LIBOR Swaps”) – In addition to existing interest rate swap agreements on the Series 2001 and 2002C bonds, the University of New Mexico entered into two Constant Maturity Basis Overlay Swap agreements (through the competitive bid process) with JPMorgan Chase, N.A. for notional amounts of \$23,820,000 and \$36,940,000 respectively. (Notional principal amount – in a constant maturity basis swap is predetermined DOLLAR amount on which the exchanged interest payments are based.) The effective date for these agreements is September 15, 2006 and terminates on June 1, 2026 subject to adjustment in accordance with the Modified Following Business Day Convention.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (13) Health Care Revenue

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

<b>Primary Institution</b>	<b>2007</b>	<b>2006</b>
Charges at established rates	\$ 277,099,850	\$ 252,554,371
Charity care	(32,531,252)	(29,715,914)
Contractual adjustments	(86,929,457)	(83,416,555)
Provision for doubtful accounts, net	<u>(24,259,191)</u>	<u>(26,265,611)</u>
Total net patient service revenues	<u>\$ 133,379,950</u>	<u>\$ 113,156,291</u>

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

<b>Clinical operations</b>	<b>2007</b>	<b>2006</b>
Charges at established rates	\$ 764,452,902	\$ 704,192,411
Charity care	(141,941,377)	(135,784,014)
Contractual adjustments	(252,808,456)	(233,078,938)
Provision for doubtful accounts, net	<u>(66,939,825)</u>	<u>(54,394,457)</u>
Net patient service revenues	<u>302,763,244</u>	<u>280,935,002</u>
Other operating revenues	<u>13,375,766</u>	<u>16,572,481</u>
Total operating revenues	<u>\$ 316,139,010</u>	<u>\$ 297,507,483</u>

The Hospital is reimbursed from the Medicare and Medicaid programs for certain reimbursable items at a tentative 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 2000 have been final settled for the Medicaid programs. Cost reports through 2004 have been final settled for the Medicare program. Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

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

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

### (14) Leases

At June 30, 2007 and 2006, the University and the clinical operations had various lease arrangements summarized as follows:

#### (A) *University and clinical operations as Lessees*

##### (a) Capital Leases

The University and the clinical operations have no capital leases to report at June 30, 2007 and 2006.

##### (b) Operating Leases

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

The University's rent expense for operating leases amounted to \$7,004,571 and \$6,241,881 for the years ended June 30, 2007 and 2006, 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 \$7,830,500 and \$7,090,500 in 2007 and 2006, respectively.

(c) Minimum Lease Payments

The following is a schedule of future minimum lease payments for Primary Institution operating leases at June 30, 2007:

Year ending <u>June 30</u>	Lease <u>Payments</u>
2008	\$ 10,033,384
2009	6,637,119
2010	5,062,821
2011	2,987,450
2012	2,567,720
2013-2017	11,547,015
2018-2022	2,939,152
2023-2027	1,175,935
2028-2032	1,175,935
2033-2037	<u>1,084,633</u>
Total	<u>\$ 45,211,164</u>

(B) *University as Lessor*

The University is lessor of various properties. For the years ended June 30, 2007 and 2006, respectively, total lease income, which includes annually renewable lease agreements, was \$5,317,506 and \$6,489,191.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2007:

Year ending <u>June 30</u>	Lease <u>Payments</u>
2008	\$ 4,315,696
2009	3,099,391
2010	3,085,622
2011	3,050,292
2012	296,853
2013-2017	572,752
2018-2022	201,740
2023-2027	93,061
2028-2032	<u>4,242</u>
Total	<u>\$ 14,719,649</u>

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (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 the 2006-2007 fiscal year, the University paid Risk Management \$11,632,949 in insurance premiums. During the 2005-2006 fiscal year, the University paid Risk Management \$7,290,503 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. In this connection, the New Mexico Tort Claims Act allows damages to be awarded as follows: (a) up to \$300,000 for past and future reasonable economic or property losses incurred or to be incurred by the claimant; (b) up to \$400,000 for past and future non-economic losses (such as pain and suffering) incurred or to be incurred by the claimant; and (c) up to \$350,000 for family members of the claimant (to the extent they qualify therefore) for loss of consortium. The New Mexico Tort Claims Act also prohibits the award of punitive or exemplary damages against the Hospital. The New Mexico Tort Claims Act requires the Risk Management Division of the State of New Mexico General Services Department (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 and/or lawsuits (including attorney's fees and expenses), with no deductible and with no self-insured retention by the Hospital. As a result of the foregoing, the Hospital is fully covered for claims and/or lawsuits relating medical malpractice or professional liability.

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

Beginning August 1, 2005 the Hospital began self-funding its own health plan. Blue Cross and Blue Shield of New Mexico, HMO New Mexico (BCBSNM and HMONM) provides administrative claims 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, 2007 and 2006, the estimated amount of the Hospital's claims and accrued invoices was \$2.7 and \$2.4 million, respectively. The liability balance for the self-insurance plan is included in accrued payroll. The incurred but not reported liability for 2007 was calculated using information provided by Gallagher Benefit Services, Inc. and BCBSNM. Changes in the reported liability since June 30, 2006 resulted from the following:

		Beginning of Fiscal-Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal-Year End
2006-2007	\$	2,406,243	18,696,634	(18,405,054)	2,697,823
2005-2006	\$	-	13,200,514	(10,794,271)	2,406,243

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (16) Retirement Plans and Post-Employment Benefits

#### (A) University

Employees of the University of New Mexico are covered by a legislative non-negotiated retirement plan through the Educational Retirement Act (ERA) of the State of New Mexico, as a cost-sharing multiple employer public employee retirement system. Information pertaining to the actuarially computed present value of vested accumulated plan benefits and non-vested accumulated plan benefits, the plan's net assets available for benefits and the assumed rate of return used in computing the present value, and ten-year historical trend information presenting ERA's progress in accumulating sufficient assets to pay benefits when due is not available by individual government agencies participating in the plan. Actuarial pension data for the State of New Mexico, as employer, is provided at the statewide level in a separately issued audit report of the ERA. The report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, NM 87502.

#### Funding Policy

Covered employees for FY07 were required by state statute to contribute 7.75% of their gross salary. The University of New Mexico was required by state statute to contribute 10.15% for FY07. The employee and employer contribution percentages will gradually increase to 7.9% and 13.9% respectively by 2011.

The payroll for employees covered by the ERA for the years ended June 30, 2007 and 2006 was \$337,887,226 and \$322,994,471, respectively. The total payroll for all employees of the University for the years ended June 30, 2007 and 2006 was \$505,510,550 and \$488,682,486, respectively. The University's contributions to the ERA were \$34,005,127 equal to the required contribution for the year ended June 30, 2007. The previous two-year's contributions to the ERA were \$30,361,486 and \$27,132,484, equal to the required contribution for the years ended June 30, 2006 and 2005, respectively.

#### Post-Employment Benefits

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

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

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

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

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

*Post-Employment Benefits:* In addition to the pension benefits described above, the University provides certain other post-employment benefits. 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. At June 30, 2007, 1,923 retirees enrolled for post-employment benefits. Expenses for post-employment health care benefits are recognized as payments are made to the insurance carriers (pay as you go basis). During the fiscal years 2007 and 2006, respectively, expenses (net of employee contributions) of \$2,146,774 and \$2,449,670 were recognized for post-employment benefits.

The University also provides tuition assistance for eligible retirees. Retirees are entitled to enroll in an unlimited number of courses without paying for tuition, including Continuing Education classes. Expenses for tuition remission for retirees are recognized on a quarterly basis. At June 30, 2007, 424 retirees participated in the tuition remission program. During the fiscal years 2007 and 2006, respectively, the tuition remission program amounted to \$220,547 and \$186,987 of benefit expense.

### (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 Clinical Operations Board and can be amended at its discretion. The Plan is administered by UNM Hospitals Human Resources Department.

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

The Hospital also has a defined benefit plan that covers all employees who were members of the clerical and service worker collective bargaining unit as of June 30, 1977 and had completed a year of service prior to June 30, 1977. The name of the plan is University of New Mexico/BCMC Retirement Plan B. There are currently 121 participants included in this plan. Actuarial pension data for this plan may be obtained by writing to UNM Hospitals Human Resources Department, P.O. Box 80600, Albuquerque, NM 87198-0600.

Total employer expense under the plans was \$6,647,000 and \$5,509,000 in 2007 and 2006, respectively. Total employee contributions under the plans were \$11,097,000 and \$9,282,000 in 2007 and 2006, respectively.

## (17) Commitments and Contingencies

### (A) Commitments

In addition to the lease commitments in Note 13, the Primary Institution had commitments totaling \$433,680,284 and \$499,295,396 for the years ended June 30, 2007 and 2006, respectively. These commitments consisted of the following:

	<u>2007</u>	<u>2006</u>
Materials and Services	\$ 170,018,495	\$ 132,873,328
Construction Projects	<u>263,661,789</u>	<u>366,422,068</u>
Total	<u>\$ 433,680,284</u>	<u>\$ 499,295,396</u>

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (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:

	Annual Contribution
2008	\$ 2,396,076
2009	2,493,696
2010	2,595,294
2011	2,701,030
2012	2,551,597
2013-2017	<u>11,563,568</u>
Total	<u>\$24,301,261</u>

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

### (18) Component Units

#### (A) *University Physician Associates*

University Physician Associates (UPA) is a non-profit corporation whose purpose is to benefit The University of New Mexico School of Medicine (School of Medicine). Fees generated from the School of Medicine health care delivery services are billed and collected by UPA. The School of Medicine requests distributions from UPA in accordance with certain bylaws. University Physician Associates, 1650 University Boulevard, NE, Albuquerque, NM 87102.

#### **Subsequent Events**

In the fourth quarter of fiscal year 2007, the faculty members of University Physicians Associates and the Regents of the University of New Mexico voted to approve the merger of UPA into the newly formed University of New Mexico Medical Group, Inc. (UNMMG), a New Mexico nonprofit corporation organized under and pursuant to the New Mexico University Research Park Act. The purpose of the merger was to align the clinical, educational, and operational mission of the UPA with the strategic goals of the University of New Mexico Health Sciences in advancing leading healthcare services across New Mexico through the establishment of an integrated medical practice. The effective date of the Merger is July 1, 2007. At the effective date, all the property, rights, privileges, debts, liabilities, and duties of the UPA shall be assumed by the UNMMG. UNMMG will continue as the surviving corporation and the Regents of the University of New Mexico are its sole members.

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

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

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

The Robert O. Anderson Schools of Management Foundation (ASMF) is a non-profit corporation organized in 1971 to promote continued education to the business community. ASMF provides professional workshops, seminars, guest symposiums, a masters 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. For FY07, ASMF completed a FASB to GASB reporting model conversion. As a result of this conversion, FY06 balances were reclassified to conform to FY07 GASB standards.

#### (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.



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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2007 and 2006

(E) *University of New Mexico Lobo Club*

The University of New Mexico Lobo Club (Club) is a non-profit corporation established to operate as a fund-raising entity in support of the athletic program at the University. The Club operates on a fiscal year-end of May 31. Although inconsistent with the University's fiscal year-end, there is generally no material impact to the financial statements. However, in both June 2006 and 2007, the Lobo Club made a \$2.3 million payment to the University. This payment is reflected in the Lobo Club 2006 and 2007 presentation in these financial statements. The University of New Mexico Lobo Club, Department of Athletics, Albuquerque, NM 87131.

(F) *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.

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

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

These entities were selected for inclusion based on criteria as set forth in GASB 14 and GASB 39. Complete financial statements for these component units can be obtained from their respective administrative offices at the address listed above.

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# THE UNIVERSITY OF NEW MEXICO

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# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 1

## Budget Comparison - Unrestricted and Restricted - All Operations For the year ended June 30, 2007

	Original Budget	Final Budget	Actuals	Final Budget Less Actuals
Unrestricted and Restricted Beginning Net Assets	\$ 216,100,294	\$ 270,907,369	\$ 270,907,097	\$ (272)
Unrestricted and Restricted Revenues:				
Tuition and Fees	\$ 97,587,261	\$ 93,954,277	\$ 93,869,997	\$ (84,280)
Miscellaneous Fees	22,848,101	23,379,057	20,210,299	(3,168,758)
Federal Government Appropriations	30,414,562	30,462,584	23,769,722	(6,692,862)
State Government Appropriations	287,327,460	290,404,588	289,232,149	(1,172,439)
State Lottery Appropriations	20,159,000	21,009,991	20,928,658	(81,333)
Local Government Appropriations	4,032,105	4,110,105	4,362,390	252,285
Federal Government Contracts/Grants	149,529,790	172,961,837	136,241,657	(36,720,180)
State Government Contracts/Grants	67,515,833	63,735,602	57,711,597	(6,024,005)
Local Government Contracts/Grants	8,841,197	9,387,500	3,443,122	(5,944,378)
Private Contracts/Grants	49,064,740	43,068,946	47,301,616	4,232,670
Endowments	4,525,823	5,422,731	4,268,152	(1,154,579)
Land and Permanent Fund	7,564,862	7,564,862	8,408,286	843,424
Private Gifts	-	-	-	-
Sales and Services	275,596,465	287,254,258	281,251,657	(6,002,601)
Other	136,491,387	147,510,664	151,800,007	4,289,343
Total Unrestricted and Restricted Revenues	\$ 1,161,498,586	\$ 1,200,227,002	\$ 1,142,799,309	\$ (57,427,693)
Unrestricted and Restricted Expenditures:				
Instruction	\$ 216,086,874	\$ 217,508,474	\$ 208,640,166	\$ 8,868,308
Academic Support	45,049,125	47,497,518	44,957,171	2,540,347
Student Services	24,129,308	24,013,284	23,425,827	587,457
Institutional Support	50,845,206	54,786,344	52,711,335	2,075,009
Operations and Maintenance	44,305,466	43,963,479	42,664,679	1,298,800
Student Social and Cultural	6,959,858	7,175,355	5,894,199	1,281,156
Research	154,896,600	162,376,200	141,854,701	20,521,499
Public Service	253,178,517	271,731,017	253,666,732	18,064,285
Internal Services	1,939,224	1,665,224	731,322	933,902
Student Aid, Grants & Stipends	86,957,736	89,104,227	73,820,164	15,284,063
Auxiliary Services	54,596,658	55,850,047	53,558,879	2,291,168
Intercollegiate Athletics	25,545,000	25,545,000	23,726,992	1,818,008
Independent Operations	73,275,300	73,062,300	72,669,408	392,892
Capital Outlay	178,065,996	152,446,876	114,549,639	37,897,237
Building Renewal & Replacement	11,931,434	9,431,434	8,113,881	1,317,553
Retirement of Indebtedness	24,301,122	27,029,083	25,859,106	1,169,977
Total Unrestricted and Restricted Expenditures	\$ 1,252,063,424	\$ 1,263,185,862	\$ 1,146,844,201	\$ 116,341,661
Net Transfers	\$ 2,192,500	\$ 3,933,494	\$ 4,632,909	\$ 699,415
Change in Net Assets (Budgetary Basis)	\$ (88,372,338)	\$ (59,025,366)	\$ 588,017	\$ (173,069,939)
Ending Net Assets	\$ 127,727,956	\$ 211,882,003	\$ 271,495,114	\$ (173,070,211)
<b>Change in net assets per basic financial statements</b>			\$ 160,096,857	
Endowment Fund items			(32,802,841)	
Capital outlay/renewal & replacement			(116,877,695)	
Depreciation expense			42,699,556	
Land and Permanent Fund income			(25,670,282)	
University of New Mexico Hospital (not in budgetary basis)			(21,494,074)	
New Mexico Psychiatric Center (not in budgetary basis)			(994,142)	
Other Clinical Operations (not in budgetary basis)			28,187	
UPA timing difference			(4,888,559)	
Other			491,010	
Financial Statements Change in Net Assets reconciled to Budgetary Basis			\$ 588,017	

Note: The purpose of the Budget Comparison is to reconcile the change in net assets as reported on a budgetary basis to the change in net assets as reported using generally accepted accounting principles. The reporting of actuals (budgetary basis) is a non-GAAP accounting method that excludes depreciation expense and includes the cost of capital equipment purchases. The budgetary basis approximates the fund basis of accounting.

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

See accompanying Independent Auditors' Report.

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 2

## Budget Comparison - Unrestricted - Non-Instruction & General For the year ended June 30, 2007

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actuals</b>	<b>Final Budget Less Actuals</b>
Unrestricted Beginning Net Assets	<u>\$ 200,233,025</u>	<u>\$ 251,681,351</u>	<u>\$ 251,681,125</u>	<u>\$ (226)</u>
Unrestricted Revenues:				
Tuition and Fees	\$ 91,000	\$ 91,000	\$ 135,573	\$ 44,573
Miscellaneous Fees	18,039,596	18,041,796	17,294,281	(747,515)
Federal Government Appropriations	-	-	-	-
State Government Appropriations	53,828,982	57,750,682	56,340,631	(1,410,051)
Local Government Appropriations	-	-	9,000	9,000
Federal Government Contracts/Grants	5,898,357	5,857,600	5,635,660	(221,940)
State Government Contracts/Grants	37,504,536	39,215,866	38,753,890	(461,976)
Local Government Contracts/Grants	73,466	8,700	-	(8,700)
Private Contracts/Grants	20,099,367	28,793,936	30,917,120	2,123,184
Endowments	1,564,000	2,564,000	1,153,170	(1,410,830)
Land and Permanent Fund	-	-	-	-
Private Gifts	-	-	-	-
Sales and Services	273,809,695	286,411,169	280,386,172	(6,024,997)
Other	88,495,968	90,921,628	98,993,586	8,071,958
Total Unrestricted Revenues	<u>\$ 499,404,967</u>	<u>\$ 529,656,377</u>	<u>\$ 529,619,083</u>	<u>\$ (37,294)</u>
Unrestricted Expenditures:				
Student Social and Cultural	\$ 6,559,858	\$ 6,775,355	\$ 5,667,155	\$ 1,108,200
Research	36,954,400	39,502,300	34,905,706	4,596,594
Public Service	192,318,852	207,969,716	206,531,444	1,438,272
Internal Services	1,739,224	1,465,224	677,756	787,468
Student Aid, Grants & Stipends	38,594,146	41,972,837	40,959,791	1,013,046
Auxiliary Services	54,392,658	55,646,047	53,355,173	2,290,874
Intercollegiate Athletics	25,505,000	25,505,000	23,719,703	1,785,297
Independent Operations	73,275,300	73,062,300	72,664,309	397,991
Capital Outlay	178,065,996	152,446,876	114,549,639	37,897,237
Building Renewal & Replacement	11,931,434	9,431,434	8,113,881	1,317,553
Retirement of Indebtedness	24,301,122	27,029,083	25,859,106	1,169,977
Total Unrestricted Expenditures	<u>\$ 643,637,990</u>	<u>\$ 640,806,172</u>	<u>\$ 587,003,663</u>	<u>\$ 53,802,509</u>
Net Transfers	<u>\$ 57,088,163</u>	<u>\$ 58,338,063</u>	<u>\$ 56,776,942</u>	<u>\$ (1,561,121)</u>
Change in Net Assets (Budgetary Basis)	<u>\$ (87,144,860)</u>	<u>\$ (52,811,732)</u>	<u>\$ (607,638)</u>	<u>\$ (55,400,924)</u>
Ending Net Assets	<u><u>\$ 113,088,165</u></u>	<u><u>\$ 198,869,619</u></u>	<u><u>\$ 251,073,487</u></u>	<u><u>\$ (55,401,150)</u></u>

Note: The purpose of the Budget Comparison is to reconcile the change in net assets as reported on a budgetary basis to the change in net assets as reported using generally accepted accounting principles. The reporting of actuals (budgetary basis) is a non-GAAP accounting method that excludes depreciation expense and includes the cost of capital equipment purchases. The budgetary basis approximates the fund basis of accounting.

