

# **Audit Report 2020**

*for the fiscal year ended June 30, 2020*



**THE UNIVERSITY OF  
NEW MEXICO®**

# THE UNIVERSITY OF NEW MEXICO

June 30, 2020

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# THE UNIVERSITY OF NEW MEXICO

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June 30, 2020

## BOARD OF REGENTS AND PRINCIPAL OFFICERS

### **Board of Regents**

#### **Appointed Members**

|                       | <i>Title:</i>       | <i>Term Expires:</i> |
|-----------------------|---------------------|----------------------|
| Douglas M. Brown      | President           | 12/31/2022           |
| Kimberly Sanchez Rael | Vice President      | 12/31/2024           |
| Sandra K. Begay       | Secretary Treasurer | 12/31/2022           |
| Robert M. Doughty III | Member              | 12/31/2020           |
| Marron Lee            | Member              | 12/31/2020           |
| Robert L. Schwartz    | Member              | 12/31/2024           |
| Melissa C. Henry      | Student Member      | 12/31/2020           |

#### **Ex officio Members**

|                                      |  |
|--------------------------------------|--|
| The Honorable Michelle Lujan Grisham | Governor of the State of New Mexico      |
| Kathie Winograd                      | Higher Education Advisor to the Governor |

#### **Advisors**

|                     |  |
|---------------------|--|
| Finnie Coleman      | President, Faculty Senate                                      |
| Muskan Amin         | President, Associated Students of the University of New Mexico |
| Nikhileswara Naguru | President, Graduate & Professional Student Association         |
| Nancy Shane         | President, Staff Council                                       |
| Chad Cooper         | President, UNM Alumni Association                              |
| Kevin Malloy        | President, UNM Retiree Association                             |
| Daniel Parea        | President, UNM Parent Association                              |
| Randy Velarde       | Chair, UNM Foundation  |

### **Principal Administrative Officials**

#### **University**

|                      |   |
|----------------------|---|
| Garnett S. Stokes    | President   |
| James Holloway       | Provost and Executive Vice President for Academic Affairs |
| Dr. Paul Roth        | Chancellor for Health Sciences                            |
| Teresa Costantinidis | Senior Vice President for Finance and Administration      |

#### **UNM Hospitals**

|             |                         |
|-------------|-------------------------|
| Kate Becker | Chief Executive Officer |
|-------------|-------------------------|

### **Principal Financial Officials**

#### **Main Campus**

|                   |                       |
|-------------------|-----------------------|
| Elizabeth Metzger | University Controller |
|-------------------|-----------------------|

#### **Health Sciences Center**

|               |  |
|---------------|--|
| Ava J. Lovell | Senior Executive Officer for Finance & Administration, HSC |
|---------------|--|

#### **UNM Hospitals**

|              |                         |
|--------------|-------------------------|
| Bonnie White | Chief Financial Officer |
|--------------|-------------------------|

## Report of Independent Auditors

The Board of Regents  
University of New Mexico  
and  
Mr. Brian S. Colón, Esq.  
New Mexico State Auditor

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, fiduciary activities, and the aggregate discretely presented component units of the University of New Mexico (the University or UNM), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the departmental financial statements of the UNM Hospitals and UNM Behavioral Operations and the blended component unit financials statements of UNM Medical Group, Inc., and Sandoval Regional Medical Center (SRMC), collectively known as the clinical operations of the University (Clinical operations), which represent 37%, 69% and 62% (including all clinical and patient revenue), respectively, of the assets, net position, and revenues of the primary institution totals as of and for the year ended June 30, 2020. In addition, we did not audit the departmental financial statements of the UNM Hospitals and UNM Behavioral Operations, and the blended component unit financials statements of UNM Medical Group, Inc., and Sandoval Regional Medical Center (SRMC), collectively known as the clinical operations of the University (Clinical operations), which represent 33%, 65% and 61% (including all clinical and patient revenue), respectively, of the assets, net position, and revenues of the primary institution totals as of and for the year ended June 30, 2019. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as it related to the amounts included for such clinical operations (including all clinical and patient revenues), is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary activities, and the aggregate discretely presented component units of the University of New Mexico as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