See accompanying Independent Auditors' Report.

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 3

## Budget Comparison - Restricted - Non-Instruction & General For the year ended June 30, 2007

	Original Budget	Final Budget	Actuals	Final Budget Less Actuals
Restricted Beginning Net Assets	\$ -	\$ -	\$ -	\$ -
Restricted Revenues:				
Tuition and Fees	\$ -	\$ -	\$ -	\$ -
Miscellaneous Fees	-	-	-	-
Federal Government Appropriations	30,414,562	30,462,584	23,714,612	(6,747,972)
State Government Appropriations	165,700	165,700	5,793	(159,907)
Local Government Appropriations	-	10,000	5,825	(4,175)
Federal Government Contracts/Grants	133,154,916	156,261,120	120,791,978	(35,469,142)
State Government Contracts/Grants	27,028,060	21,427,511	16,172,529	(5,254,982)
Local Government Contracts/Grants	6,759,131	7,325,000	2,808,474	(4,516,526)
Private Contracts/Grants	27,574,773	13,168,450	15,733,971	2,565,521
Endowments	425,000	-	-	-
Land and Permanent Fund	-	-	-	-
Private Gifts	-	-	-	-
Sales and Services	8,912	8,912	7,232	(1,680)
Other	-	-	13,434	13,434
Total Restricted Revenues	\$ 225,531,054	\$ 228,829,277	\$ 179,253,848	\$ (49,575,429)
Restricted Expenditures:				
Student Social and Cultural	\$ 400,000	\$ 400,000	\$ 227,044	\$ 172,956
Research	117,942,200	122,873,900	106,948,995	15,924,905
Public Service	60,859,665	63,761,301	47,135,288	16,626,013
Internal Services	200,000	200,000	53,566	146,434
Student Aid, Grants & Stipends	48,363,590	47,131,390	32,860,373	14,271,017
Auxiliary Services	204,000	204,000	203,706	294
Intercollegiate Athletics	40,000	40,000	7,289	32,711
Independent Operations	-	-	5,099	(5,099)
Capital Outlay	-	-	-	-
Building Renewal & Replacement	-	-	-	-
Retirement of Indebtedness	-	-	-	-
Total Restricted Expenditures	\$ 228,009,455	\$ 234,610,591	\$ 187,441,360	\$ 47,169,231
Net Transfers	\$ 2,478,400	\$ 5,781,314	\$ 8,212,783	\$ 2,431,469
Change in Net Assets (Budgetary Basis)	\$ (1)	\$ -	\$ 25,271	\$ (94,313,191)
Ending Net Assets	\$ (1)	\$ -	\$ 25,271	\$ (94,313,191)

Note: The purpose of the Budget Comparison is to reconcile the change in net assets as reported on a budgetary basis to the change in net assets as reported using generally accepted accounting principles. The reporting of actuals (budgetary basis) is a non-GAAP accounting method that excludes depreciation expense and includes the cost of capital equipment purchases. The budgetary basis approximates the fund basis of accounting.

See accompanying Independent Auditors' Report.

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 4

## Budget Comparison - Unrestricted - Instruction & General For the year ended June 30, 2007

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actuals</b>	<b>Final Budget Less Actuals</b>
Unrestricted Beginning Net Assets	\$ 15,867,269	\$ 19,226,018	\$ 19,225,972	\$ (46)
Unrestricted Revenues:				
Tuition and Fees	\$ 97,496,261	\$ 93,863,277	\$ 93,734,424	\$ (128,853)
Miscellaneous Fees	4,808,505	5,337,261	2,916,018	(2,421,243)
Federal Government Appropriations	-	-	-	-
State Government Appropriations	233,296,978	232,488,206	232,854,666	366,460
State Lottery Appropriations	20,159,000	21,009,991	20,928,658	(81,333)
Local Government Appropriations	4,032,105	4,100,105	4,347,565	247,460
Federal Government Contracts/Grants	250,000	250,000	263,929	13,929
State Government Contracts/Grants	-	53,448	53,448	-
Local Government Contracts/Grants	-	-	-	-
Private Contracts/Grants	-	-	-	-
Endowments	2,536,823	2,858,731	3,114,982	256,251
Land and Permanent Fund	7,564,862	7,564,862	8,408,286	843,424
Private Gifts	-	-	-	-
Sales and Services	1,777,858	834,177	858,253	24,076
Other	47,995,419	56,589,036	52,792,987	(3,796,049)
Total Unrestricted Revenues	\$ 419,917,811	\$ 424,949,094	\$ 420,273,216	\$ (4,675,878)
Unrestricted Expenditures:				
Instruction	\$ 202,916,417	\$ 203,826,689	\$ 197,315,107	\$ 6,511,582
Academic Support	43,814,339	46,271,732	44,453,082	1,818,650
Student Services	22,106,426	22,212,385	21,689,007	523,378
Institutional Support	50,503,760	54,444,898	52,466,657	1,978,241
Operations and Maintenance	44,208,883	43,866,897	42,648,407	1,218,490
Total Unrestricted Expenditures	\$ 363,549,825	\$ 370,622,601	\$ 358,572,260	\$ 12,050,341
Net Transfers	\$ (57,595,463)	\$ (60,540,127)	\$ (60,530,572)	\$ 9,555
Change in Net Assets (Budgetary Basis)	\$ (1,227,477)	\$ (6,213,634)	\$ 1,170,384	\$ (16,716,664)
Ending Net Assets	\$ 14,639,792	\$ 13,012,384	\$ 20,396,356	\$ (16,716,710)

Note: The purpose of the Budget Comparison is to reconcile the change in net assets as reported on a budgetary basis to the change in net assets as reported using generally accepted accounting principles. The reporting of actuals (budgetary basis) is a non-GAAP accounting method that excludes depreciation expense and includes the cost of capital equipment purchases. The budgetary basis approximates the fund basis of accounting.

See accompanying Independent Auditors' Report.

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 5

## Budget Comparison - Restricted - Instruction & General For the year ended June 30, 2007

	Original Budget	Final Budget	Actuals	Final Budget Less Actuals
Restricted Beginning Net Assets	\$ -	\$ -	\$ -	\$ -
Restricted Revenues:				
Tuition and Fees	\$ -	\$ -	\$ -	\$ -
Miscellaneous Fees	-	-	-	-
Federal Government Appropriations	-	-	55,110	55,110
State Government Appropriations	35,800	-	31,059	31,059
Local Government Appropriations	-	-	-	-
Federal Government Contracts/Grants	10,226,517	10,593,117	9,550,090	(1,043,027)
State Government Contracts/Grants	2,983,237	3,038,777	2,731,730	(307,047)
Local Government Contracts/Grants	2,008,600	2,053,800	634,648	(1,419,152)
Private Contracts/Grants	1,390,600	1,106,560	650,525	(456,035)
Endowments	-	-	-	-
Land and Permanent Fund	-	-	-	-
Private Gifts	-	-	-	-
Sales and Services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	\$ 16,644,754	\$ 16,792,254	\$ 13,653,162	\$ (3,139,092)
Restricted Expenditures:				
Instruction	\$ 13,170,457	\$ 13,681,785	\$ 11,325,059	\$ 2,356,726
Academic Support	1,234,786	1,225,786	504,089	721,697
Student Services	2,022,882	1,800,899	1,736,820	64,079
Institutional Support	341,446	341,446	244,678	96,768
Operations and Maintenance	96,583	96,582	16,272	80,310
Total Restricted Expenditures	\$ 16,866,154	\$ 17,146,498	\$ 13,826,918	\$ 3,319,580
Net Transfers	\$ 221,400	\$ 354,244	\$ 173,756	\$ (180,488)
Change in Net Assets (Budgetary Basis)	\$ -	\$ -	\$ -	\$ (6,639,160)
Ending Net Assets	\$ -	\$ -	\$ -	\$ (6,639,160)

Note: The purpose of the Budget Comparison is to reconcile the change in net assets as reported on a budgetary basis to the change in net assets as reported using generally accepted accounting principles. The reporting of actuals (budgetary basis) is a non-GAAP accounting method that excludes depreciation expense and includes the cost of capital equipment purchases. The budgetary basis approximates the fund basis of accounting.

See accompanying Independent Auditors' Report.

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# THE UNIVERSITY OF NEW MEXICO

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# THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Collateral as of June 30, 2007

Financial Institution	CUSIP Identification	Maturity Date	Type of Securities	Account Type	Account Name
Bank of America	31385XAZ0	05/01/2033	U.S. FNMA	Checking	General Depository
Bank of America*	31402QWA5	10/01/2035	U.S. FNMA	Checking	University Hospital Operating Account*
First Community Bank	3133XHYN6	11/28/2007	FHLB		
	31339YVV1	07/21/2008	FHLB		
	3133X0LJ6	08/15/2008	FHLB		
	545562KX7	07/15/2013	Los Lunas S.D. 1 (Valencia County), NM general obligation bond		
				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
Los Alamos National Bank				Checking	Los Alamos Campus Depository
				Checking	Los Alamos Campus Petty Cash
Wells Fargo Bank				Checking	Gallup Campus Depository
				Checking	Gallup Campus Petty Cash
<b>Total</b>					
Component Unit deposits held by UNM					
Net non-depository cash and cash equivalents					
<b>Total Cash and Cash Equiv. Primary Institution</b>					
Foundation (see Schedule 6A)					
Lobo Energy					
STC					
Component Units - Public Money Entities					
Component Units - Non--Public Money Entities					
<b>Total Component Units</b>					

\* UNM Hospital

\*\* Separate EIN numbers

See accompanying Independent Auditors' Report.

# SCHEDULE 6

50%									
Book Balance	Bank Balance	FDIC Insurance**	SIPC Insurance	Repurchase Agreement Collateral*	Uninsured Public Funds	Collateral Requirement	Fair Value of Collateral	Over (under) Collateralized	
\$ 133,150,420	\$ 116,635,759	\$ 100,000	\$ -	\$ -	\$ 116,535,759	\$ 58,267,880	\$ 117,772,147	\$ 59,504,267	
\$ 54,315,220	\$ 73,402,695	\$ 100,000		\$ 1,642,858	\$ 71,659,837	\$ 35,829,919	87,168,480	\$ 51,338,561	
\$ 187,465,640	\$ 190,038,454	\$ 200,000	\$ -	\$ 1,642,858	\$ 188,195,596	\$ 94,097,799	\$ 204,940,627	\$ 110,842,828	
							\$ 99,891	\$ 99,891	
							294,311	294,311	
							29,501	29,501	
							194,808	194,808	
\$ 5,222	\$ 4,143	\$ 4,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	38	38	-	-	-	-	-	-	
5,509	2,518	2,518	-	-	-	-	-	-	
	5,370	5,370	-	-	-	-	-	-	
3,627	2,750	2,750	-	-	-	-	-	-	
	8,273	8,273	-	-	-	-	-	-	
\$ 14,358	\$ 23,092	\$ 23,092	\$ -	\$ -	\$ -	\$ -	\$ 618,511	\$ 618,511	
\$ 3,778	\$ 3,778	\$ 3,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	9,612	9,612	-	-	-	-	-	-	
\$ 3,778	\$ 13,390	\$ 13,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	-	-	-	-	-	-	-	-	
\$ 523,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	5,196	5,196	-	-	-	-	97,814	97,814	
\$ 523,503	\$ 5,196	\$ 5,196	\$ -	\$ -	\$ -	\$ -	\$ 97,814	\$ 97,814	
<b>\$ 188,007,279</b>	<b>\$ 190,080,132</b>	<b>\$ 241,678</b>	<b>\$ -</b>	<b>\$ 1,642,858</b>	<b>\$ 188,195,596</b>	<b>\$ 94,097,799</b>	<b>\$ 205,656,952</b>	<b>\$ 111,559,153</b>	
(27,476,451)									
(4,449,489)									
<b>\$ 156,081,340</b>									
\$ 28,288,970	\$ 543,793	\$ 161,194	\$ 382,599	\$ -	\$ -	\$ -	\$ -	\$ -	
729,406	9,806	9,806	-	-	-	-	-	-	
729,313	1,153,917	100,000	-	-	1,053,917	526,959	558,377	31,418	
\$ 29,747,689	\$ 1,707,516	\$ 271,000	\$ 382,599	\$ -	\$ 1,053,917	\$ 526,959	\$ 558,377	\$ 31,418	
\$ 10,676,496	\$ 7,860,239	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 11,108,497	\$ 11,108,497	
<b>\$ 40,424,185</b>	<b>\$ 9,567,755</b>	<b>\$ 671,000</b>	<b>\$ 382,599</b>	<b>\$ -</b>	<b>\$ 1,053,917</b>	<b>\$ 526,959</b>	<b>\$ 11,666,874</b>	<b>\$ 11,139,915</b>	

# THE UNIVERSITY OF NEW MEXICO

Schedule of Individual Deposit and Investment Accounts as of June 30, 2007

## Individual Deposit Accounts

Name of Bank/Broker	Account Type		Balance per statement	Reconciled balance per books
<b>Primary Institution</b>				
Bank of America				
University Hospital Operating Account*	Checking	\$	73,402,695	54,315,220
General Depository	Checking		116,635,759	133,150,420
First Community Bank				
Taos Harwood Depository	Checking		4,143	5,222
Taos Harwood Petty Cash	Checking		38	-
Taos Education Center Depository	Checking		2,518	5,509
Taos Education Center Petty Cash	Checking		5,370	-
Valencia Campus Depository	Checking		2,750	3,627
Valencia Campus Petty Cash	Checking		8,273	-
Los Alamos National Bank				
	Checking		3,778	3,778
	Checking		9,612	-
Wells Fargo Bank				
Gallup Campus Depository	Checking		-	523,503
Gallup Campus Petty Cash	Checking		5,196	
Other				
Component Unit deposits held by UNM				(27,476,451)
Net non-depository cash and cash equivalents				(4,449,489)
<b>Primary Institution - Cash</b>		<b>\$</b>	<b>190,080,132</b>	<b>156,081,340</b>

## Component Units

### Component Units - Public Money Entities

#### University of New Mexico Foundation, Inc.

Morgan Stanley				
UNM Foundation Inc. TTEE	Money Market	\$	6,805	6,805
Bank of America				
Scholarship Fund	Money Market		23,005	23,005
Scholarship Trust	Money Market		38,189	38,189
Wells Fargo				
Irrevocable Trust Fund	Money Market		105,174	105,174
UBS Financial Services				
Endowed Chair	Money Market		320,083	320,083
Endowed Professorship	Money Market		50,537	50,537
Other*				
UNM Operating	Cash		-	1,015,381
UNM Development	Cash		-	26,569,924
UNM Development - Specific uses	Cash		-	159,872
<b>University of New Mexico Foundation, Inc. - Cash</b>		<b>\$</b>	<b>543,793</b>	<b>28,288,970</b>

#### Lobo Energy, Inc.

Compass Bank				
Business Checking	Checking	\$	9,806	9,806
Other*				
UNM Operating	Cash		-	719,600
<b>Lobo Energy, Inc. - Cash</b>		<b>\$</b>	<b>9,806</b>	<b>729,406</b>

#### STC.UNM

Bank of America				
Business Banking		\$	1,137,439	712,836
Business Banking			16,478	16,477
<b>STC.UNM - Cash</b>		<b>\$</b>	<b>1,153,917</b>	<b>729,313</b>

### Component Units - Public Money Entities

### Component Units - Non-Public Money Entities

### Total Component Units - Cash

\$	1,707,516	29,747,689
\$	7,860,239	10,676,496
\$	9,567,755	40,424,185

\* - Held by Primary Institution in General Depository Account

## SCHEDULE 6A

### Individual Investment Accounts

Name of Bank/Broker		Account Type	Balance per statement	Reconciled balance per books
<b>Primary Institution</b>				
Citi Smith Barney	Endowment Investments	Money Market	\$ 519,305	519,305
Citi Smith Barney	Endowment Investments	U.S. Gov't Obligations	69,432,121	69,432,121
Citi Smith Barney	Endowment Investments	U.S. Treasury Securities	56,736,230	56,736,230
Fidelity Investments	ASM FSC Investment Program	Equity	2,391,335	2,391,335
Fidelity Investments	ASM FSC Investment Program	Money Market	14,680	14,680
JP Morgan	Bond Proceeds	Money Market	69,065,511	69,065,511
Northern Trust	Consolidated Investment Fund	Alternative Investments	70,271,384	70,271,384
Northern Trust	Consolidated Investment Fund	Bonds	8,459,672	8,459,672
Northern Trust	Consolidated Investment Fund	Equity	102,850,884	102,850,884
Northern Trust	Consolidated Investment Fund	Money Market	608,522	608,522
Northern Trust	Consolidated Investment Fund	U.S. Gov't Obligations	2,096,266	2,096,266
Wells Fargo	Bond Proceeds	Commercial Paper	10,176,006	10,176,006
Wells Fargo	Bond Proceeds	Equity	9,672,745	9,672,745
Wells Fargo	Bond Proceeds	Money Market	11,006,711	11,006,711
Wells Fargo	Bond Proceeds	Repurchase Agreement	13,513,150	13,513,150
Wells Fargo	Bond Proceeds	U.S. Gov't Obligations	28,269,936	28,269,936
			<b>\$ 455,084,460</b>	<b>455,084,460</b>
State Investment Council			<b>\$ 175,313,519</b>	<b>175,313,519</b>
<b>Primary Institution - Investments</b>			<b>\$ 630,397,979</b>	<b>630,397,979</b>
<b>Component Units - Public Money Entities</b>				
<b>University of New Mexico Foundation, Inc.</b>				
Bank of America	Scholarship Fund	Domestic Corporate Bonds	\$ 19,770	19,770
Bank of America	Scholarship Trust	Mutual Funds, Equity	425,150	425,150
Bank of America	Scholarship Trust	Mutual Funds, Fixed	170,484	170,484
Bank of America	Scholarship Fund	Mutual Funds, Fixed	770,353	770,353
Bank of America	Scholarship Fund	Real Estate Contract	455,000	455,000
Morgan Stanley	UNM Foundation Inc.	Domestic Corporate Stock	10,100	10,100
Northern Trust	Consolidated Investment Fund	Alternative Investments	35,163,480	35,163,480
Northern Trust	Consolidated Investment Fund	Bonds	15,051,324	15,051,324
Northern Trust	Consolidated Investment Fund	Equity	57,216,956	57,216,956
Northern Trust	Consolidated Investment Fund	Money Market	272,779	272,779
Northern Trust	Consolidated Investment Fund	U.S. Gov't Obligations	4,504,053	4,504,053
Southwest Securities	Charitable Trust Fund	Domestic Corporate Stock	450,320	450,320
UBS Financial Services	Endowed Chair	Domestic Corporate Bonds	118,924	118,924
UBS Financial Services	Endowed Chair	Municipal Bonds	2,236,473	2,236,473
UBS Financial Services	Endowed Professorship	Municipal Bonds	307,751	307,751
Wells Fargo	Charitable Trust Fund	Domestic Corporate Bonds	213,319	213,319
Wells Fargo	Charitable Trust Fund	Domestic Corporate Stock	669,279	669,279
Wells Fargo	Charitable Trust Fund	FHLB US Agency Bonds	175,463	175,463
Wells Fargo	Charitable Trust Fund	Municipal Bonds	50,660	50,660
Wells Fargo	Charitable Trust Fund	Mutual Funds, Fixed	739,888	739,888
Wells Fargo	Charitable Trust Fund	Other	15,420	15,420
Wells Fargo	Charitable Trust Fund	Real Estate	38,720	38,720
<b>University of New Mexico Foundation, Inc. - Investments</b>			<b>\$ 119,075,665</b>	<b>119,075,665</b>
<b>STC.UNM</b>				
Other		Private Equity	3,830	3,830
<b>STC.UNM - Investments</b>			<b>\$ 3,830</b>	<b>3,830</b>
<b>Component Units - Public Money Entities</b>			<b>\$ 119,079,495</b>	<b>119,079,495</b>
<b>Component Units - Non-Public Money Entities</b>			<b>\$ 8,579,842</b>	<b>8,579,842</b>
<b>Total Component Unit - Investments</b>			<b>\$ 127,659,337</b>	<b>127,659,337</b>

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, 2007 financial statements of the State Investment Council.

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 7

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

	<u>FEDERAL CFDA NUMBER</u>	<u>CONTRACT/GRANT NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
<b>MAJOR PROGRAMS</b>			
<i>Research &amp; Development</i>			
Department of Agriculture	10		\$ 597,580
Department of Commerce	11		\$ 926,180
Department of Defense			
DARPA	12		\$ 1,676,110
DTRA	12		3,097,575
Department of the Air Force	12		5,745,553
Department of the Army	12		2,978,674
Department of the Navy	12		1,409,009
Other Departments	12		2,475,067
Total Department of Defense			<u>\$ 17,381,988</u>
Department of Education	84		\$ 96,625
Department of Energy	81		\$ 10,249,051
Department of Health & Human Services			
AHRQ	93		\$ 13,048
Centers for Disease Control	93		1,115,191
Health Resources & Services Admin	93		482,306
Indian Health Services	93		714,264
National Institutes of Health	93		57,672,887
Other Departments	93		9,786,656
Total Department of Health & Human Services			<u>\$ 69,784,352</u>
Department of the Interior	15		\$ 2,217,789
Department of Justice	16		\$ 213,376
Department of Transportation	20		\$ 455,957
National Aeronautics & Space Administration	43		\$ 2,864,964
National Foundation on the Arts & the Humanities	45		\$ 107,978
National Science Foundation	47		\$ 18,483,042
Department of Veterans Affairs	64		\$ 218,337
U.S. Environmental Protection Agency	66		\$ 432,686
Other Agencies			\$ 21,998
<i>Total Research and Development</i>			<u>\$ 124,051,903</u>
<i>Student Financial Aid</i>			
Department of Education			
Federal Supplemental Educational Opportunity Grants	84.007	P007A042658	\$ 5,418
Federal Supplemental Educational Opportunity Grants	84.007	P007A062658	795,948
Federal Work-Study Program	84.033	P033A042658	226,847
Federal Work-Study Program	84.033	P033A062658	2,281,907
Pell Grants	84.063	P376S060276	402,564
Pell Grants	84.063	P375A060276	276,662
Pell Grants	84.063	P063P040276	(101,084)
Pell Grants	84.063	P063P060276	22,130,075
Total Department of Education			<u>\$ 26,018,337</u>
Department of Health & Human Services	93.358		80,664
Department of Health & Human Services	93.925		851,468
<i>Total Student Financial Aid</i>			<u>\$ 26,950,469</u>
<b>TOTAL MAJOR PROGRAMS</b>			<u><u>\$ 151,002,372</u></u>

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 7

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
<b>NONMAJOR PROGRAMS</b>			
Department of Agriculture	10.000	58-6201-1-002	\$ 6,786
Department of Agriculture	10.000	AGREEMENT #3177	12,048
Department of Agriculture	10.000	06-521-0400-0026	92,935
Cooperative State Research, Education, & Extension Service	10.206	2006-55215-16721	186,430
Cooperative State Research, Education, & Extension Service	10.223	2005-38422-15954	144,177
Food & Consumer Service, Department of Agriculture	10.550	NMSU SUB-H12, Q00958	5
Rural Utilities Service, Department of Agriculture	10.855	DISTANCE LEARNING & TELEMEDICI	(20,163)
Rural Utilities Service, Department of Agriculture	10.855	DISTANCE LRNING & TELEMED (DLT	159,280
Rural Utilities Service, Department of Agriculture	10.855	GRANT AGREEMENT 11/15/01	(5,184)
Foreign Agricultural Service, Department of Agriculture	10.961	58-3148-4-083	7,900
National Telecommunications & Information Administration	11.550	35-02-N00058	75,875
National Telecommunications & Information Administration	11.550	35-02-N05057	81,529
Department of Defense	12.000	IPA 270 SANCHEZ	55,420
Department of Defense	12.000	UNUM SC#FMAC-06-01	56,185
Department of Defense	12.000	LTR 12/1/06	17,088
Department of Defense	12.000	IPA237PEPLINSKI F2KBAB5306MD03	(4,682)
Department of Defense	12.000	IPA-HAGER/AFIT	107,706
Department of Defense	12.000	IPA- GLASS	16,216
Department of Defense	12.000	IPA 298 MERRITTF2KBAB6040MD01	89,660
Department of Defense	12.000	IPA 288 - SHARMA	51,981
Department of Defense	12.000	IPA 288	17,410
Department of Defense	12.000	IPA 273 EMIN	7,852
Department of Defense	12.000	W912PP-06-P-0068	540
Department of Defense	12.000	F2KBAB6026MD01 IPA 127	10,653
Department of Defense	12.000	F29601-01D-0083 TO 0023	145,923
Department of Defense	12.000	IPA 266 SHEDD	61,435
Department of Defense	12.000	F2KBAB6025MD04 IPA 026	29,623
Department of Defense	12.000	FA9401-06-C-0022, MOD P0002	17,143
Department of Defense	12.000	IPA-RAZANI	83,947
Department of Defense	12.000	FA9401-06-P-0005	6,442
Department of Defense	12.000	IPA WELCH	151,379
Department of Defense	12.000	IPA 187-JONES	151,159
Department of Defense	12.000	IPA 220-BARTH	(3,069)
Department of Defense	12.000	IPA 220-BARTH F2KBAA5339MD01	76,921
Department of Defense	12.000	IPA 258 SHAY F2KBAB6040MD02	174,318
Department of Defense	12.000	F2KBAB5298MD01 IPA 303	178,570
Office of Naval Research, Department of the Navy	12.300	N00014-06-1-0900	10,000
Department of the Air Force, Hq Air Force Material Command	12.800	IPA-PETER JONES	30,410
Department of the Air Force, Hq Air Force Material Command	12.800	FA3300-06-P-0227	4,606
Department of the Air Force, Hq Air Force Material Command	12.800	FA3300-06-P-0229	15,712
Department of the Air Force, Hq Air Force Material Command	12.800	FA3300-07-P-0112	19,439
Department of the Air Force, Hq Air Force Material Command	12.800	FA3300-07-P-0113	570
Department of the Air Force, Hq Air Force Material Command	12.800	IPA 306 BOWERS F2KBAB6025MD06	49,859
Department of Housing & Urban Development	14.000	HSIAC-04-NM-03	4,414
Department of Housing & Urban Development	14.000	HSIAC-00-NM-03	(3)
Department of Housing & Urban Development	14.218	PSA-06-30	158,333
Department of Housing & Urban Development	14.218	PSA-06-31	110,985
Department of the Interior	15.000	CMK0E020149/0001	(4,180)
Department of the Interior	15.000	SML0E050711	304,933
Department of the Interior	15.000	SMK0E050721	93,631
Department of the Interior	15.000	PSA-04-02	10,628
Department of the Interior	15.000	H1212060017	34,696
Department of the Interior	15.000	C21138	(10,892)
Department of the Interior	15.000	C06524 (14432-OB)	16,152
Department of the Interior	15.000	C028613, AMEND 6	60,238
Department of the Interior	15.000	8356/WALLERSTEIN	14,079
Department of the Interior	15.000	201816M073	2,920
Department of the Interior	15.000	06-061	48,596
Department of the Interior	15.000	KOE020143 TASK 1 & 2 COST SHAR	(25,388)
Bureau of Indian Affairs, Department of the Interior	15.020	MULLOY/LAGUNA	13,461
Bureau of Indian Affairs, Department of the Interior	15.100	WALLERSTEIN/8240	28,832

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 7

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
U.S. Fish & Wildlife Service, Department of the Interior	15.611	1448-20181-99-G958	\$ (284)
Department of Justice	16.000	AGREEMENT 09/18/06	41,561
Civil Rights Division, Department of Justice	16.100	05/PAUL COVERDELL/LATHROP	98,405
Civil Rights Division, Department of Justice	16.100	5P-CIV01-0050,6P-CIV01-1032	(736)
Civil Rights Division, Department of Justice	16.100	2003-DN-BX-0097	1
Office of Justice Programs, Office for Victims of Crime	16.575	2004-VA-GX-0049, 2007-VA-276	250
Office of Justice Programs, Office for Victims of Crime	16.575	2007-VA-247	23,113
Office of Justice Programs, Office for Victims of Crime	16.575	2007-VA-250	24,998
Office of Justice Programs, Department of Justice	16.588	2006-WF-122	7,175
Office of Justice Programs, Department of Justice	16.588	2004-WF-730	368
Office of Justice Programs, Department of Justice	16.588	2005-WF-924	7,132
Office of Justice Programs, Department of Justice	16.588	2006-WF-121	12,722
Department of Labor	17.000	PSA-01-35	(31,810)
Department of Labor	17.000	WIA/NCDF/2004-08	(56)
Department of State	19.000	S-NEAPI-06-CA-182	370,171
Department of Transportation	20.000	CO4653	81,629
Department of Transportation	20.000	M00362	5,567
Department of Transportation	20.000	DTNH22-05-H-05066	6,928
Department of Transportation	20.000	COOP AGMT NM-26-7003	(1,970)
Department of Transportation	20.000	CO4772	68,647
Department of Transportation	20.000	CO4172	(1,500)
Department of Transportation	20.000	CO4662	139
Department of Transportation	20.000	CO4553	5
Department of Transportation	20.000	CO4552	371
Department of Transportation	20.000	CO4546	49
Department of Transportation	20.000	CO 4126	1,274
Department of Transportation	20.000	AGMT	(16)
Department of Transportation	20.000	CO4548	1,009
National Highway Institute, Federal Highway Administration	20.215	02-447420-NSTI-UNM-NM	41,553
National Highway Institute, Federal Highway Administration	20.215	C05020	2,757
Federal Transit Administration, Department of Transportation	20.509	741-99-0159/LA-18-X019	9,508
Department of the Treasury/Internal Revenue Service	21.008	2005150	(4,418)
Department of the Treasury/Internal Revenue Service	21.008	2007087	27,519
National Aeronautics & Space Administration	43.000	AGMT Q01043	9,542
National Aeronautics & Space Administration	43.000	SPAS 22407	2,000
National Aeronautics & Space Administration	43.000	SPAS #18741/NAG5-11980	6,000
National Aeronautics & Space Administration	43.001	05-007 NNG04G093G	6,201
National Aeronautics & Space Administration	43.001	NNJ04JL36G	177,291
National Aeronautics & Space Administration	43.002	HST-ED-90253.01-A	6,676
National Aeronautics & Space Administration	43.002	NAG5-12796	5,029
National Foundation on the Arts & the Humanities	45.000	GRANT #EE-50182-05	63,838
National Foundation on the Arts & the Humanities	45.024	04-7700-3009	(618)
National Foundation on the Arts & the Humanities	45.025	CUGE 06-101	5,748
National Foundation on the Arts & the Humanities	45.163	NO. FS-50093-06	108,577
National Foundation on the Arts & the Humanities	45.301	ML-02-03-0109-03	15,078
National Science Foundation	47.000	CF65C-2004	83,945
National Science Foundation	47.000	CHE-0418643	9,296
National Science Foundation	47.041	V2006GP001/V06CC001	14,248
National Science Foundation	47.041	V2006SB0009/V06HS004	16,560
National Science Foundation	47.049	DMS-0086986	3
National Science Foundation	47.049	PHY-0400838	4,281
National Science Foundation	47.049	DMS-0431484	643
National Science Foundation	47.070	CNS-0539982	98,891
National Science Foundation	47.070	IIS-0723374	29,522
National Science Foundation	47.070	SES-0328656	22,322
National Science Foundation	47.074	DUE-0433818	83,285
National Science Foundation	47.074	OISE-0436605	49,207
National Science Foundation	47.074	DEB-0516468	5,914
National Science Foundation	47.074	99-007	16,424
National Science Foundation	47.075	BCS-0505107	64,420
National Science Foundation	47.076	DUE-0630836	35,095
National Science Foundation	47.076	Q00896	(107)
National Science Foundation	47.076	Q00894 - AMEND #2	31,203
National Science Foundation	47.076	KMD5276-21-35/39SUBS05US005	313

See accompanying Independent Auditors' Report.

See accompanying notes to Schedule of Expenditures of Federal Awards.

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 7

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
National Science Foundation	47.076	EPS-0324320	\$ (1,316)
National Science Foundation	47.076	Q00903	12,084
National Science Foundation	47.076	DGE-0549500	390,665
National Science Foundation	47.076	DGE-0538396	373,289
National Science Foundation	47.076	DGE-0504276	455,866
National Science Foundation	47.076	DGE-0338283	543,839
National Science Foundation	47.076	DGE-0114319	391,978
National Science Foundation	47.076	DGE-0237002	252,435
National Science Foundation	47.076	DUE-0422096	95,898
Small Business Administration	59.000	3-603001-Z-0032-15	(262)
Small Business Administration	59.000	5-603001-Z-0032-17	27,621
Small Business Administration	59.000	6-603001-Z-0032-18	170,277
Small Business Administration	59.000	LETTER DATED 6/7/06	185,909
Small Business Administration	59.037	4603001Z003216	3,157
Small Business Administration	59.037	PREAWARD FED PORTION	(150)
Department of Veterans Affairs	64.000	V501P-2636 S/A #7	2,581
Environmental Protection Agency	66.000	2510	39,687
Environmental Protection Agency	66.000	PO #NM 002 FY05 FESTF	3,534
Environmental Protection Agency	66.000	PO 81687/AMD #4	3,747
Office of Grants & Debarment, Environmental Protection Agency	66.607	91578201-0	(7)
Office of Grants & Debarment, Environmental Protection Agency	66.607	U 91621701-0	755
American Indian Environmental Office, Environmental Protection Agency	66.926	PSA #GA-976218-01	8,343
Department of Energy	81.000	AWARD LTR 05/25/06	13,397
Department of Energy	81.000	CONTRACT NO. 00044825	125,083
Department of Energy	81.000	SC NO. 02763-001-04	17,321
Department of Energy	81.000	PSA-06-60	45,973
Department of Energy	81.000	PSA-06-45	49,686
Department of Energy	81.000	PO 99112	17,668
Department of Energy	81.000	NRC-02-02-016	28,602
Department of Energy	81.000	NONE	5,015
Department of Energy	81.000	LTR DATED 9/29/04	26,194
Department of Energy	81.000	F3052-0018-2G	(807)
Department of Energy	81.000	408825	18,096
Department of Energy	81.000	04-444203-NEP-UNM-NM	113,714
Department of Energy	81.000	AGREEMENT	10,453
Department of Energy	81.000	2000070550	40,821
Department of Energy	81.000	493152	186,878
Department of Energy	81.000	73067-001-03 2R	(1,065)
Department of Energy	81.000	74351-001-04-2H	151,818
Department of Energy	81.000	LTR 9/29/04	(1,741)
Department of Energy	81.000	7910-16126-9, MOD 13	1,815
Department of Energy	81.000	01-4-23147	(5)
Department of Energy	81.000	AGMT 68732	35,490
Department of Energy	81.000	14780-001-05	11,869
Office of Energy Research, Department of Energy	81.049	0409J-114-03 3F	(1,822)
Office of Energy Research, Department of Energy	81.049	DE-FG02-04CH11207	1,862,552
Office of Energy Research, Department of Energy	81.049	DE-FG03-00ER63052	(997)
Office of Environmental Management, Department of Energy	81.106	DE-FC04-98AL-78881	2
Office of Environmental Management, Department of Energy	81.106	DEFC28-05RW12347	134,018
Federal Emergency Management Agency	83.000	06-790, 5000-0028, 07	(9,980)
Federal Emergency Management Agency	83.000	EMT-2005-GR-0116	36,087
Federal Emergency Management Agency	83.000	PSA-07-02	48,209
Department of Education	84.000	07UNM/07.0010 A1	126,825
Department of Education	84.000	BAR DATED 6/30/06	119,405
Department of Education	84.000	CONTACT 96-NM04 AMEND C 11	5,267
Department of Education	84.000	CONTRACT #06-NM07	17,687
Department of Education	84.000	GEAR UP 2004-05	(586)
Department of Education	84.000	H325D020033-03	143,028
Department of Education	84.000	H325E010013-04	69
Department of Education	84.000	N01-LM6-3505 HHSN276200663505C	412
Department of Education	84.000	NMPED 673/24151	5,121
Department of Education	84.000	P0053809	44,215
Department of Education	84.000	P031S060059	107,586
Department of Education	84.000	P335A030077-05	(220)



# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 7

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
Department of Education	84.000	P335A050374	\$ 227,489
Department of Education	84.000	P342A010051	(5,790)
Department of Education	84.000	S363A020163-03	84,946
Department of Education	84.000	BAR 06/26/06	59,129
Department of Education	84.000	TRANSITION TO TEACHING	294
Department of Education	84.000	07UNM/07.0009 A1	19,860
Department of Education	84.000	07UNM/07.0014 A1	311,585
Department of Education	84.000	#07-924-0074	9,101
Department of Education	84.000	014.4.1.855 PERKINS	133,865
Department of Education	84.000	04-924-P527-0160	383,454
Department of Education	84.000	AMERICAN INDIAN TEACHER QUALIT	35,837
Department of Education	84.000	07UNM/07.0005 A1	302,679
Department of Education	84.000	07UNM/07.0012 A2	112,743
Department of Education	84.000	208043	124,578
Department of Education	84.000	21406	38,013
Department of Education	84.000	2477	106,957
Department of Education	84.000	251844	850
Department of Education	84.000	6.29.06 BUDGET APPROVAL EMAIL	4,119
Department of Education	84.000	96-NM04	27,781
Department of Education	84.000	ABE: 2006-2007	82,056
Department of Education	84.000	06-NM07	20,941
Office of Assistant Secretary for Vocational & Adult Education	84.002	AGREEMENT # C05-17	(2,195)
Office of Assistant Secretary for Vocational & Adult Education	84.002	NMSDE ALLOCATION LTR	5,193
Office of Assistant Secretary for Vocational & Adult Education	84.002	BAR-ABE STATE & FEDERAL	(821)
Office of Assistant Secretary for Vocational & Adult Education	84.002	BAR 6/29/05	1,299
Office of Assistant Secretary for Vocational & Adult Education	84.002	AGREEMENT #05-16	(6,343)
Office of Assistant Secretary for Vocational & Adult Education	84.002	ABE 879882	(1,442)
Office of Assistant Secretary for Vocational & Adult Education	84.002	ABE 0607	(4,204)
Office of Assistant Secretary for Vocational & Adult Education	84.002	ABE 05/06	8,033
Office of Assistant Secretary for Vocational & Adult Education	84.002	ABE - INSTRUCTIONAL MATERIALS	16,888
Office of Assistant Secretary for Vocational & Adult Education	84.002	006-01-01	63,128
Office of Assistant Secretary for Vocational & Adult Education	84.002	BAR	56
Office of Assistant Secretary for Vocational & Adult Education	84.002	ABE CHE 03-04	(1,059)
Office of Assistant Secretary for Postsecondary Education	84.015	P0155B030096-04	(1,590)
Office of Assistant Secretary for Postsecondary Education	84.015	P015A030096-05	51,227
Office of Assistant Secretary for Postsecondary Education	84.022	P022A060036	17,184
Office of Special Education & Rehabilitative Services	84.027	ID #24108.03.057	547
Office of Special Education & Rehabilitative Services	84.027	PED FUND 673/24108 DISCRETION	19,816
Office of Special Education & Rehabilitative Services	84.027	NMPED FUND 673/24108	63,788
Office of Special Education & Rehabilitative Services	84.027	FUND # 673/24136	244,418
Office of Special Education & Rehabilitative Services	84.027	673/24108	23,348
Office of Special Education & Rehabilitative Services	84.027	PED FUND #673/24136	98,355
Office of Assistant Secretary for Postsecondary Education	84.031	P031A040058	619,003
Office of Assistant Secretary for Postsecondary Education	84.031	P031S010008-05	205,914
Office of Assistant Secretary for Postsecondary Education	84.031	P031S040017-05	658,203
Office of Assistant Secretary for Postsecondary Education	84.031	P031S0600009	270,946
Office of Assistant Secretary for Postsecondary Education	84.031	P031S060022	216,779
Office of Assistant Secretary for Postsecondary Education	84.042	P042A010042-03	(3,859)
Office of Assistant Secretary for Postsecondary Education	84.042	P042A011212-03A	(5,576)
Office of Assistant Secretary for Postsecondary Education	84.042	P042A050666	214,632
Office of Assistant Secretary for Postsecondary Education	84.042	P042A051018	207,408
Office of Assistant Secretary for Postsecondary Education	84.047	P047A030194-05	218,856
Office of Assistant Secretary for Postsecondary Education	84.047	P047A030165	395,955
Office of Assistant Secretary for Vocational & Adult Education	84.048	PSC#05-924-P527-0096	2,185
Office of Assistant Secretary for Postsecondary Education	84.066	P042A050588	176,779
Office of Assistant Secretary for Postsecondary Education	84.066	P066A02011903	204,521
Office of Assistant Secretary for Postsecondary Education	84.116	P116Z030273	13
Office of Assistant Secretary for Postsecondary Education	84.116	SUBAWARD #1304/C649-01	1,999
Office of Assistant Secretary for Elementary & Secondary Education	84.141	S141A020003-03	271,056
Office of Assistant Secretary for Elementary & Secondary Education	84.149	S149A060032	200,541
Office of Assistant Secretary for Elementary & Secondary Education	84.149	S149A010005-03	19,548
Office of Assistant Secretary for Postsecondary Education	84.153	P153A060041	74,286
Office of Special Education & Rehabilitative Services	84.173	673/24136.03.004, NM PED GRANT	17,301
Office of Special Education & Rehabilitative Services	84.173	NM PED 673/24136	87,336

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Year Ended June 30, 2007

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
Office of Special Education & Rehabilitative Services	84.173	673/24136.03.003	\$ 1,436
Office of Assistant Secretary for Vocational Education	84.174	0018001	58,324
Office of Bilingual Education & Minority Languages Affairs	84.195	T195B010022-03	157,829
Office of Bilingual Education & Minority Languages Affairs	84.195	T195B990048-01	(24)
Office of Bilingual Education & Minority Languages Affairs	84.195	T195NO20043-06	202,896
Office of Assistant Secretary for Educational Research & Improvement	84.215	U215K040156	277,532
Office of Assistant Secretary for Postsecondary Education	84.217	P217A030012	168,753
Office of Assistant Secretary for Vocational & Adult Education	84.243	016-5-1-1-855	86
Office of Assistant Secretary for Vocational & Adult Education	84.243	PSC 06-924-P527-0017	(11)
Assistant Secretary for Education Research & Improvement	84.286	SUBCONTRACT AGMT 5/31/06	24,660
Assistant Secretary for Elementary & Secondary Education	84.299	S299B000004	(481)
Department of Education	84.325	H325E040062-05	222,127
Department of Education	84.326	H326C030020-06	102,164
Department of Education	84.337	P337A050005	209,268
Department of Education	84.367	PK-16 PARTNERSHIP	59,892
Department of Health & Human Services	93.000	467-MZ-601754	13,340
Department of Health & Human Services	93.000	200-2006-M-17365	21,715
Department of Health & Human Services	93.000	242-03-0051	6,841
Department of Health & Human Services	93.000	242-03-0055 MOD 4	83,974
Department of Health & Human Services	93.000	242-04-0028, MOD#2, MOD#4	(9,886)
Department of Health & Human Services	93.000	5076009600	909
Department of Health & Human Services	93.000	2507044-08	1,875
Department of Health & Human Services	93.000	467-MZ-501807	29,390
Department of Health & Human Services	93.000	5 MRC5G030055-03	6,335
Department of Health & Human Services	93.000	5006121400	3,681
Department of Health & Human Services	93.000	200-2006-M-15365	20,959
Department of Health & Human Services	93.000	4021026700	6,209
Department of Health & Human Services	93.000	07UNM/03.0080, A1	228,143
Department of Health & Human Services	93.000	07UNM/02.0048	246
Department of Health & Human Services	93.000	N01-LM-6-3505 HHSN276200663505	5,063
Department of Health & Human Services	93.000	07UNM/03.0009	108,285
Department of Health & Human Services	93.000	5H4BH00001-06-00	103,172
Department of Health & Human Services	93.000	07UNM/03.0021	151
Department of Health & Human Services	93.000	07UNM/03.002	123,710
Department of Health & Human Services	93.000	07UNM/03.0033	101,563
Department of Health & Human Services	93.000	200-2005-M-12190	(1,696)
Department of Health & Human Services	93.000	07UNM/07.0001 A1,A2	890,543
Department of Health & Human Services	93.000	07UNM/07.0008 A1	41,039
Department of Health & Human Services	93.000	07UNM/07.0011	(32)
Department of Health & Human Services	93.000	107020-2	5,113
Department of Health & Human Services	93.000	122211/122209	29,968
Department of Health & Human Services	93.000	1H79SP10315-01	(1,273)
Department of Health & Human Services	93.000	07UNM/03.0025.A1	30,509
Department of Health & Human Services	93.000	NO. 04/665.4200.0293	252
Department of Health & Human Services	93.000	VEN 54450 - CON 2122 - PO 3603	44,402
Department of Health & Human Services	93.000	UNMHSLIC 05,06	9,999
Department of Health & Human Services	93.000	SHELL - FY07	45
Department of Health & Human Services	93.000	SC DATED 1/6/06	14,478
Department of Health & Human Services	93.000	R25 ES013292-01	67,878
Department of Health & Human Services	93.000	PSA-02-22,PSA AMEND3,PSA-06-42	(1,116)
Department of Health & Human Services	93.000	PO#MC477110NAJ, 05724422556	407
Department of Health & Human Services	93.000	PO# 60200009100, MOD 1,2,3	4,595
Department of Health & Human Services	93.000	PO 9000006023 #2, #3	16,271
Department of Health & Human Services	93.000	PO 254-2004-M-08567	20,017
Department of Health & Human Services	93.000	PO 212-2005-M-11209	3,250
Department of Health & Human Services	93.000	MUNK/SSS	15,947
Department of Health & Human Services	93.000	NO2-CO-51111	41,412
Department of Health & Human Services	93.000	6013015400	687
Department of Health & Human Services	93.000	GSA 05-630-8000-0014	8,013
Department of Health & Human Services	93.000	N01-LM-1-3522	20,000
Department of Health & Human Services	93.000	07UNM/02.0037	23,307
Department of Health & Human Services	93.000	MCC-05-01 AMD 2	78,910
Department of Health & Human Services	93.000	MCC-05-01	(7,448)
Department of Health & Human Services	93.000	IPA	2,689

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
Department of Health & Human Services	93.000	FY06.003.0011	\$ 1,329
Department of Health & Human Services	93.000	DHHS/APHPA #601901, MOD #1	57,720
Department of Health & Human Services	93.000	CFDA 93.853	13,048
Department of Health & Human Services	93.000	AK 003-UNM	5
Department of Health & Human Services	93.000	679746	(15,538)
Department of Health & Human Services	93.000	62937, PRIME N01-LM-3514	49,857
Department of Health & Human Services	93.000	PO #30061170-01	85,972
Department of Health & Human Services	93.000	06UNM/01.0003.R.02	16,896
Department of Health & Human Services	93.000	06UNM/03.0079R	29,192
Department of Health & Human Services	93.000	06UNM/03.0075	(7,648)
Department of Health & Human Services	93.000	06UNM/03.0028R	300
Department of Health & Human Services	93.000	06UNM/03.0014R	10,547
Department of Health & Human Services	93.000	06UNM/03.0009R	(8,169)
Department of Health & Human Services	93.000	06UNM/01.0024RA1	(862)
Department of Health & Human Services	93.000	06UNM/01.005 & 06UNM/01.005R	2,109
Department of Health & Human Services	93.000	06UNM/01.0036R	13,000
Department of Health & Human Services	93.000	06UNM/01.0026R	(28,407)
Department of Health & Human Services	93.000	07UNM/02.0031 A2	62,574
Department of Health & Human Services	93.000	06UNM/01.0009R	(836)
Department of Health & Human Services	93.000	06UNM/01.0008R	(2,081)
Department of Health & Human Services	93.000	06UNM/05.0004R	2,038
Department of Health & Human Services	93.000	06UNM/01.0006R	672
Department of Health & Human Services	93.000	06UNM/01.0027.RA2	(4,317)
Department of Health & Human Services	93.000	06.UNM/05.0001R	(12,490)
Department of Health & Human Services	93.000	06.665.0007.3080	4,493
Department of Health & Human Services	93.000	05UNM/01.0017	313
Department of Health & Human Services	93.000	05UNM/01.0006A1, 06UNM/01.0012	3,652
Department of Health & Human Services	93.000	05 & 06UNM/07.0013	4,555
Department of Health & Human Services	93.000	05 & 06UNM/07.0002	(6,829)
Department of Health & Human Services	93.000	04-0037, U01 DK066143-02	8,719
Department of Health & Human Services	93.000	03-690-7000-7023-01	(3,325)
Department of Health & Human Services	93.000	03.665.6200.326 AIII, 17 & 21	(516)
Department of Health & Human Services	93.000	# 04IPA24392	26,242
Department of Health & Human Services	93.000	04/665.4200.0556	3,636
Department of Health & Human Services	93.000	JPA 95.665.6200.0949 A12, A14	207,168
Department of Health & Human Services	93.000	06UNM/01.0007R.01	2,596
Department of Health & Human Services	93.000	07UNM/02.0020 A1,A2	32,938
Department of Health & Human Services	93.000	07UNM/02.0030	19,149
Department of Health & Human Services	93.000	07UNM/02.0027	6,000
Department of Health & Human Services	93.000	06UNM/01.0023.A1	383
Department of Health & Human Services	93.000	07UNM/02.0024	378,681
Department of Health & Human Services	93.000	06UNM/05.0514R	21,174
Department of Health & Human Services	93.000	07UNM/02.0019 A2	81,056
Department of Health & Human Services	93.000	07UNM/02.0016/AMENDMENT 1	10,500
Department of Health & Human Services	93.000	07UNM/02.0014 A2	50,232
Department of Health & Human Services	93.000	07UNM/02.0013 A1	19,738
Department of Health & Human Services	93.000	07UNM/02.0011.A1	27,968
Department of Health & Human Services	93.000	07UNM/02.0010 A1	7,469
Department of Health & Human Services	93.000	07UNM/02.0009, A1	7,423
Department of Health & Human Services	93.000	07UNM/02.0008 A1	55,300
Department of Health & Human Services	93.000	07UNM/02.0007	125,152
Department of Health & Human Services	93.000	06UNM/07.0009R	(1,961)
Department of Health & Human Services	93.000	07UNM/02.0002	45,597
Department of Health & Human Services	93.000	06UNM/07..014R	55,027
Department of Health & Human Services	93.000	06UNM/07.0003R	695
Department of Health & Human Services	93.000	06UNM/07.0004R	(2,143)
Department of Health & Human Services	93.000	07UNM/02.0025	39,305
Department of Health & Human Services	93.000	06UNM/07.0006R	(2,421)
Department of Health & Human Services	93.000	06UNM/07.0010R	(4,740)
Department of Health & Human Services	93.000	07 UNM/03.0081	86,014
Department of Health & Human Services	93.000	07.UNM/05.0005	20,399
Department of Health & Human Services	93.000	07-647-P727-0200	88,538
Department of Health & Human Services	93.000	07-647-P727-0203	41,749
Department of Health & Human Services	93.000	07UNM/01.0012	63,685

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 7

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
Department of Health & Human Services	93.000	06UNM/07.0005R	\$ 8,179
Department of Health & Human Services	93.008	MRC 07409	693
Health Resources & Services Administration, Public Health Service	93.107	6U77HP03032(09,10)-11-00,12-01	199,302
Health Resources & Services Administration, Public Health Service	93.110	1 T79 MC 00027-01	135,422
Health Resources & Services Administration, Public Health Service	93.110	FY07.003.003	21,232
Health Resources & Services Administration, Public Health Service	93.110	5-T72-MC00004-17-00,01	296,125
Health Resources & Services Administration, Public Health Service	93.110	2 T73 MC00025-09, 10, 11,12-01	547,485
National Institutes of Health, Public Health Service	93.113	R25 ES014347-01	71,178
Health Resources & Services Administration, Public Health Service	93.127	1H33MC07873-01-00	38,069
Health Resources & Services Administration, Public Health Service	93.127	5 H33MC02539-03-00	114,345
Health Resources & Services Administration, Public Health Service	93.127	5 H34MC02542-03-00	206,826
Health Resources & Services Administration, Public Health Service	93.145	SHELL - FY07	(323)
Health Resources & Services Administration, Public Health Service	93.145	FY06.163.007 2H4AHA00064-05-01	240,356
Health Resources & Services Administration, Public Health Service	93.153	5 H12HA23021-06-00	(319)
Health Resources & Services Administration, Public Health Service	93.157	D34HP04055-07	314,702
Health Resources & Services Administration, Public Health Service	93.157	5 D34 HP 04055-06-01	128
Centers for Disease Control & Prevention, Public Health Service	93.184	07/UNM.02.0054 (SEE TEXT)	225,255
Health Resources & Services Administration, Public Health Service	93.189	D39HP00010-14,15,16	74,428
Health Resources & Services Administration, Public Health Service	93.192	D36HP16001-16	203,756
Indian Health Service, Public Health Service	93.193	242-06-0021	301,964
Office of Rural Health Policy, Office of the Administrator	93.211	H2ATH00989-01	61,204
Office of the Assistant Secretary for Health, Public Health Service	93.217	07UNM/02.0037	57,911
Agency for Health Care Policy & Research, Public Health Service	93.226	5 UC1 HS015135-03	369,098
National Institutes of Health, Public Health Service	93.242	2 R25 MH060288-07	217,181
Health Resources & Services Administration	93.257	06UNM/03.0077R	41,606
Health Resources & Services Administration	93.257	H1GCS0007 AND H1GRH00007	185,940
Centers for Disease Control & Prevention, Public Health Service	93.262	5 U60 OH008486-02, 03	126,963
Centers for Disease Control & Prevention, Public Health Service	93.262	SC04-05	25,474
National Institutes of Health, Public Health Service	93.272	1 F31 AA016880-01	1,971
Centers for Disease Control & Prevention, Public Health Service	93.283	FY 07.003.007	22,161
Centers for Disease Control & Prevention, Public Health Service	93.283	U90/CCU624260-01 RS20051890-08	128,298
Centers for Disease Control & Prevention, Public Health Service	93.283	R06/CCR621570-02	130
Centers for Disease Control & Prevention, Public Health Service	93.283	07UNM/03.0029, A-1, A-2	457,672
Centers for Disease Control & Prevention, Public Health Service	93.283	U36/CCU319276	69,543
National Institutes of Health, Public Health Service	93.337	5T34GM008751-6	225,985
National Institutes of Health, Public Health Service	93.393	2006119247	6,994
National Institutes of Health, Public Health Service	93.395	CA98543-02	1,866
National Institutes of Health, Public Health Service	93.395	U10 CA98543-04/SUB 15339	14,754
Administration for Children & Families	93.551	90CB0098/04	(22,934)
Administration for Children & Families	93.558	MOU 03-03-0002	(17)
Administration for Children & Families	93.558	GSA 04-09	15
Administration for Children & Families	93.570	NYSPP 04-1109	(3,998)
Administration for Children & Families	93.596	06-690-0817-1	199,034
Administration for Children & Families	93.596	06-690-7000-7048	59,504
Administration for Children & Families	93.596	CONTRACT #0822 / PO #1058	157,923
Administration for Children & Families	93.600	#07-690-3105	10,141
Administration for Children & Families	93.600	07-690-4074	10,810
Administration for Children & Families	93.631	90DN0187/03	309,351
Administration for Children & Families	93.632	90DD0544/05	490,047
Administration for Children & Families	93.632	90DD0611/01	1,525
Department of Health & Human Services	93.767	GSA 05-0001 AMENDMENT NO. 1	456,916
Department of Health & Human Services	93.768	06.665.0007.3080	805,062
Health Care Financing Administration	93.778	GSA 06-630-8000-0015	306,025
Health Resources & Services Administration, Public Health Service	93.822	2 D18HP03088-04	330,717
National Institutes of Health, Public Health Service	93.839	5T35HL076595-03, 04	86,622
National Institutes of Health, Public Health Service	93.853	WU-07-05 PO#29922W	2,000
National Institutes of Health, Public Health Service	93.853	002072J/5U01NS04335304	65,299
National Institutes of Health, Public Health Service	93.853	1 F31 NS051144-01A1	8,475
National Institutes of Health, Public Health Service	93.853	R01 NS044876-02,03	11,988
National Institutes of Health, Public Health Service	93.853	U01 NS 045719	28,266
National Institutes of Health, Public Health Service	93.853	WU-06-247	22,832
National Institutes of Health, Public Health Service	93.859	5 F32 GM072351-02	(1)
National Institutes of Health, Public Health Service	93.859	1R25GM075149-01	274,321
National Institutes of Health, Public Health Service	93.865	1G11HD046327	(252)

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 7

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

	FEDERAL CFDA NUMBER	CONTRACT/GRANT NUMBER	YEAR TO DATE EXPENDITURES
National Institutes of Health, Public Health Service	93.865	5 U10 HD053089-02	\$ 315,277
National Institutes of Health, Public Health Service	93.880	5 T34 GM00875105	12,841
Health Resources & Services Administration, Public Health Service	93.884	5 D59HP04077-03-00	194,628
Health Resources & Services Administration, Public Health Service	93.884	D54 HP00032-04, 05, 06	158,597
Health Resources & Services Administration, Public Health Service	93.884	D56HP00028-05,06	46,251
Health Resources & Services Administration, Public Health Service	93.884	D57HP19164-03,04,05, 06	124,448
Health Resources & Services Administration, Public Health Service	93.887	1 C76HF00754-01-00	(598,233)
Health Resources & Services Administration, Public Health Service	93.887	1 C76HF03493-01, 02	583,739
Bureau of Primary Health Care	93.918	5 H76HA00130-15-01,-16-00	792,630
Centers for Disease Control & Prevention, Public Health Service	93.919	07UNM(02.0001	75,000
Health Resources & Services Administration, Public Health Service	93.926	07UNM(02.0025	170,003
Health Resources & Services Administration, Public Health Service	93.926	07UNM(02.0026	32,000
Health Resources & Services Administration	93.928	4CC, 1 H97 HA00254-01	46,578
Indian Health Service, Public Health Service	93.933	070042002:SHELL FY08	167,331
Indian Health Service, Public Health Service	93.933	N01-A1-45250	165,527
Bureau of Health Resources Development	93.952	07UNM/03.0082	283,896
Substance Abuse & Mental Health Services Administration	93.958	MCC 05-01	635,093
Substance Abuse & Mental Health Services Administration	93.959	MCC 05-01	835,099
Health Resources & Services Administration, Public Health Service	93.969	D31HP70143-03, 04, 05	172,074
Department of Health & Human Services	93.996	5T01HP01421-04	1,255,950
Corporation for National & Community Service	94.007	02EDNNM079	(1,195)
Corporation for National & Community Service	94.007	05EDHNM001	16,476
Department of Homeland Security	97.000	05-790-5000-0063	3,710
Department of Homeland Security	97.000	2004-GE-T4-0005-UNM	(337)
Department of Homeland Security	97.000	EMT-2004-CA-0125-EDAC	45,608
Department of Homeland Security	97.000	SC NO UNM-05-01	(711)
Department of Homeland Security	97.025	EMW-2201-CA-0322	(480)
Department of Homeland Security	97.070	EMT-2006-CA-0012	68,637
United States Agency for International Development	98.001	A04-0152	60,398
United States Agency for International Development	98.002	SUB TO HNE-A-97-00059-00	6,913
Federal Appropriation	99.999	REQ. 44001673	15,824
Federal Appropriation	99.999	1507	56,832
Federal Appropriation	99.999	AGMT 5/31/06	12,000
Federal Appropriation	99.999	CONTRACT 10727	21,323
Federal Appropriation	99.999	CPB 7653	(26,366)
Federal Appropriation	99.999	CPB ACCOUNT #8887	2,303
Federal Appropriation	99.999	GRANT 1810	1,183,656
Federal Appropriation	99.999	ID 1507	221,977
<b>TOTAL NONMAJOR PROGRAMS</b>			<b>\$ 39,484,715</b>
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 190,487,087</b>

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# THE UNIVERSITY OF NEW MEXICO

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# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

### 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 2007 totaled \$3,223,525. The outstanding Perkins loan balance at June 30, 2007 was \$12,810,685. FFEL loans advanced to students in fiscal year 2007 totaled \$75,329,136.