#### *Reporting Entity*

As discussed in Note 1, the financial statements of the University are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the State of New Mexico that is attributable to the transactions of the University. The financial statements do not present fairly the financial position of the State of New Mexico as of June 30, 2020, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedules of the University's Proportionate Share of Net Pension Liability and Employer Contributions-Pensions (schedule 1), Schedule of Changes in the University's Net OPEB Liability and Related Ratios- Other Postemployment Benefits (schedule 2), Schedule of University Contributions-Other Postemployment Benefits (schedule 3) and Schedule of Investment Returns-Other Postemployment Benefits (schedule 4) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the

basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit and that of the other auditors were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying blended and discretely presented component unit combining schedules (schedules 5 through 14), budget comparison (schedules 15 through 17), schedule of pledged collateral (schedule 18), schedule of individual deposit and investment accounts (schedule 19), and schedule of expenditures of federal awards (schedule 20), as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and other information, such as the schedule of pledged revenues – University only (schedule 21) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The blended and discretely presented component unit combining schedules (schedules 5 through 14), budget comparison (schedules 15 through 17), schedule of pledged collateral (schedule 18), schedule of individual deposit and investment accounts (schedule 19), and schedule of expenditures of federal awards (schedule 20), are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combined and discretely presented component unit combining schedules (schedules 5 through 14), budget comparison (schedules 15 through 17), schedule of pledged collateral (schedule 18), schedule of individual deposit and investment accounts (schedule 19), and schedule of expenditures of federal awards (schedule 20), are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of pledged revenues- University only (schedule 21) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2021, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mess Adams LLP". The signature is written in a cursive, flowing style.

Albuquerque, New Mexico  
February 11, 2021

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# THE UNIVERSITY OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

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, 2020, 2019, and 2018. 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 of the primary institution for fiscal years 2020, 2019, and 2018. The MD&A does not include information of the discretely presented component units, for which separately issued financial statements are available.

### About the Financial Statements

The University presents its financial statements in a business-type activity format, in accordance with the Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*, and GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The audit report includes a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, a Statement of Cash Flows, and Notes to the Basic Financial Statements.

The **Statement of Net Position** is the balance sheet for the University. It 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 noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources).

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

The **Statement of Cash Flows** presents the inflows and outflows of cash, summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is useful in assessing the University's ability to generate net cash flows and meet its obligations as they come due. It is prepared using the direct method of cash flows, and as such, presents gross, rather than net, amounts for the year's activities.

The **Notes to the Basic Financial Statements** follow the financial statements and present additional information in support of the financial statements.



# THE UNIVERSITY OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

### Statement of Net Position

A comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2020, 2019, and 2018 is as follows:

|                                       | 2020                    | 2019                    | 2018                    |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Assets</b>                         |                         |                         |                         |
| Current assets                        | \$ 1,439,756,945        | \$ 1,224,804,149        | \$ 1,120,122,206        |
| Capital assets, net                   | 1,367,936,494           | 1,329,896,472           | 1,301,514,531           |
| Other noncurrent assets               | 366,430,025             | 403,857,246             | 435,436,813             |
| <b>Total assets</b>                   | <b>\$ 3,174,123,464</b> | <b>\$ 2,958,557,867</b> | <b>\$ 2,857,073,550</b> |
| <b>Deferred Outflows of Resources</b> | <b>\$ 278,932,438</b>   | <b>\$ 523,102,792</b>   | <b>\$ 660,505,165</b>   |
| <b>Liabilities</b>                    |                         |                         |                         |
| Current liabilities                   | \$ 513,682,261          | \$ 416,547,504          | \$ 387,823,969          |
| Noncurrent liabilities                | 1,923,008,941           | 2,768,338,880           | 2,671,222,215           |
| <b>Total liabilities</b>              | <b>\$ 2,436,691,202</b> | <b>\$ 3,184,886,384</b> | <b>\$ 3,059,046,184</b> |
| <b>Deferred Inflows of Resources</b>  | <b>\$ 140,974,100</b>   | <b>\$ 50,397,984</b>    | <b>\$ 36,242,420</b>    |
| <b>Net Position</b>                   |                         |                         |                         |
| Net investment in capital assets      | \$ 790,456,175          | \$ 744,511,061          | \$ 728,838,725          |
| Restricted - nonexpendable            | 129,733,255             | 134,777,641             | 133,943,355             |
| Restricted - expendable               | 131,602,750             | 133,434,723             | 97,381,016              |
| Unrestricted                          | (176,401,580)           | (766,347,134)           | (537,872,985)           |
| <b>Total net position</b>             | <b>\$ 875,390,600</b>   | <b>\$ 246,376,291</b>   | <b>\$ 422,290,111</b>   |