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

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

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Air Force Office of Scientific Research	12.000	\$ 461,703
Defense Advanced Research Projects Agency	12.000	334,492
Defense Threat Reduction Agency	12.000	1,315,831
Texas Tech University	12.000	27,954
Army Research Office	12.300	126,594
Office of Naval Research	12.300	111,526
U.S. Army Research & Material Command	12.420	38,867
Army Research Office	12.431	32,853
Air Force Office of Scientific Research	12.800	479,977
Defense Advanced Research Projects Agency	12.910	11,660
Department of the Interior	15.000	43,255
Department of State	19.000	275,000
Department of Transportation	20.000	26,005
NASA - Stennis	43.002	265,479
National Endowment for the Humanities	45.000	10,000
National Endowment for the Humanities	45.149	64,891
National Science Foundation	47.000	209,675
National Science Foundation	47.041	60,898
National Science Foundation	47.049	83,752
National Science Foundation	47.070	3,500
National Science Foundation	47.074	103,503
National Science Foundation	47.075	4,182
National Science Foundation	47.076	1,907,321
New Mexico Small Business Development Center	59.000	26,215
New Mexico Environment Department	66.000	29,591
Environmental Protection Agency	66.509	159,082
Department of Energy	81.000	133,756
National Energy Technology Lab	81.000	42,566
Sandia National Laboratories	81.000	18,250
Department of Energy	81.049	114,610
Department of Education	84.000	78,896
NM Public Education Department	84.000	41,636
Department of Education	84.015	30,778
Department of Education	84.215	315,323
Department of Health & Human Services	93.000	2,726,396
Health Resources & Services Administration, Public Health Service	93.107	161,221
National Institutes of Health, Public Health Service	93.113	210,151
National Institutes of Health, Public Health Service	93.115	34,426
Health Resources & Services Administration, Public Health Service	93.153	191,374

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Health Resources & Services Administration, Public Health Service	93.189	\$ 70,622
Health Resources & Services Administration, Public Health Service	93.192	5,813
National Institute of Mental Health	93.242	90,558
National Institutes of Health, Public Health Service	93.242	36,921
Health Resources & Services Administration	93.257	23,341
Centers for Disease Control & Prevention, Public Health Service	93.262	23,731
Department of Health & Human Services	93.273	261,607
National Institute on Alcohol Abuse & Alcoholism	93.273	40,089
National Institutes of Health	93.273	85,069
Department of Health & Human Services	93.279	469,487
National Institutes of Health	93.310	100,030
National Institutes of Health, Public Health Service	93.361	98,706
Department of Health & Human Services	93.389	347,822
National Institutes of Health, Public Health Service	93.389	146,295
National Institutes of Health, Public Health Service	93.393	276,833
National Institutes of Health, Public Health Service	93.394	718,141
National Institutes of Health, Public Health Service	93.395	7,277
National Institutes of Health, Public Health Service	93.397	49,732
Administration for Children & Families	93.631	123,589
National Institutes of Health, Public Health Service	93.837	255,779
National Institutes of Health, Public Health Service	93.838	35,948
National Institutes of Health, Public Health Service	93.839	4,406
National Institutes of Health, Public Health Service	93.848	87,908
National Institutes of Health, Public Health Service	93.849	379,448
National Institutes of Health, Public Health Service	93.853	16,400
National Institutes of Health, Public Health Service	93.855	1,410,372
National Institute of Allergy & Infectious Diseases	93.856	47,981
National Institutes of Health, Public Health Service	93.856	820,716
Dartmouth College	93.859	(164)
National Institutes of Health, Public Health Service	93.859	65,783
National Institutes of Health, Public Health Service	93.865	136,768
National Institutes of Health, Public Health Service	93.894	215,465
National Institutes of Health, Public Health Service	93.934	(2,448)
National Institutes of Health, Public Health Service	93.960	155,560
Health Resources & Services Administration, Public Health Service	93.969	23,527
National Institutes of Health, Public Health Service	93.989	25,657
Department of Health & Human Services	93.996	695,193
American Council on Education	98.002	3,633
<b>TOTAL PASSED THROUGH TO SUBRECIPIENTS</b>		<u><u>\$ 17,666,784</u></u>



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
National Center for Genome Research	10.000	PROJECT AGREEMENT	\$ (2,377)
New Mexico Children Youth & Family Department	10.000	AGREEMENT #3177	12,048
New Mexico Energy Minerals & Natural Resources Dept	10.000	06-521-0400-0026	92,935
Universidad Nacional Autonoma de Mexico	10.000	LETTER DATED 6/20/05	19,630
University of Arizona	10.000	Y433358	3,032
University of Nebraska	10.000	25-0511-0053-008	1,102
University of California Riverside	10.219	S-00000166 & AMD 1	30,806
New Mexico State University	10.550	NMSU SUB-H12, Q00958	5
Academy of Applied Science	12.000	LTR 12/1/06	17,088
Applied Research Association Inc	12.000	S-16406.1	(409)
Applied Research Association Inc	12.000	S-17401.1/DTRA01-02-D-0066	157,359
BAE Systems	12.000	PO RP6899/DAAD19-01-2-0008	73,470
Ball Aerospace & Technologies Corp	12.000	SUBCONTRACT ST-C004	(296)
Boeing Company	12.000	PO 06199	26
Boeing Company	12.000	PO#Q05895741	1
CU Aerospace	12.000	#06-02-UNM	20,000
Dynacs	12.000	2004-SC-02/F29601-01-D-0076	20,711
Gibbard Research & Development	12.000	17096	17,835
Higher Performance Technologies Inc	12.000	2006-UNM-2001-001	2,406
Honeywell Corporation	12.000	A007381	76,167
Honeywell Corporation	12.000	DAAD19-01-2-0010;GPA#A004608	132,568
Lockheed Martin Corporation	12.000	PO# 88MHTIR01	878,554
Los Alamos National Laboratory	12.000	SC NO 29735-001-06	2,403
Luna Innovations	12.000	117.01-001	2,476
Management Sciences	12.000	PO #03-1229	(48)
Miratek Corporation	12.000	SC AGMT DTD 10/25/02	70,582
Mission Research	12.000	SC0383040400UNM0104325008	(2,550)
New Mexico Military Affairs Department	12.000	05-705-0900-0003	18,749
New Mexico Military Affairs Department	12.000	05-705-0900-0007	5,747
New Mexico Military Affairs Department	12.000	CONTRACT NO. 07-04	220
New Mexico Military Affairs Department	12.000	CONTRACT NO. 07-06	1,850
Redondo Optics Inc	12.000	ROI-06-UNM-1C/W911NF-06-C-0047	85,925
SAIC	12.000	SC4400102800	10
Sarnoff Corporation	12.000	PO 4900000282 / RTVGN-07-1257	25,993
Southwest Sciences	12.000	22180/10/24/06	54,565
SRI International	12.000	53-000191	8,017
Texas Tech University	12.000	SC AGMT 1303/C125-01	37,989
The Research Corporation of the University of Hawaii	12.000	F29601-01D-0083 TO 0023	145,923
Universal Technology	12.000	06-463-016-21-C1	160,205
University of Colorado	12.000	SPO0000031607/N00014-02-1-0714	68,306
University of Illinois	12.000	SUBAWARD NO 04-127	79,758
University of Louisville	12.000	01-175-2 AMD #4 YR 03	(195)
University of Texas Southwestern	12.000	DAAD19-01-1-0429 GMO-010246 MO	(3,624)
University of Virginia	12.000	SC#GG10306-113743	3,315
Virtual EM	12.000	UNM-1	7,379
Ecology & Environment Inc	12.100	#001515.5V11	7,864
New Mexico Energy Minerals & Natural Resources Dept	12.100	AWARD# 10302006-NH	3,470
Optimetrics	12.300	PO 23654	16,892
RDRTec, Inc	12.300	PHASE I SUB DTD 122106	15,935
University of Texas Austin	12.300	UTA05-404	22,197

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
New Mexico Military Affairs Department	12.401	07-08 TASK 1	\$ 40,154
New Mexico Military Affairs Department	12.401	07-08 TASK 2	238
New Mexico Military Affairs Department	12.401	07-08 TASK 3	13
New Mexico Military Affairs Department	12.401	07-08 TASK 4	2,310
The Henry M Jackson Fdn for the Adv of Military Medicine	12.420	PO#0000101791	2,966
Ball Aerospace & Technologies Corp	12.800	SUBCONTRACT ST-C0009	45,221
Boeing Company	12.800	Q07897000	2,689
California Institute of Technology	12.800	67F-10808970/FA9550-06-1-0443	103,866
Luna Innovations	12.800	NO.1452.01-001	3,615
Management Sciences	12.800	05-1259	56,310
University of Texas Austin	12.800	UTA04-498	631,315
Clemson University	12.910	869-7558-203-2004310	54,917
International Business Machines Corporation	12.910	WO133910	12,155
City of Albuquerque	14.218	PSA-06-30	158,333
City of Albuquerque	14.218	PSA-06-31	110,985
Hopi Tribe	15.000	06-061	48,596
Navajo Nation	15.000	C06524 (14432-OB)	16,152
Navajo Nation	15.000	C06753	307
New Mexico Energy Minerals & Natural Resources Dept	15.000	06-521-06EE-0024	826
New Mexico Energy Minerals & Natural Resources Dept	15.000	PO#52100-0000002284 / 06-521	19,358
Pueblo of Laguna	15.000	PSA-04-02	10,628
University of Wyoming	15.000	YPF149951UNM	739
URS Corporation	15.000	WORK ORDER # 3	54,761
Utah State University	15.000	C028613, AMEND 6	60,238
New Mexico Game & Fish Department	15.611	05-516-0000-0060	2,498
New Mexico Game & Fish Department	15.634	05-516-0000-0074	40,711
University of Alaska	15.634	PO320818	837
City of Albuquerque	16.000	PO# 0000688969	497
CSR Inc	16.000	1705-207	10,008
Legal Momentum	16.000	AGREEMENT 09/18/06	41,561
New Mexico Public Safety Department	16.000	06-ANTI-GANG-UNM-ISR-FY07	28,443
Sandia National Laboratories	16.000	DOC 608538, PO 438290	14,971
New Mexico Public Safety Department	16.100	05/PAUL COVERDELL/LATHROP	98,405
New Mexico Public Safety Department	16.100	2003-DN-BX-0097	1
New Mexico Public Safety Department	16.550	03-PSN-UNM ISR	54
New Mexico Crime Victims Reparation Commission	16.575	2004-VA-GX-0049, 2007-VA-276	250
New Mexico Crime Victims Reparation Commission	16.575	2007-VA-247	23,113
New Mexico Crime Victims Reparation Commission	16.575	2007-VA-250	24,998
New Mexico Crime Victims Reparation Commission	16.588	2004-WF-730	368
New Mexico Crime Victims Reparation Commission	16.588	2005-WF-924	7,132
New Mexico Crime Victims Reparation Commission	16.588	2006-WF-121	12,722
New Mexico Crime Victims Reparation Commission	16.588	2006-WF-122	7,175
State of New Mexico	16.588	2005-WF-AX-0020/2006-WF-127	19,985
Pacific Institute for Research & Evaluation	16.728	PIRE 496447	13,494
Albuquerque Job Corps Center	17.000	PSA-01-35	(31,810)
New Mexico Trains	17.000	SUBAWARD AGREEMENT	(7,591)
Northern Area Local Workforce Development Board	17.000	WIA/NCDF/2004-08	(56)
National Center for State Courts	20.000	AGMT	(16)
New Mexico Department of Transportation	20.000	30-805-09-00021	(505)
New Mexico Department of Transportation	20.000	CO 4126	1,274

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
New Mexico Department of Transportation	20.000	CO 4426	\$ 756
New Mexico Department of Transportation	20.000	CO4172	(1,500)
New Mexico Department of Transportation	20.000	CO4653	81,629
New Mexico Department of Transportation	20.000	CO4817	8,888
New Mexico Department of Transportation	20.000	CO4817/TASK 3	5,868
New Mexico Department of Transportation	20.000	CO4817-2	48,752
New Mexico Department of Transportation	20.000	M00362	5,567
New Mexico Traffic Safety Bureau	20.000	CO4546	49
New Mexico Traffic Safety Bureau	20.000	CO4548	1,009
New Mexico Traffic Safety Bureau	20.000	CO4552	371
New Mexico Traffic Safety Bureau	20.000	CO4553	5
New Mexico Traffic Safety Bureau	20.000	CO4662	139
New Mexico Traffic Safety Bureau	20.000	CO4772	68,647
New Mexico Department of Transportation	20.215	C05020	2,757
South Carolina State University	20.215	02-447420-NSTI-UNM-NM	41,553
State of Louisiana	20.509	741-99-0159/LA-18-X019	9,508
Jet Propulsion Lab	43.000	1216230	11,248
Jet Propulsion Lab	43.000	1276893	19,637
Jet Propulsion Lab	43.000	CONTRACT NO. 1249282	(1,015)
Jet Propulsion Lab	43.000	Contract No. 960494	23,282
Jet Propulsion Lab	43.000	SUBCONTRACT #1278568	52,628
New Mexico State University	43.000	AGMT Q01043	9,542
Northwest Research Associates	43.000	NWRA-04-S-078/NNH04CC45C	112,509
Pennsylvania State University	43.000	3220-UNM-NASA-Q64G	10,854
Regional Development Corp	43.000	SPAS #18741/NAG5-11980	6,000
Smithsonian Astrophysical Observatory	43.000	GO4-5134A	28,482
Southwestern Indian Polytechnic Institute	43.000	MUCERPI 2003 NRA	51,199
University of Arizona	43.000	Y432846	29,455
University of Arizona	43.000	Y712242	95,993
University of California Los Angeles	43.000	#2090 G EC664/ 4-443869CR57712	(1,381)
University of California Los Angeles	43.000	2090 G FC193	9,110
University of Maryland	43.000	Z609004	55,091
DCES Educational Services	43.001	61298	1,509
New Mexico State University	43.001	SUBAWARD #Q01130	17,000
University of Alabama	43.001	05-007 NNG04G093G	6,201
Space Telescope Science Institute	43.002	HST-ED-90253.01-A	6,676
New Mexico Arts Division	45.025	CUGE 06-101	5,748
Arizona State University	47.000	KMD5276-21-43A/SUB	756
Arizona State University	47.000	KMD5276-21-44/SUB/F06UR016	676
Arizona State University	47.000	KMD5276-21-44/SUB/F06UR020	760
Arizona State University	47.000	KMD5276-21-44/SUB/F06US002	245
Arizona State University	47.000	KMD5276-21-44/SUB/F06US003	234
Gallaudet University	47.000	SBE-0541953	65,514
New Mexico State University	47.000	Q00894	15,303
Pueblo of Laguna	47.000	CF65C-2004	83,945
University of Arizona	47.000	Y612006/EAR-9876800	(196)
University of Arizona	47.000	Z542147	(3,494)
University of Kansas Center for Research	47.000	DBI-9873021	(1,212)
University of Massachusetts	47.000	PO #0001013379	793
Arizona State University	47.041	#07-839/SC 34107M00289	4,879

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<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Arizona State University	47.041	V2006GP001/V06CC001	\$ 14,248
Arizona State University	47.041	V2006SB0009/V06HS004	16,560
Cornell University	47.041	39464-6770	14,165
Cornell University	47.041	44771-7478/0335765	433,785
University of Colorado	47.041	SPO# 0000054655	23,110
Arizona State University	47.049	06-625	49,239
Occidental College	47.049	G360A	245
Ohio State University	47.049	GRT960261/743168C	(149)
University of Arizona	47.050	Y414421	166,285
Columbia University	47.070	PO# 541117	86,743
University of Oklahoma	47.070	SUBAWARD #2005-35	25,442
Regents of the University of Minnesota	47.074	X4166454101	6,070
University of Alabama	47.074	01-003	(2,093)
University of Alabama	47.074	99-007	16,424
University of Kansas Center for Research	47.074	FY2006-005	(4,734)
University of Puerto Rico	47.074	SS66-0433760	33,400
University of Texas Austin	47.074	SC #UTA02-120	48,731
New Mexico State University	47.075	Q01157	195
US Civilian Research & Development Foundation	47.075	ARE2-3236-AS-04	5,004
Arizona State University	47.076	KMD5276-21-31/HRD0114712	(4)
Arizona State University	47.076	KMD5276-21-35/39SUBS05US005	313
Arizona State University	47.076	KMD5276-21-36/SUB	(3)
Arizona State University	47.076	KMD5276-21-40/SUB	(3)
Arizona State University	47.076	KMD5276-21-42/SUB	389
Arizona State University	47.076	KMS0019-21-45/SUB	896
Central New Mexico Community College	47.076	PO#B0304175	91,558
New Mexico State University	47.076	Q00781	(1,818)
New Mexico State University	47.076	Q00894 - AMEND #2	31,203
New Mexico State University	47.076	Q00896	(107)
New Mexico State University	47.076	Q00903	12,084
University of Arizona	47.076	Y410675	317,062
University Space Research Association	47.076	SUBAGRMT NO. 2097-03	994
New Mexico Small Business Development Center	59.000	3-603001-Z-0032-15	(262)
New Mexico Small Business Development Center	59.000	5-603001-Z-0032-17	27,621
New Mexico Small Business Development Center	59.000	6-603001-Z-0032-18	170,277
New Mexico Small Business Development Center	59.000	LETTER DATED 6/7/06	185,909
New Mexico Small Business Development Center	59.037	4603001Z003216	3,157
New Mexico Small Business Development Center	59.037	PREAWARD FED PORTION	(150)
NatureServe	66.000	PO #NM 002 FY05 FESTF	3,534
New Mexico Environment Department	66.000	2510	39,687
University of Texas Health Center at Tyler	66.000	PO 81687/AMD #4	3,747
Pueblo of Sandia	66.926	PSA #GA-976218-01	8,343
Battelle Memorial Institute	81.000	CONTRACT NO. 00044825	125,083
Brookhaven Science Associates LLC	81.000	107147	7,301
Brookhaven Science Associates LLC	81.000	95247	83,713
Brookhaven Science Associates LLC	81.000	AGREEMENT	10,453
Colorado State University	81.000	PO #P320656	8,934
Fermi Laboratory	81.000	523219/543253	(3,577)
Johns Hopkins University	81.000	2000070550	40,821
Johns Hopkins University	81.000	7910-16126-9, MOD 13	1,815

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Johns Hopkins University	81.000	8610-90022	\$ 36,517
Lawrence Berkeley National Laboratory	81.000	6720467	89,228
Lawrence Livermore National Laboratory	81.000	B565062	26,942
Lawrence Livermore National Laboratory	81.000	B566263	9,435
Los Alamos National Laboratory	81.000	0409J-105-03 3F	(1,798)
Los Alamos National Laboratory	81.000	0409J-107-03 3C & 19864-001-05	1,555
Los Alamos National Laboratory	81.000	0409J-117-04 3F	(10,956)
Los Alamos National Laboratory	81.000	0409J-121-04 3C	(347)
Los Alamos National Laboratory	81.000	09166-001-05	85,385
Los Alamos National Laboratory	81.000	09538-001-05 3F	40,288
Los Alamos National Laboratory	81.000	14780-001-05	11,869
Los Alamos National Laboratory	81.000	15201-001-05	8,242
Los Alamos National Laboratory	81.000	15657-002-05	(1,331)
Los Alamos National Laboratory	81.000	17457-001-05	(590)
Los Alamos National Laboratory	81.000	22616-001-05	17,338
Los Alamos National Laboratory	81.000	23537-001-04	(12)
Los Alamos National Laboratory	81.000	30352-001-06	25,338
Los Alamos National Laboratory	81.000	34593-001-06	30,895
Los Alamos National Laboratory	81.000	35248-001-06	208,750
Los Alamos National Laboratory	81.000	54015-001-07 BA# RSG-01-07	23,923
Los Alamos National Laboratory	81.000	73067-001-03 2R	(1,065)
Los Alamos National Laboratory	81.000	74351-001-04-2H	151,818
Los Alamos National Laboratory	81.000	97364-001-04 3C	(1,737)
Los Alamos National Laboratory	81.000	F3052-0018-2G	(807)
Los Alamos National Laboratory	81.000	NONE	5,015
Los Alamos National Laboratory	81.000	SC NO 27726-001-06	24,146
Los Alamos National Laboratory	81.000	SC NO. 02763-001-04	17,321
Los Alamos National Laboratory	81.000	SC15860-001-05	11,526
Los Alamos National Laboratory	81.000	SRSC 05989-002-05	104,208
Los Alamos National Laboratory	81.000	SRSC NO. 00924-0001-04	2,947
Los Alamos National Laboratory	81.000	STB-UC: 06-36	280,622
Los Alamos National Laboratory	81.000	SUBCONT #25395-001-05	3,370
Los Alamos National Laboratory	81.000	SUBCONTRACT 25829-001-05	30,810
Los Alamos National Laboratory	81.000	T.O. 0409J-103-03 3C	(2,130)
Los Alamos National Laboratory	81.000	TASK 40	(1,246)
Los Alamos National Laboratory	81.000	TASK ORD #0409J-089-02 3C	1,060
Los Alamos National Laboratory	81.000	TO#0409J-054-98 2K	(3,081)
Medical College of Wisconsin	81.000	DE-FG02-04ER63772	95,663
MIND Institute	81.000	05-0004	23,871
MIND Institute	81.000	06-300H-MEG	111,135
MIND Institute	81.000	06-300H-N1	14,432
MIND Institute	81.000	06-300MN-N1	22,532
MIND Institute	81.000	06-302H-N1	(13,186)
MIND Institute	81.000	06-400H-N1, M1 REVISED	23,998
MIND Institute	81.000	06-400M-NI	252,269
MIND Institute	81.000	06-404H-N1	12,211
MIND Institute	81.000	06-450H-N1 AMD #1	2,516
MIND Institute	81.000	06-453H-NI	(23,871)
MIND Institute	81.000	06-510H-N1 M1	24,814
MIND Institute	81.000	06-511H-N1	102,843

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MIND Institute	81.000	06-551H-N1	\$ 63,156
MIND Institute	81.000	06-552H-N1	32,505
MIND Institute	81.000	06-553H-N1	2,000
MIND Institute	81.000	06-608M-N1	(429)
MIND Institute	81.000	06-700H-N1 AMEND 4,5,6	108,298
MIND Institute	81.000	2307 MOD #6	(31,379)
MIND Institute	81.000	2508	9,139
MIND Institute	81.000	4838	(1,668)
MIND Institute	81.000	FY08 MSU SHELL	684
MIND Institute	81.000	MOA/WILLIAMSON	31,994
MIND Institute	81.000	PSA-06-45	49,686
MIND Institute	81.000	PSA-06-60	45,973
MSE Technology Applications Inc	81.000	SC 03C652CR	(67)
New Mexico State University	81.000	01-4-23147	35,191
New Mexico State University	81.000	01-4-23346	(5)
New Mexico State University	81.000	01-4-23676	20,206
Sandia National Laboratories	81.000	DOCUMENT 674005 / PO# 438290	14,881
Sandia National Laboratories	81.000	117794	24,395
Sandia National Laboratories	81.000	117817	134,249
Sandia National Laboratories	81.000	119572	(5,666)
Sandia National Laboratories	81.000	140284	10,300
Sandia National Laboratories	81.000	161449	(126)
Sandia National Laboratories	81.000	197270	20,636
Sandia National Laboratories	81.000	20225	14,744
Sandia National Laboratories	81.000	238945	(286)
Sandia National Laboratories	81.000	250809	(91)
Sandia National Laboratories	81.000	27505	22,108
Sandia National Laboratories	81.000	275890	4,335
Sandia National Laboratories	81.000	28503	78,347
Sandia National Laboratories	81.000	287474	25,000
Sandia National Laboratories	81.000	295396	4,268
Sandia National Laboratories	81.000	348871	18,000
Sandia National Laboratories	81.000	372141	85,358
Sandia National Laboratories	81.000	406075	(1,397)
Sandia National Laboratories	81.000	408825	18,096
Sandia National Laboratories	81.000	426486	8,820
Sandia National Laboratories	81.000	432241	8,321
Sandia National Laboratories	81.000	466664	7,148
Sandia National Laboratories	81.000	466750	68,243
Sandia National Laboratories	81.000	474270	143,755
Sandia National Laboratories	81.000	479613	13,408
Sandia National Laboratories	81.000	479926	17,843
Sandia National Laboratories	81.000	480373	10,624
Sandia National Laboratories	81.000	480393	6,370
Sandia National Laboratories	81.000	480480	13,787
Sandia National Laboratories	81.000	484161	19,700
Sandia National Laboratories	81.000	485153	15,491
Sandia National Laboratories	81.000	493152	186,878
Sandia National Laboratories	81.000	502799	20,368
Sandia National Laboratories	81.000	504296	1,545

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<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Sandia National Laboratories	81.000	50615	\$ 21,820
Sandia National Laboratories	81.000	506966	75,775
Sandia National Laboratories	81.000	507728	173,066
Sandia National Laboratories	81.000	508551	(3,851)
Sandia National Laboratories	81.000	532393	31,750
Sandia National Laboratories	81.000	538317	5,858
Sandia National Laboratories	81.000	543234	157,288
Sandia National Laboratories	81.000	544979	15,850
Sandia National Laboratories	81.000	544995	2,861
Sandia National Laboratories	81.000	559476	1,655
Sandia National Laboratories	81.000	593116	30,516
Sandia National Laboratories	81.000	606096	101,676
Sandia National Laboratories	81.000	606299	14,000
Sandia National Laboratories	81.000	609050	34,289
Sandia National Laboratories	81.000	609116	117,251
Sandia National Laboratories	81.000	612601	10,193
Sandia National Laboratories	81.000	614529 PO#438290	28,974
Sandia National Laboratories	81.000	614645	17,345
Sandia National Laboratories	81.000	614819	25,187
Sandia National Laboratories	81.000	615096	29,543
Sandia National Laboratories	81.000	616772	33,830
Sandia National Laboratories	81.000	618627	16,025
Sandia National Laboratories	81.000	618649	22,509
Sandia National Laboratories	81.000	618664	29,779
Sandia National Laboratories	81.000	618971 PO#438290	55,532
Sandia National Laboratories	81.000	649223	15,318
Sandia National Laboratories	81.000	65508, AMEND 5	(548)
Sandia National Laboratories	81.000	660193	42,208
Sandia National Laboratories	81.000	665142	46,923
Sandia National Laboratories	81.000	667014	35,222
Sandia National Laboratories	81.000	669152	17,515
Sandia National Laboratories	81.000	673371	2,208
Sandia National Laboratories	81.000	673390	6,414
Sandia National Laboratories	81.000	678280	28,260
Sandia National Laboratories	81.000	679762	14,828
Sandia National Laboratories	81.000	682269 PO# 438290	8,296
Sandia National Laboratories	81.000	682282	990
Sandia National Laboratories	81.000	692514	5,947
Sandia National Laboratories	81.000	694196	285
Sandia National Laboratories	81.000	696997	8,135
Sandia National Laboratories	81.000	699182	3,154
Sandia National Laboratories	81.000	706862	200
Sandia National Laboratories	81.000	85311	7,630
Sandia National Laboratories	81.000	AWARD LTR 05/25/06	13,397
Sandia National Laboratories	81.000	AWARD LTR 11/11/05	11,798
Sandia National Laboratories	81.000	DOC #458228	11,669
Sandia National Laboratories	81.000	DOC#512556	22,384
Sandia National Laboratories	81.000	DOC. 128242	201,347
Sandia National Laboratories	81.000	DOCUMENT NO. 658697	71,588
Sandia National Laboratories	81.000	DOCUMENT NO. 667077	83,417

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<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Sandia National Laboratories	81.000	DOCUMENT NO. 673382	\$ 25,415
Sandia National Laboratories	81.000	DOCUMENT NO. 673387	40,169
Sandia National Laboratories	81.000	LTR 9/29/04	(1,741)
Sandia National Laboratories	81.000	LTR DATED 9/29/04	26,194
Sandia National Laboratories	81.000	P.O. #91379	(684)
Sandia National Laboratories	81.000	PO #549681	153,336
Sandia National Laboratories	81.000	PO #554869	(3,353)
Sandia National Laboratories	81.000	PO 124354	24,774
Sandia National Laboratories	81.000	PO 508009	37,662
Sandia National Laboratories	81.000	PO 549621	99,891
Sandia National Laboratories	81.000	PO 594550	86,065
Sandia National Laboratories	81.000	PO 8509, NEW IS 547588	27,103
Sandia National Laboratories	81.000	PO 99112	17,668
Sandia National Laboratories	81.000	PO524375 MOD1	123,220
South Carolina State University	81.000	04-444203-NEP-UNM-NM	113,714
State University of New York	81.000	PO# R404499	55,751
Texas Engineering Experiment Station	81.000	AGMT 68732	35,490
Tulane University	81.000	TUL-509-05/06	24,045
University of Texas at El Paso	81.000	SUBAGMT #00/01-205-5;APP C-2	(2,193)
UT-Battelle LLC	81.000	4000041730	14,503
William Marsh Rice University	81.000	R7B12H	125,449
Los Alamos National Laboratory	81.049	0409J-114-03 3F	(1,822)
Los Alamos National Laboratory	81.049	W-7405-ENG-36	440,716
Louisiana State University	81.049	11762	139,283
MIND Institute	81.049	06-450H-TRANSITION	57,616
MIND Institute	81.049	6002 024 SUB-N1 M1	12,856
MIND Institute	81.049	6022-007 SUB-N1	28,210
University of Delaware	81.049	CCST37218 - SUBGRANT 10697	60,345
Los Alamos National Laboratory	81.064	9988	(2,837)
Los Alamos National Laboratory	81.064	NO. 09566-002-05	22,209
MIND Institute	81.104	2505	(2,571)
National Securities Technologies	81.108	PO# 90501	232
Sandia National Laboratories	81.114	544887	14,314
MIND Institute	83.000	PSA-07-02	48,209
New Mexico Public Safety Department	83.000	06-790, 5000-0028, 07	(9,980)
Gallup McKinley County School District	84.000	251844	850
Houston Academy of Medicine - Texas Medical Center	84.000	N01-LM6-3505 HHSN276200663505C	412
National Writing Project Corp	84.000	06-NM07	20,941
National Writing Project Corp	84.000	96-NM04	27,781
National Writing Project Corp	84.000	CONTACT 96-NM04 AMEND C 11	5,267
National Writing Project Corp	84.000	CONTRACT #06-NM07	17,687
New Mexico Department of Health	84.000	07UNM/07.0005 A1	302,679
New Mexico Department of Health	84.000	07UNM/07.0009 A1	19,860
New Mexico Department of Health	84.000	07UNM/07.0010 A1	126,825
New Mexico Department of Health	84.000	07UNM/07.0012 A2	112,743
New Mexico Department of Health	84.000	07UNM/07.0014 A1	311,585
New Mexico Higher Education Department	84.000	21406	38,013
New Mexico Higher Education Department	84.000	ABE: 2006-2007	82,056
New Mexico Higher Education Department	84.000	AMERICAN INDIAN TEACHER QUALIT	35,837
New Mexico Higher Education Department	84.000	BAR 06/26/06	59,129



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New Mexico Higher Education Department	84.000	BAR DATED 6/30/06	\$ 119,405
New Mexico Highlands University	84.000	P0053809	44,215
New Mexico Public Schools Facilities Authority	84.000	PSA 06/16/05 CONTRACT	(1,640)
NM Public Education Department	84.000	#07-924-0074	9,101
NM Public Education Department	84.000	014.4.1.855 PERKINS	134,578
NM Public Education Department	84.000	04-924-P527-0160	383,454
NM Public Education Department	84.000	208043	124,578
NM Public Education Department	84.000	2477	106,957
NM Public Education Department	84.000	6.29.06 BUDGET APPROVAL EMAIL	4,119
NM Public Education Department	84.000	NMPED 673/24151	5,121
NM Public Education Department	84.000	TRANSITION TO TEACHING	294
Northern New Mexico College	84.000	P031S060059	107,586
Santa Fe Community College	84.000	GEAR UP 2004-05	(586)
New Mexico Commission on Higher Education	84.002	ABE 879882	(1,442)
New Mexico Commission on Higher Education	84.002	ABE CHE 03-04	(1,059)
New Mexico Commission on Higher Education	84.002	AGREEMENT # C05-17	(2,195)
New Mexico Commission on Higher Education	84.002	BAR	1,136
New Mexico Higher Education Department	84.002	ABE - INSTRUCTIONAL MATERIALS	16,888
New Mexico Higher Education Department	84.002	ABE 05/06	8,033
New Mexico Higher Education Department	84.002	ABE 0607	(4,204)
New Mexico Higher Education Department	84.002	AGREEMENT #05-16	(6,343)
New Mexico Higher Education Department	84.002	BAR 6/29/05	1,299
New Mexico Higher Education Department	84.002	BAR-ABE STATE & FEDERAL	(821)
NM Public Education Department	84.002	006-01-01	63,128
NM Public Education Department	84.002	NMSDE ALLOCATION LTR	5,193
NM Public Education Department	84.027	673/24108	23,348
NM Public Education Department	84.027	FUND # 673/24136	244,418
NM Public Education Department	84.027	ID #24108.03.057	547
NM Public Education Department	84.027	NMPED FUND 673/24108	63,788
NM Public Education Department	84.027	PED FUND #673/24136	98,355
NM Public Education Department	84.027	PED FUND 673/24108 DISCRETION	19,816
NM Public Education Department	84.048	PSC#05-924-P527-0096	2,185
Texas Tech University Health Science Center	84.116	SUBAWARD #1304/C649-01	1,999
NM Public Education Department	84.173	673/24136.03.003	1,436
NM Public Education Department	84.173	673/24136.03.004, NM PED GRANT	17,301
NM Public Education Department	84.173	NM PED 673/24136	87,336
NM Public Education Department	84.174	18001	58,324
NM Public Education Department	84.243	016-5-1-1-855	86
NM Public Education Department	84.243	PSC 06-924-P527-0017	(11)
Public Broadcasting Service	84.286	SUBCONTRACT AGMT 5/31/06	24,660
Washington University	84.305	WU-HT-07-02/PO 29088Y	98,453
New Mexico Higher Education Department	84.367	PK-16 PARTNERSHIP	59,892
Albuquerque Area Indian Health Board Inc	93.000	PSA 05-18 U50/CC6622181-04	4,714
American Cancer Society Inc	93.000	SIRGS-06-281-01	38,010
American Psychiatric Institute for Research & Educ	93.000	BRETT YUAN-HSIANG LU	479
Association for Prevention Teaching & Research	93.000	TS-1022	182,418
Association of Occupational & Environmental Clinics	93.000	1 R25 OH008593-01	10,370
Boston University	93.000	PO#MC477110NAJ, 05724422556	407
Case Western Reserve University	93.000	N01-DK-6-2203 AMD 14/15	152,763
Cerus Corporation	93.000	U01 AI061199-01	123,749