### Assets

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, net receivables, and short-term investments consisting of certificates of deposit, U.S. Treasury Bills, and other government-backed securities.

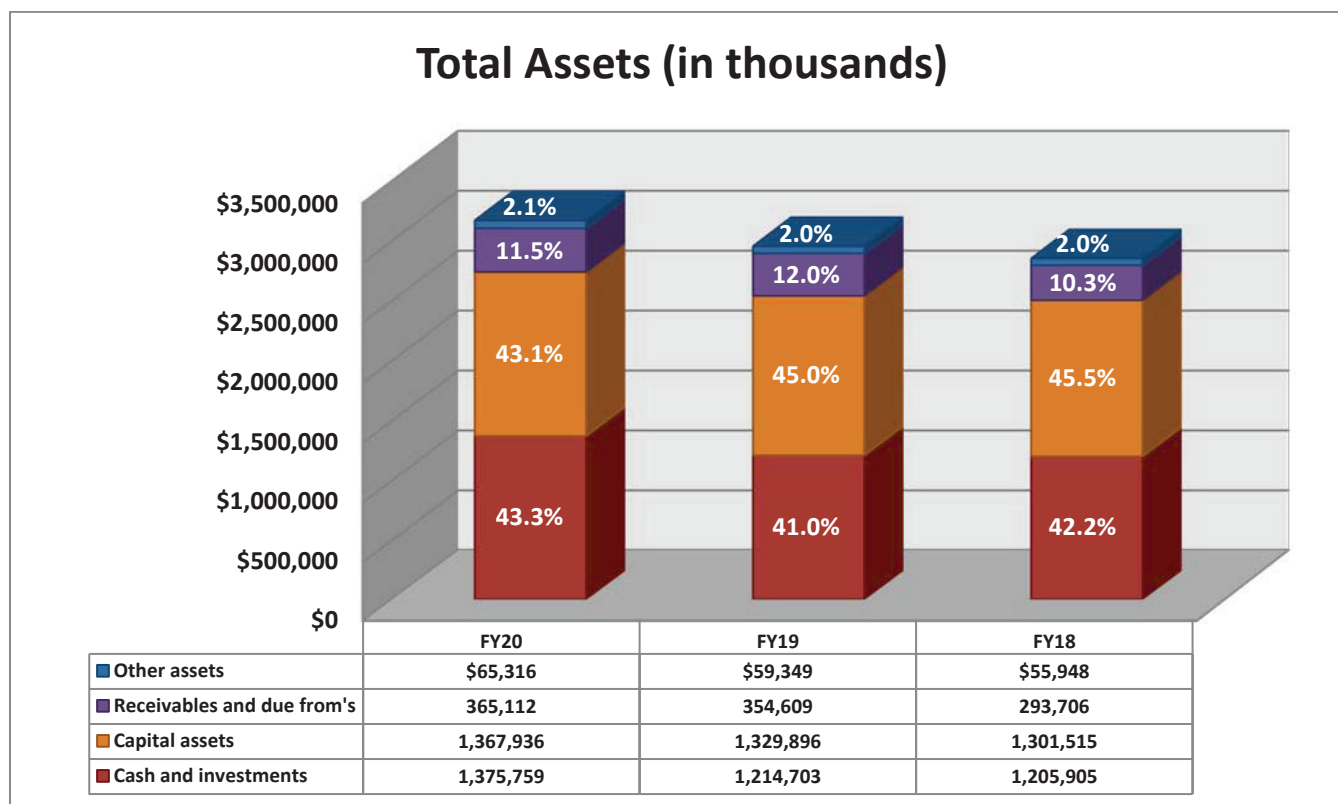
Noncurrent assets of the University primarily consist of endowments and capital assets, net of accumulated depreciation.