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Cheyenne River Sioux Tribe	93.000	R25 ES013292-01	\$ 67,878
City of Albuquerque	93.000	679746	(15,538)
Coley Pharmaceutical Group	93.000	HHSN266200400044C/N01-AI-40044	56,818
Columbia University	93.000	CFDA 93.853	16,052
DeCode Genetics	93.000	HHS200400064C AB N01-AI40064	524,412
Department of Health & Human Services	93.000	SILCAAT	5,859
Emory University	93.000	PRIME 5R01ESO8755-07	3,538
First Choice Community Healthcare	93.000	AK 003-UNM	5
First Choice Community Healthcare	93.000	PSA-02-22,PSA AMEND3,PSA-06-42	(1,116)
Harvard University	93.000	R01 GM038627,129-972	82,793
Hidalgo Medical Services	93.000	AMENDMENT 3, 1-2004	180
Hidalgo Medical Services	93.000	CDC REACH 2010/TOLLESTRUP,MOD1	112,956
Hidalgo Medical Services	93.000	DHHS/APHPA #601901, MOD #1	57,720
Houston Academy of Medicine - Texas Medical Center	93.000	N01-LM-6-3505 HHSN276200663505	5,063
Houston Academy of Medicine - Texas Medical Center	93.000	UNMHSLIC 05,06	9,999
Indian Health Service	93.000	6013015400	687
Kestrel Corporation	93.000	UNME 001	(200)
LigoCyte Pharmaceuticals	93.000	VCI AI067-156-01	5,756
Lovelace Biomedical & Environmental Research Inst	93.000	LV060442	135,341
Lovelace Respiratory Research Institute	93.000	JK30817	(94,212)
Lovelace Respiratory Research Institute	93.000	LV010469	(7,066)
Lovelace Respiratory Research Institute	93.000	PO# JK060406	61,466
Lovelace Respiratory Research Institute	93.000	U01CA097356-03	283,866
McFarland & Associates	93.000	SC DATED 1/6/06	14,478
McKing Consulting Corporation	93.000	SUBAWARD NO. 22199	31,803
Medical College of Wisconsin	93.000	1R01MH074080-01A2	47,461
National Childhood Cancer Foundation	93.000	CA98543-03-14200-12991-14200	227,397
New Mexico Children Youth & Family Department	93.000	03-690-7000-7023-01	(3,325)
New Mexico Children Youth & Family Department	93.000	VEN 54450 - CON 2122 - PO 3603	44,402
New Mexico Department of Health	93.000	04/665.4200.0556	3,636
New Mexico Department of Health	93.000	03.665.6200.326 AIII, 17 & 21	(516)
New Mexico Department of Health	93.000	05 & 06UNM/07.0002	(6,829)
New Mexico Department of Health	93.000	05 & 06UNM/07.0013	4,555
New Mexico Department of Health	93.000	05UNM/01.0006A1, 06UNM/01.0012	3,652
New Mexico Department of Health	93.000	05UNM/01.0017	313
New Mexico Department of Health	93.000	05UNM/03.0004,07UNM/03.0018,A1	80,990
New Mexico Department of Health	93.000	05UNM/03.0007.A1	(32,547)
New Mexico Department of Health	93.000	06.665.0007.3080	3,900
New Mexico Department of Health	93.000	06.UNM/05.0001R	(12,490)
New Mexico Department of Health	93.000	06.UNM/05.0005	4,394
New Mexico Department of Health	93.000	06UNM/01.0003.R.02	16,896
New Mexico Department of Health	93.000	06UNM/01.0006R	672
New Mexico Department of Health	93.000	06UNM/01.0008R	(2,081)
New Mexico Department of Health	93.000	06UNM/01.0009R	(836)
New Mexico Department of Health	93.000	06UNM/01.0023.A1	383
New Mexico Department of Health	93.000	06UNM/01.0026R	(28,407)
New Mexico Department of Health	93.000	06UNM/01.0027.RA2	(4,317)
New Mexico Department of Health	93.000	06UNM/01.0036R	13,000
New Mexico Department of Health	93.000	06UNM/01.005 & 06UNM/01.005R	2,109
New Mexico Department of Health	93.000	06UNM/01/0024RA1	(862)

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
New Mexico Department of Health	93.000	06UNM/03.0009R	\$ (8,169)
New Mexico Department of Health	93.000	06UNM/03.0014R	10,547
New Mexico Department of Health	93.000	06UNM/03.0015R.A2	(1,809)
New Mexico Department of Health	93.000	06UNM/03.0017R	(376)
New Mexico Department of Health	93.000	06UNM/03.0025R	2,229
New Mexico Department of Health	93.000	06UNM/03.0028R	300
New Mexico Department of Health	93.000	06UNM/03.0075	(7,648)
New Mexico Department of Health	93.000	06UNM/03.0079R	29,192
New Mexico Department of Health	93.000	06UNM/05.0004R	2,038
New Mexico Department of Health	93.000	06UNM/05.0514R	21,174
New Mexico Department of Health	93.000	06UNM/07.014R	55,597
New Mexico Department of Health	93.000	06UNM/07.0003R	695
New Mexico Department of Health	93.000	06UNM/07.0004R	(2,143)
New Mexico Department of Health	93.000	06UNM/07.0005R	8,179
New Mexico Department of Health	93.000	06UNM/07.0006R	(2,421)
New Mexico Department of Health	93.000	06UNM/07.0009R	(1,961)
New Mexico Department of Health	93.000	06UNM/07.0010R	(4,740)
New Mexico Department of Health	93.000	07 UNM/03.0081	86,014
New Mexico Department of Health	93.000	07.UNM/05.0005	20,399
New Mexico Department of Health	93.000	07-647-P727-0200	88,538
New Mexico Department of Health	93.000	07-647-P727-0203	41,749
New Mexico Department of Health	93.000	07UNM/01.0012	63,685
New Mexico Department of Health	93.000	07UNM/02.0002	45,597
New Mexico Department of Health	93.000	07UNM/02.0007	125,152
New Mexico Department of Health	93.000	07UNM/02.0008 A1	55,300
New Mexico Department of Health	93.000	07UNM/02.0009, A1	7,423
New Mexico Department of Health	93.000	07UNM/02.0010 A1	7,469
New Mexico Department of Health	93.000	07UNM/02.0011.A1	27,968
New Mexico Department of Health	93.000	07UNM/02.0013 A1	19,738
New Mexico Department of Health	93.000	07UNM/02.0014 A2	50,232
New Mexico Department of Health	93.000	07UNM/02.0016/AMENDMENT 1	10,500
New Mexico Department of Health	93.000	07UNM/02.0019 A2	81,056
New Mexico Department of Health	93.000	07UNM/02.0020 A1,A2	32,938
New Mexico Department of Health	93.000	07UNM/02.0024	378,681
New Mexico Department of Health	93.000	07UNM/02.0025	39,305
New Mexico Department of Health	93.000	07UNM/02.0027	6,000
New Mexico Department of Health	93.000	07UNM/02.0030	19,149
New Mexico Department of Health	93.000	07UNM/02.0031 A2	62,574
New Mexico Department of Health	93.000	07UNM/02.0037	23,307
New Mexico Department of Health	93.000	07UNM/03.0009	108,285
New Mexico Department of Health	93.000	07UNM/03.002	123,710
New Mexico Department of Health	93.000	07UNM/03.0021	151
New Mexico Department of Health	93.000	07UNM/03.0025.A1	30,509
New Mexico Department of Health	93.000	07UNM/03.0031.A1	18,883
New Mexico Department of Health	93.000	07UNM/03.0033	101,563
New Mexico Department of Health	93.000	07UNM/03.0080, A1	228,143
New Mexico Department of Health	93.000	07UNM/07.0001 A1,A2	890,543
New Mexico Department of Health	93.000	07UNM/07.0008 A1	41,039
New Mexico Department of Health	93.000	07UNM/07.0011	(116)
New Mexico Department of Health	93.000	MOU # 2005-120	(2,099)

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
New Mexico Department of Health	93.000	NO. 04/665.4200.0293	\$ 252
New Mexico Department of Health	93.000	SHELL - FY07	45
New Mexico Environment Department	93.000	00/667/JPA/003	2,093
New Mexico Human Services Department	93.000	GSA 05-630-8000-0014	8,013
New Mexico Public Health Services	93.000	06UNM/01.0007R.01	2,596
NM Public Education Department	93.000	JPA 95.665.6200.0949 A12, A14	207,168
NMDOH Long Term Services	93.000	07UNM/02.0048	246
NSABP Foundation	93.000	PFED20-NMX-01	(415)
Ohio State University	93.000	RF01040592	64,086
Pennsylvania State University	93.000	WATTERBERG/6068-A	4,838
Penrose-St. Francis Health Services	93.000	NO2-CO-51111	41,412
Senior Scientific	93.000	LARSON	84,901
Senior Scientific	93.000	SUBCONTRACT NO. 8093	15,503
Senior Scientific	93.000	UNM LARSON 1	13,485
Sloan Kettering Institute for Cancer Research	93.000	5R01AR049342-03 & 02	63,605
Social & Scientific Systems	93.000	MUNK/SSS	15,947
Southwest Oncology Group	93.000	PCPT 9329	(805)
SRI International	93.000	41-000693	15,773
Technology Research Collaborative	93.000	BAA TRC 100 06 PO P0004673	195,136
The Children's Mercy Hospital	93.000	04-0037, U01 DK066143-02	8,719
The McLean Hospital	93.000	5R01 DA14178-05 MOD 2	37,424
The University of Texas Health Science Center at San Antonio	93.000	122211/122209	29,968
TKC Integration Services	93.000	PO #30061170-01	85,972
TRI Princeton	93.000	MOU-TRI PRINCETON & UNM	(199)
University of Alabama	93.000	N01AI65306	9,376
University of Alabama	93.000	N01 AI30025	30,227
University of California	93.000	PO 9000006023 #2, #3	16,271
University of California Los Angeles	93.000	05-69, 06-82, 06-113	3,088
University of Colorado	93.000	FY06.003.0011	1,329
University of Maryland-Baltimore	93.000	N01-LM-1-3522	20,000
University of Missouri - Columbia	93.000	SHELL/FY07	55,302
University of Pittsburgh	93.000	107020-2	5,113
University of Utah	93.000	2507044-08	1,875
University of Utah	93.000	62937, PRIME N01-LM-3514	49,857
University of Virginia	93.000	CG11287.123479	15,341
ValueOptions of New Mexico	93.000	MCC-05-01	(7,448)
ValueOptions of New Mexico	93.000	MCC-05-01 AMD 2	78,910
National Association of County & City Health Official	93.008	MRC 07409	693
Sandoval County	93.110	H74MC03603-01-00	3,574
Stanford University	93.110	15036910-34054-C	130,513
University of Colorado	93.110	FY07.003.003	21,232
Rio Grande Community Development Corp	93.113	R25 ES014347-01	71,180
University of Medicine & Dentistry of NJ	93.113	7R01ES008353-12	48,623
University of Texas at El Paso	93.113	1S11 ES013339-01A1, 02	218,357
University of Washington	93.113	342678, MOD 6,7	81,683
Case Western Reserve University	93.115	1 R21 ES-013507-01	4,392
New York University	93.121	F5315-14	80,934
University of Colorado	93.145	FY06.163.007 2H4AHA00064-05-01	240,356
University of Colorado	93.145	SHELL - FY07	(323)
New Mexico Department of Health	93.184	07/UNM.02.0054 (SEE TEXT)	231,843

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
Department of Health & Human Services	93.211	H2ATH00989-01	\$ 61,204
Department of Health	93.217	07UNM\02.0037	57,911
New Mexico Department of Health	93.235	06UNM\01.0030	2,256
Pacific Institute for Research & Evaluation	93.242	0254.01.01 R01MH076084-01 MOD1	12,077
New Mexico Department of Health	93.257	06UNM\03.0077R	41,606
University of Texas Health Center at Tyler	93.262	1U50OH07541	41,793
University of Texas Health Center at Tyler	93.262	SC04-05	25,474
Loyola University Chicago	93.273	SUBAWARD NO. 2 506100	1,361
Oregon Research Institute	93.273	AGREE 2/17/00 (R01 AA12501)	(6,903)
Oregon Research Institute	93.273	RO1 AA12183 SUBCONTRACT	(1,944)
Research Triangle Institute	93.273	8-42U-7901	(1,903)
San Diego State University Foundation	93.273	53257A P1660 7802 211 CSM	(842)
Sangre de Cristo Community Health Partnership	93.276	AGREEMENT 09/14/05	25
Medical College of Wisconsin	93.279	R01 DA013139	1,899
Ohio State University	93.279	PO RF01021997, PROJECT60002823	278
Oregon Research Institute	93.279	R01 DA015762	(510)
Association of American Medical Colleges	93.283	U36/CCU319276	69,620
New Mexico Department of Health	93.283	07UNM\03.0029, A-1, A-2	457,672
New Mexico State University	93.283	U36/CCU319276	(77)
University of Colorado	93.283	FY 07.003.007	22,161
University of Oklahoma	93.283	U90/CCU624260-01 RS20051890-08	128,298
The Chem21 Group	93.310	9119/MARCUS GM075775	44,378
National Center for Research Resources	93.333	M01 RR000997	(44,320)
Boston University	93.358	MC358197DJW	(136)
Harvard University	93.361	1R01NR010006-01A1 R. BANZETT	257
New Mexico State University	93.389	Q00847 UNM3	(2,519)
New Mexico State University	93.389	Q00923, Q01020Q01090	776,097
University of California Irvine	93.389	2003-1247 AMEND 3	37,592
University of California Irvine	93.389	2006-1729 AMD 1	328,520
Group Health Cooperative	93.393	2006119247	6,994
Group Health Cooperative	93.393	2006127877	4,550
Group Health Cooperative	93.393	2007102045	8,456
Northwestern University	93.393	0600 370 F081 782	4,731
Ohio State University	93.393	744522 PO#RF00957576	12,222
Regents of the University of Minnesota	93.393	S6636478201,02	6,172
University of North Carolina	93.393	1 R01 CA112243-01,02,03	7,342
University of Utah	93.393	9709055-2 AMD.10.11.12	39,861
National Childhood Cancer Foundation	93.394	U24 CA114766-01,02, 03 (16359)	176,683
American College of Obstetricians & Gynecologists	93.395	GOG LAB LESLIE, CA27469	25,437
Gynecologic Oncology Group	93.395	27469-64	40,381
Johns Hopkins University	93.395	8609-03183-X	61,735
National Childhood Cancer Foundation	93.395	CA98543-02	1,866
National Childhood Cancer Foundation	93.395	U10 CA98543-03, 05	27,221
National Childhood Cancer Foundation	93.395	U10 CA98543-04/SUB 15339	14,754
Southwest Oncology Group	93.395	SWOG-04033	(44,443)
University of Louisville	93.395	1 R01 CA105266-01A2,051233AMD3	37,969
University of Louisville	93.395	SHELL - SET UP AS 3R37I	5
University of Michigan	93.395	CA32102-27	454,282
Northwestern University	93.396	0600 370 A206 1294	31,887
University of Texas HSC Houston	93.398	18537-2000	20,459

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
New Mexico Human Services Department	93.558	GSA 04-09	\$ 15
San Juan College	93.558	MOU 03-03-0002	(17)
National Collegiate Athletic Association	93.570	NYSPP 04-1109	(3,998)
New Mexico Children Youth & Family Department	93.596	06-690-0817-1	199,034
New Mexico Children Youth & Family Department	93.596	06-690-7000-7048	59,504
New Mexico Children Youth & Family Department	93.596	07-690-3013	7,500
New Mexico Children Youth & Family Department	93.596	CONTRACT #0822 / PO #1058	157,923
New Mexico Children Youth & Family Department	93.600	#07-690-3105	10,141
New Mexico Children Youth & Family Department	93.600	07-690-4074	10,810
Administration for Children & Families	93.631	90DN0187/03	309,351
New Mexico Human Services Department	93.767	GSA 05-0001 AMENDMENT NO. 1	456,916
New Mexico Department of Health	93.768	06.665.0007.3080	805,062
New Mexico Human Services Department	93.778	GSA 06-630-8000-0015	306,025
Duke University	93.837	117161 1U01 HL63747 01A2	1,828
University of Wisconsin	93.837	1U01HL087381-01(SUB 304H054)	7,257
Duke University	93.838	134912	1,593
Lovelace Respiratory Research Institute	93.838	PO JK031490, & MOD 1	(4,225)
Oregon Research Institute	93.838	5R01 HL064677	127,099
University of Virginia	93.839	GC10941-119528 MOD 3	50,426
Johns Hopkins University	93.848	2000010973	17,111
Children's Hospital & Regional Medical Center	93.849	MOD#3, HR.7659.117404.UNM02	533
The Children's Mercy Hospital	93.849	03-0030 / U01 DK066143	(2,447)
The Children's Mercy Hospital	93.849	04-0044, 5 U01 DK066143-03	53,731
Mount Sinai School of Medicine	93.853	U01 NS 045719	28,266
Tristan Technologies	93.853	R 44 NS38806-04	(71,427)
University of California Los Angeles	93.853	1580-G-FD-161	25,875
University of Texas HSC Houston	93.853	0020721/5U01NS04335304	65,299
Washington University	93.853	WU-06-247	22,832
Washington University	93.853	WU-07-05 PO#29922W	2,000
Yale University	93.853	R01 NS044876-02,03	12,231
Baylor College of Medicine	93.855	5 U19 AI57234-2, -04 PROJECT 2	180,708
Coley Pharmaceutical Group	93.855	1U01AI057264-01 SUB-K AMD 2	18,942
Arizona State University	93.856	06-666/5U54AI057156-03 05-078	31,557
Arizona State University	93.856	06-667/7U01AI05010-04	229,295
Chiron Corporaton	93.856	U01 AI054779-03,05	318,082
Macrogenics	93.856	AN AI055010-02-A1	(68,324)
Macrogenics	93.856	SM IU54 AI1057156-02	5,905
State University of New York	93.856	R374365 PTAE0#1049054-2-36705	65,893
University of Maryland-Baltimore	93.856	SC03520082	196,698
University of Nevada System	93.856	PO17GC0000010 UNR 06-81	275,682
University of Nevada System	93.856	UNR-05-02, AMD 2	114,575
University of Texas HSC Houston	93.856	0004024 AMD 1 & 2 & B	146,574
University of Texas Medical Branch	93.856	07-014/5U54 AI057156-04	80,839
University of Texas Medical Branch	93.856	UOSPC-0000000207	815,659
University of Texas Southwestern	93.856	GMO-600301 MOD 1	47,038
Boston University	93.859	PO # MC-522612-BAJ (7313-5)	303,267
Dartmouth College	93.859	500469.5000.L00389	72,656
Pennsylvania State University	93.865	NO. 3056-UNM-DHHS-1542	117,257
Santa Fe Institute	93.866	1R01AGO24119-01	313,649
University of Colorado	93.866	FY06.001.015	22,499

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2007

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

<u>GRANTORS</u>	<u>CFDA NUMBER</u>	<u>CONTRACTOR/GRANTOR NUMBER</u>	<u>YEAR TO DATE EXPENDITURES</u>
University of Southern California	93.866	USC A/C \$53-5400-7120	\$ (1,341)
University of Illinois	93.867	2006-00139-06	66,053
Department of Health	93.919	07UNM\02.0001	75,000
Department of Health	93.926	07UNM\02.0025	170,003
Department of Health	93.926	07UNM\02.0026	32,000
Na'nizhoozhi Center	93.928	4CC, 1 H97 HA00254-01	46,578
Saint Louis University	93.933	N01-A1-45250	165,527
Utah State University	93.933	070042002:SHELL FY08	167,331
New Mexico Department of Health	93.952	07UNM\03.0082	283,896
Value Options	93.958	MCC 05-01	635,093
Value Options	93.959	MCC 05-01	835,099
Analytic Services	97.000	SC NO UNM-05-01	(711)
New Mexico Office of Emergency Management	97.000	EMT-2004-CA-0125-EDAC	45,608
New Mexico Public Safety Department	97.000	05-790-5000-0063	3,710
New Mexico Public Safety Department	97.000	2004-GE-T4-0005-UNM	(337)
Eurasia Foundation	98.001	A04-0152	60,398
American Council on Education	98.002	SUB TO HNE-A-97-00059-00	6,913
Corporation for Public Broadcasting	99.999	1507	56,832
Corporation for Public Broadcasting	99.999	CONTRACT 10727	21,323
Corporation for Public Broadcasting	99.999	CPB 7653	(26,366)
Corporation for Public Broadcasting	99.999	CPB ACCOUNT #8887	2,303
Corporation for Public Broadcasting	99.999	GRANT 1810	1,183,656
Corporation for Public Broadcasting	99.999	ID 1507	221,977
National Center for Outreach	99.999	AGMT 5/31/06	12,000
<b>TOTAL AMOUNT PASSED THROUGH TO UNM FROM OTHER PRIME CONTRACTORS</b>			<b>\$ 37,567,463</b>

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# THE UNIVERSITY OF NEW MEXICO

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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***

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

We have audited the basic financial statements of University of New Mexico (University) and its aggregate discretely presented component units, and the budgetary comparison presented as supplemental information as of and for the year ended June 30, 2007, and have issued our report thereon dated October 15, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the UNM Hospital, UNM Psychiatric Center, and the UNM Children's Psychiatric Center, collectively known as the clinical operations of the University (clinical operations), which statements reflect total assets and revenues constituting 26 percent and 27 percent, respectively, of the related totals. In addition, we did not audit the 2007 financial statements of the University Physician Associates (component unit), a discretely presented component unit, as described in our report on the University's financial statements. This report does include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned

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

functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the University's financial statements that is more than inconsequential will not be prevented or detected by the University's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

However, we noted other matters involving the internal control over financial reporting 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 2007-03 to 2007-08.