# THE UNIVERSITY OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

The composition of total assets is represented in the following chart:



Total assets increased by \$215.6 million from FY19 to FY20 and \$101.5 million from FY18 to FY19. The increase in total assets from FY19 to FY20 included increases of \$161.1 million in cash and investments and \$38.0 million in capital assets. The increase in cash and investments was mostly the result of an increase of \$155.2 million in the cash balance at the University of New Mexico Hospital (Hospital), primarily due to receipt of \$78 million of advance payments from the Centers for Medicare & Medicaid Services (CMS), receipt of \$20 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, Indirect Medical Education (IME) payments of \$30 million received, and a concentrated effort to conserve cash during the last quarter of the fiscal year. The increase in capital assets was mostly the result of an increase of \$97.5 million in buildings at the University, primarily due to the completion of two major construction projects; the Physics and Astronomy Interdisciplinary Science Building (\$66.0 million) and the Johnson Center Expansion and Renovation (\$35.6 million).

The increase in total assets from FY18 to FY19 included increases of \$60.9 million in receivables and due from's and \$28.4 million in capital assets. The increase in receivables and due from's was mostly the result of an increase of \$44.1 million in estimated third-party payor settlements at the University of New Mexico Hospital (Hospital), primarily due to a change in regulations for reimbursement on outlier patients effective January 1, 2019. Another significant increase in receivables and due from's was a \$17.8 million increase in net patient receivables at the University of New Mexico Medical Group (UNMMG), a blended component unit of the University. The increase in capital assets was mostly the result of an increase of \$42.3 million in construction in progress (CIP) at the University due to two major ongoing construction projects.

# THE UNIVERSITY OF NEW MEXICO

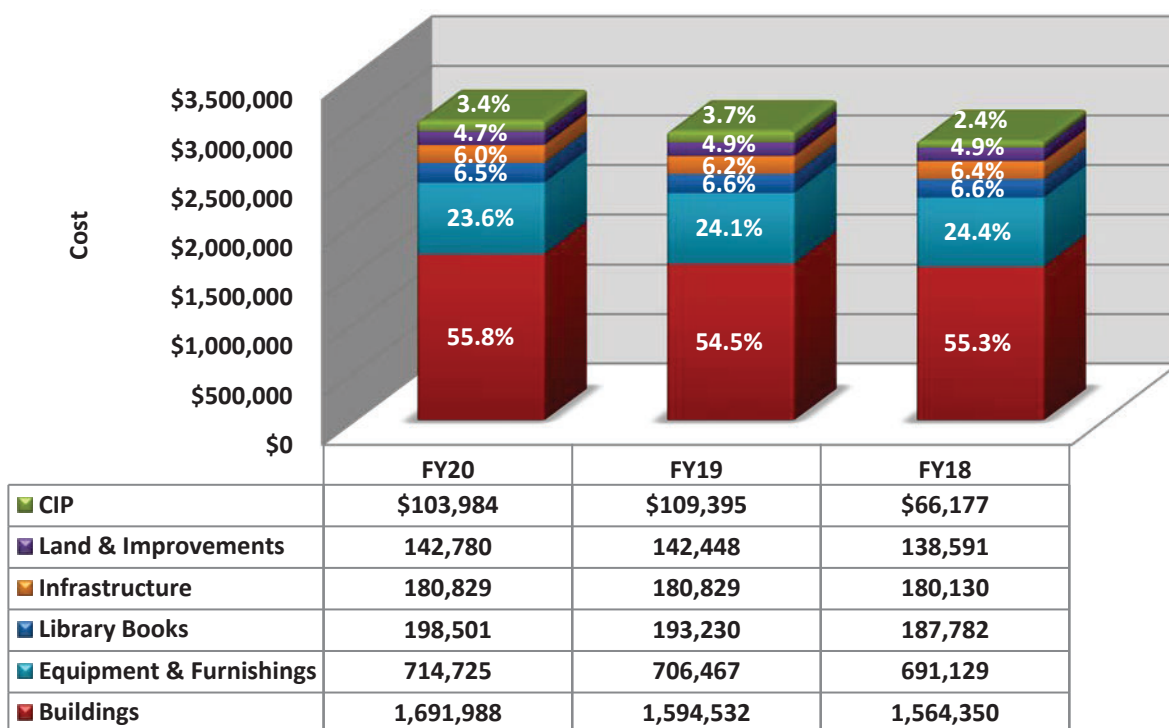
## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