#### 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



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

noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*Moss Adams LLP*

Albuquerque, New Mexico  
October 15, 2007

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# THE UNIVERSITY OF NEW MEXICO

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

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

Compliance

We have audited the compliance of University of New Mexico (University) with the types of compliance requirements described in the *US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Other auditors audited the compliance of the UNM Hospital, UNM Psychiatric Center, and the UNM Children's Psychiatric Center, collectively known as the clinical operations of the University (clinical operations), with the types of compliance requirements described in the *US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The compliance of the clinical operations 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, 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit and the reports of other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments and Not-for-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our



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

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

In our opinion the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures also disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2007-01 and 2007-02.

#### Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the University's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect noncompliance with a type of compliance requirement of a federal program on a

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

timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood the noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2007-01 and 2007-02 to be significant deficiencies.

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

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

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

*Moss Adams LLP*

Albuquerque, New Mexico  
October 15, 2007

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# THE UNIVERSITY OF NEW MEXICO

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# THE UNIVERSITY OF NEW MEXICO

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2007

**Finding 2005-08. Network Password Change – Main Campus**

Current Status: Resolved.

**Finding 2006-01. Student Financial Aid (various CFDA numbers) Return of Title IV Funds – Zero Credit Hour Report**

Current Status: Resolved.

**Finding 2006-02. Student Financial Aid (various CFDA numbers) Work Study Off-Campus Agreements**

Current Status: Resolved.

**Finding 2006-03. Lack of formal agreement to pay for cost overruns on the Pete and Nancy Domenici Hall Construction project.**

Current Status: Resolved.

**Finding 2006-04. Inventory of University Art Collections**

Current Status: Resolved.

**Finding 2006-05. Centralization of Clinical Trial Billings - HSC**

Current Status: Resolved.

**Finding 2006-06. Timely deposits of Cash – UNM Alumni Association**

Current Status: Resolved.

**Finding 2006-07. Actual Expenditures Exceeded Budgeted Amounts**

Current Status: Resolved.

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# THE UNIVERSITY OF NEW MEXICO

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

### Section I—Summary of Auditors' Results

#### *Basic Financial Statements*

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

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported

Noncompliance material to basic financial statements noted?

\_\_\_\_\_ yes   X   no

#### *Federal Awards*

Internal control over major programs:

- Material weaknesses identified? \_\_\_\_\_ yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses?   X   yes \_\_\_\_\_ none reported

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

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

  X   yes \_\_\_\_\_ no

Identification of major programs:

Student Financial Aid Cluster – Various CFDA numbers  
Research and Development Cluster – Various CFDA numbers  
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?

  X   yes \_\_\_\_\_ no

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

### Section II—Basic Financial Statement Findings

None

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

### Section III—Federal Award Findings and Questioned Costs

#### 2007-01. Compliance with Davis-Bacon Requirements

Research and Development Grant- CFDA 15.000, Federal Agency – Department of Interior

##### Condition

During our testwork, we noted that the certified payrolls for federally supported construction contracts were not being obtained and examined by the University. For the Programs tested, certified payrolls were obtained by the University subsequent to year-end. Also, for the Programs tested we noted that the federal amounts paid for payroll were in compliance with the prevailing wage amounts required under the Davis-Bacon Act.

##### Criteria

Per the Davis Bacon requirement in the A-133 Compliance Supplement, certified payrolls shall be obtained and examined by the non-federal entity for all construction contracts exceeding \$2,000 financed by Federal Funds. The Davis Bacon Act includes a requirement for construction contractors or subcontractors to submit to the non-Federal entity weekly, for each week in which any construction contract work is performed, a copy of the payroll and a statement of compliance (29 CFR 3.4).

##### Cause

The University has placed reliance on the New Mexico Department of Labor's (NMDOL) activities for compliance with this requirement. The NMDL requires contractors who worked on federally funded projects to submit to NMDOL a statement of compliance with Davis Bacon as well as certified payrolls. These payrolls are then subject to NMDOL audits. However, the NMDOL does not review these reports on a regular basis.

##### Questioned Costs

None.

##### Effect

Without a system in place to ensure that this is done by the University, there is the possibility that the Contractor is not following Davis Bacon Act requirements.

##### Recommendation

We recommend that the University develop policies and procedures to ensure that all federally funded construction contracts follow the requirements of Davis Bacon.

##### University Response

Management concurs with this recommendation. The University Purchasing Department along with the Office of Capital Projects, will identify federally funded projects and require payroll records be submitted for those projects. The Office of Capital Projects will monitor the records to ensure that the prevailing wage is in accordance with the requirements of the Davis-Bacon Act.

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

### **2007-02. Return of Title IV Funds**

Federal Agency: U.S. Department of Education

SFA Cluster: CFDA #84.007, 84.032, 84.033, 84.038, 84.063

#### **Condition**

During our recalculation of the required date for return of Title IV Funds it was noted that of the total sample for Fall and Spring semesters of 210 students that unofficially withdrew, 92 of the calculations tested exceeded the 45-day requirement to return the Title IV funds. All 92 of the calculations fell in the Fall Semester.

#### **Criteria**

“Returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers initiated to ED or the appropriate FFEL lender as soon as possible, but no later than 30 days after the date the institution determines that the student withdrew. Returns by check are late if the check is issued more than 30 days after the institution determined the student withdrew or the date on the canceled check shows the check was endorsed more than 45 days after the date the institution determined that the student withdrew (34 CFR section 668.173(b)).”

#### **Cause**

As a result of the Banner conversion for the Student Financial Aid module, the University did not return funds by the required 45-day deadline. The conversion issue was corrected prior to Spring 2007.

#### **Questioned Costs**

None.

#### **Effect**

The University is out of compliance with federal regulations pertaining to the timely return of Title IV funds of unofficial withdrawal students.

#### **Recommendation**

We recommend that the University continue to monitor its procedures ensuring timely return of funds for unofficial withdrawal students with personnel.

#### **University Response**

Management concurs with this recommendation. During spring 2007, it was discovered that vital information was not captured in the Banner-delivered Unofficial Withdrawal Report. Working collaboratively with Information Technology Services (ITS), a report was developed that helped Student Financial Aid staff capture all needed information timely, and return all required funds to ED, however the funds for 92 Fall semester students were not returned by the 45-day deadline. As noted, this process has been corrected and there were no such audit findings for Spring semester 2007.

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

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

#### 2007-03. Professional Services Contracts

##### Condition

The University entered into professional services contracts with two accounting firms for \$2,400 and \$265,384, without the approval of the State Auditor, during the years June 30, 2006 and June 30, 2005.

##### Criteria

Section 2.2.2.8.H.(3) of NMAC, *Requirements for Contracting and Conducting Audits of Agencies*, requires that “the agency and IPA shall not enter into any financial, special audit or any other nonaudit service contract without the prior written approval of the State Auditor.”

##### Cause

The University individuals who approved these professional service contracts were unaware of the State Auditor requirements for contracting with Accounting Firms.

##### Effect

The University is in violation of Section 2.2.2.8.H.(3) of NMAC.

##### Recommendation

We recommend that the University provide additional training to those approving contracts to ensure that proper approval is obtained for all professional services contracts in the future.

##### University Response

Management concurs with the recommendation. Staff in the purchasing department has been trained to verify that prior written approval has been obtained from the State Auditor for any services, before completing a contract between the University and Independent Public Accountants.

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

### 2007-04. Outdated Telecom Rate Charges

#### Condition

Components of the Telecom billing rates that are currently charged to UNM Departments have not been reviewed or revised for approximately ten years.

#### Criteria

The University Business Policy and Procedure: 2440 SERVICE CENTERS, paragraph #5 states the following:

*‘...billing rates must be:*

- substantiated with allowable costs and usage calculation;*
- reviewed and, if necessary, adjusted at least annually;*
- stated in measurable units, i.e. hours of service, number of items bought or weight; and*
- applied to all internal users on the same basis, however a higher rate or rates may be charged for sales to external entities (non UNM accounts).*

*Billing rates should be established at levels sufficient to recover all allowable costs over a defined break-even period...’*

#### Cause

While Telecom has intermittently reviewed rates and made adjustments, they have not had the opportunity to evaluate all rates and update accordingly.

#### Effect

As a result of billing potentially outdated service center charges, the University is at risk of either over or under charging federal contracts. Incorrectly charging to a federal contract could result in the loss of future funding and support.

#### Recommendation

We recommend that management monitor compliance with the UNM Policies and Procedures related to service centers and implement procedures to ensure that billing rates are evaluated (and adjusted if necessary) in accordance with the policy.

#### University Response

Management concurs with this recommendation. While certain components of the telecom billing rates have been reviewed and adjusted recently, other components of the rate have not been reviewed for several years. The University will ensure that Telecom internal service center rates are reviewed annually, and adjusted if necessary.



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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

### **2007-05. Timely Responsiveness and Resolution to Internal Audit Findings**

#### **Condition**

While the University has a good system in place to monitor the disposition of results as reported to the Audit Committee of the Board of Regents, the University does not have a mechanism in place to hold the management of the department in which the finding arose accountable for responding to and resolving Internal Audit Findings on a timely basis. We reviewed the schedule of audit findings as of October 9, 2007 from the internal audit department and noted a total of 81 open findings, 18 of which have been deemed Past Due based on their initial date of acceptance and designated date of implementation. The remaining open findings have designated implementation dates within the next 18 months.

#### **Criteria**

Best practices over internal audit include an accountability mechanism to ensure that findings are responded to and resolved on a timely basis.

#### **Cause**

The University has not implemented a mechanism by which the management of the department in which is the finding occurs is held accountable.

#### **Effect**

In certain cases, weaknesses in controls identified by Internal Audit are not responded to and or resolved timely.

#### **Recommendation**

We recommend that management of the University implement a mechanism(s) to hold management of the individual departments accountable for untimely or non-responses to Internal Audit Findings.

#### **University Response**

Management concurs with this finding. Although the Internal Audit department distributes a listing of findings and their due dates, the due dates are frequently missed. Management will recommend an accountability mechanism to the Regents Audit committee and request the Regents include this mechanism in formal Regent Policy.

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

### 2007-06. IT Security Recommendations

#### Condition

The University currently does not require encryption software for workstation hard drives and laptops. Coupled with the absence of the encryption software, University policy does not have a policy specific to the downloading of unauthorized software or sensitive information to laptops, nor does there appear to be adequate monitoring of these policies.

#### Criteria

Best industry practices require that an organization should take all measures available to them to secure and protect proprietary information. Identity theft has increased considerably in the past 10 years and many states are passing legislation to impose a monetary liability on organizations because the theft of sensitive data is a foreseeable risk.

Per the UNM IT Policy #2560.5

*“UNM IT standards are based on industry best practices designed to ensure that IT resources are effectively managed in support of the University's mission of education, research, and public service. IT standards define procedures, processes, and practices designed to provide an efficient, effective IT system; protect confidential information; minimize security risks; ensure compliance with federal and state laws and regulations, and facilitate an open, interoperable, accessible IT infrastructure that meets the needs of students, faculty, staff, and the University community.”*

#### Cause

The IT infrastructure, while it is continually working to maintain a level of consistency with the industry standards, has not had the opportunity to implement new policies pertaining directly to the security of laptop working stations.

#### Effect

The University is exposed to the risk that proprietary or personal information is accessed by unauthorized individuals. In addition, the University could be held liable in the event that personal or proprietary information is fraudulently used.

#### Recommendation

We recommend that hard drives on which sensitive data, specifically financial or student records, and employee information is held, and that are owned by the University, are encrypted to protect the sensitivity of the data. This would prevent access to the University's data even if a computer is stolen or left unattended for a period of time. Workstations and laptops that house sensitive data, are password protected, lock out after a certain number of minutes of inactivity, and have encrypted hard drives reduce the risk of information being stolen or compromised.

#### University Response

Management concurs with this recommendation. The University will review and modify current policies to require encryption on computers containing sensitive data. The revised or new policies will be completed by June 2008.

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

### **2007-07. IT Business Continuity and Data Recovery Recommendations – Main Campus**

#### **Condition**

The University Main Campus is lacking an updated and comprehensive formal disaster plan to assist in recovering critical systems, such as Banner SCT, and continuing operations following a disaster. While it is acknowledged that the University could probably restore data from backup tapes, it is unclear how effectively it could address the need for continuing critical business functions. In addition, regular restoration of archived data is not currently being performed on a regular basis, nor are they comprehensive enough, when done, to identify backup issues.

#### **Criteria**

The University has an obligation to its stakeholders and the people it serves to ensure continued operations. The University should have an internal disaster recovery plan to allow it to effectively manage through the recovery effort while addressing the need for continuing critical business functions and continuing service to patients. Regular testing of archived data is an essential step in a successful disaster recovery plan.

#### **Cause**

The IT infrastructure, while it is continually working to maintain a level of consistency with the industry standards, has not had the opportunity to implement new policies pertaining directly to business continuity and the disaster recovery plan.

#### **Effect**

Consideration should be given to recovery of critical business systems, and reestablishing connectivity to the Internet, telecommunications systems, and e-mail. Once developed, the Plan should be tested annually using a structured walkthrough to ensure its viability.

#### **Recommendation**

We recommend that the University perform regular spot restoration tests of the archived data. Such tests can be used to identify when backup hardware and tapes have failed, if software is not configured properly, and when employees are struggling to perform appropriate backup procedures. In addition, a formal updated Disaster Recovery Plan should be developed by the University.

#### **University Response**

Management concurs with this recommendation. The University's ITS department will implement spot testing of archived data by May 2008. A Disaster Recovery Plan will be drafted by June 2008.

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2007

### **2007-08. Timely Completion of Financial Statements – The Robert O. Anderson Schools of Management Foundation**

#### **Condition**

The Foundation completed its draft financial statements and schedules on October 29, 2007.

#### **Criteria**

The Foundation is a component unit of the University and, as a component unit, the University scheduled the Foundation's financial statements and audit to be completed by September 15, 2007.

#### **Cause**

The Foundation has limited accounting staff and was required to reformat the financial statements from a non-profit to a government presentation in the current year.

#### **Effect**

The completion of the University financial statements was delayed.

#### **Recommendation**

We recommend the Foundation develop plans to complete its financial statements on time in the future. We also recommend that the University consider providing additional resources in situations where a component unit is unable to provide the University with draft financial statements by the University's deadline.

#### **University Response**

The Anderson School of Management Foundation Board signed a Memorandum of Understanding with the University of New Mexico in June 2007 and did not anticipate changing the format of the 2006-2007 financial statements. However, after consulting with the auditors in August, it was determined that the financial statements should be converted to the governmental format. The Anderson School has only one trained accountant available for both the School and the Foundation. The conversion of the financial statements from a non-profit to a governmental presentation took additional time the first year.

The Anderson Dean and the UNM Human Resource Department recently approved hiring an accountant to work with the fiscal officer, so that the audit and financial statements can be completed by the UNM deadline in future years.

# THE UNIVERSITY OF NEW MEXICO

## Schedule of Pledged Revenues for the year ended June 30, 2007 Unaudited

	Tuition and Fees	Patient Services	Clinical Operations	Contracts and Grants
Revenues	\$ 91,687,417	\$ 133,379,950	\$ 405,399,581	\$ 268,162,204
<b>Excluded Revenues:</b>				
State Appropriations				
Local Appropriations				
Patient Services		133,379,950		
Additions to Permanent Endowments				
Restricted Funds	8,823,406			
Federal Contracts & Grants				184,797,490
State Contracts & Grants				26,923,392
Local Contracts & Grants				19,562,589
Facilities and Administrative Cost Recovery				(36,334,943)
University of New Mexico Hospital			365,302,603	
University of New Mexico Psychiatric Center			25,782,556	
University of New Mexico Children's Psychiatric Center			14,314,422	
<b>Total Excluded Revenues</b>	\$ 8,823,406	\$ 133,379,950	\$ 405,399,581	\$ 194,948,528
<b>Pledged Revenues</b>	\$ 82,864,011	\$ -	\$ -	\$ 73,213,676

<b>Resources Available to Cover Debt Service</b>	<b>FY07</b>
Pledged Revenues	\$ 367,207,315
Less FY07 Debt Service	
Interest on Debts	26,314,130
Principal Repayments on Debts	9,232,741
Excess of Pledged Revenues over Debt Service	\$ 331,660,444
Future average annual debt service through year ended June 30, 2035	\$ 32,804,019
Future highest annual debt service year ended June 30, 2015	\$ 72,593,350

See accompanying Independent Auditors' Report.

## SCHEDULE 8

Sales and Services	Appropriations	Investments	Capital	Gifts	Other	Total
\$ 103,402,512	\$ 295,424,572	\$ 88,477,470	\$ 49,313,017	\$ 22,504,697	\$ 45,847,755	\$ 1,503,599,175
	291,077,007					291,077,007
	4,347,565					4,347,565
						133,379,950
						-
4,509,801		8,118,997	49,313,017	983,616	35,490,392	107,239,229
						184,797,490
						26,923,392
						19,562,589
						(36,334,943)
						365,302,603
						25,782,556
						14,314,422
\$ 4,509,801	\$ 295,424,572	\$ 8,118,997	\$ 49,313,017	\$ 983,616	\$ 35,490,392	\$ 1,136,391,860
\$ 98,892,711	\$ -	\$ 80,358,473	\$ -	\$ 21,521,081	\$ 10,357,363	\$ 367,207,315

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# THE UNIVERSITY OF NEW MEXICO

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## EXIT CONFERENCE

June 30, 2007

An exit conference was conducted on October 15, 2007, in which the contents of this report were discussed with the following:

### UNIVERSITY OF NEW MEXICO

Raymond G. Sanchez	Chair, UNM Board of Regents Audit Committee
John M. "Mel" Eaves	Vice Chair, UNM Board of Regents Audit Committee
Carolyn J. Abeita	UNM Board of Regents Audit Committee
David J. Schmidly	President
David W. Harris	Executive Vice President for Administration, COO and CFO
Ava J. Lovell	Interim Vice President for HSC/UNM Finance & University Controller
Elizabeth Metzger	Chief Accounting and Treasury Officer, Main Campus
Ella B. Watt	Chief Financial Officer, UNM Hospital
Valri Ward	Executive Director of Finance & Controller, UNM Hospital
Robert Fondino	Chief Accounting and Budget Officer, HSC
Barney Maccabe	Interim CIO, Information Technology Services
Paula A. Loendorf	Director, Information Technology Services-Communication Network Svcs
Bruce Cherrin	Director, Procurement Services
Ron Martinez	Director, Student Financial Aid
Brian Malone	Associate Director, Student Financial Aid
Terry Babbitt	Interim Vice-President, Enrollment Management
Anne Murray	Chief of Staff, President's Office
Sandra Liggett	Senior Associate, University Council & General Law Section Leader
Christine Chavez	Director, Internal Audit
Yvonne Cox	Manager, Internal Audit

### MOSS ADAMS LLP

Wayne Brown	Managing Partner
Larry Carmony	Partner, Component Units
Scott Eliason	Partner

### KPMG

Cynthia C. Reinhart	Managing Partner
John Kennedy	Partner
Suzette Longfellow	Senior Manager, UPA
Jaime Clark	Manager, UNM Hospital/Other Clinical Operations