**Capital Assets and Debt Activity:** Capital assets are the largest category of noncurrent assets and are shown net of accumulated depreciation, at \$1.37 billion as of June 30, 2020, and \$1.33 billion as of June 30, 2019 and 2018. During FY20, the largest increase within capital assets for the University was buildings, which increased by \$97.5 million. The major additions to buildings during FY20 were \$66.0 million for the completion of the Physics and Astronomy Interdisciplinary Science Building (PAIS) and \$35.6 million for the completion of the Johnson Center expansion and renovation.

During FY19, the largest increase within capital assets for the University was CIP, which increased by \$42.3 million. The major additions to CIP during FY19 were \$37.2 million for the construction of the Physics and Astronomy Interdisciplinary Science Building (PAIS) and \$19.4 million for the Johnson Center expansion and renovation. Buildings increased by \$28.0 million during FY19, which included \$23.7 million for the completion of the Domenici Center for Health Sciences Education Phase 3.

**Capital Assets at Cost (in thousands)**



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# THE UNIVERSITY OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

Major capital projects currently underway or in the advanced planning stages at the University include:

- **The Hospital:** The Hospital is at physical capacity to treat adult patients. As such, the Hospital is planning an extensive addition project with plans to occupy the new building by 2024. The Hospital plans to fund the expansion through a mixture of debt issuance and cash reserved for Capital Initiatives (note 21). A new parking structure will be constructed in advance of the new building and cash on hand will be used to fund the structure. The parking structure is anticipated to be \$76 million. Management has designated \$40 million of the fiscal year 2020 increase in net position to be set aside to partially fund the parking structure and furnish the new medical tower with necessary equipment.
- **Clark Hall:** The \$16.3 million renovation of the north portion of the Clark Hall Chemistry Building has begun. The project will include faculty, staff, and graduate student offices, research labs, classrooms, lecture hall, class labs, and support spaces. Construction began in July 2020 and is expected to be completed in June 2021.

Capital assets for the Hospital and the University of New Mexico Behavioral Health Operations (BHO), net of accumulated depreciation, were \$232.1 million, \$221.9 million, and \$218.8 million as of June 30, 2020, 2019, and 2018, respectively. Within the Hospital and BHO during FY20, the largest capital increase was within CIP, which increased by \$20.6 million. At the Hospital, several new projects were initiated during fiscal year 2020, including a new patient parking structure, a new medical building, and renovations at the main hospital and multiple off-site clinics. The new medical building and parking structure are the most significant projects in the construction in progress balance and are multi-year projects expected to be completed by fiscal year 2025. At BHO, the majority of the increase in CIP is related to one project for expansion of the emergency services space to include a triage center. This project is partially funded by State capital appropriation legislation which set aside \$428,000 to partially fund this expansion.

Within the Hospital and BHO during FY19, the largest capital increase was within major moveable equipment, which increased by \$6.4 million. The most significant major moveable equipment project was the installation of Phillips IntelliVue patient monitors throughout significant areas of the Hospital. Several new projects were initiated at the Hospital during FY19, including renovations at the main hospital and multiple off-site clinics. These projects were part of the CIP balance at June 30, 2019.

Bonds payable totaled \$594.0 million, \$629.8 million, and \$661.2 million at June 30, 2020, 2019, and 2018, respectively. The current portion of this debt was \$31.2 million, \$29.8 million, and \$28.2 million at June 30, 2020, 2019, and 2018, respectively. Included in those totals are Federal Housing Administration (FHA) insured Hospital Mortgage Revenue Bonds. The loan guarantee is considered federal assistance subject to the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Accordingly, the loan guarantee is considered a federal award for purposes of UNM's June 30, 2020, 2019, and 2018 Single Audit.

### ***Deferred Outflows of Resources***

Deferred outflows of resources decreased by \$244.2 million from FY19 to FY20 and \$137.4 million from FY18 to FY19. The most significant deferred outflow of resources is related to pensions. The recognition of a deferred outflow of resources related to pensions resulted from the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB*

# THE UNIVERSITY OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

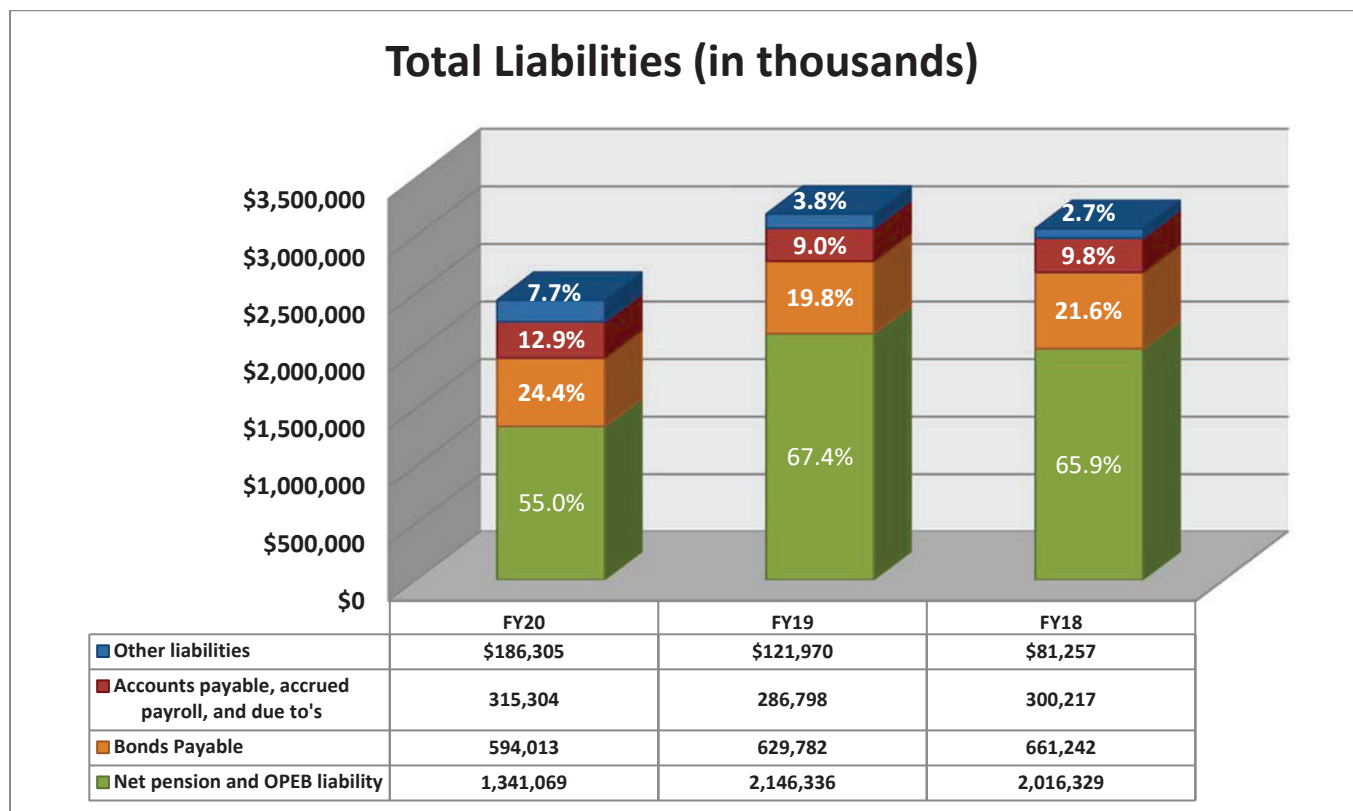
*Statement No. 27*, which was effective beginning in FY15. The amount recognized as a deferred outflow of resources related to pensions was \$252.6 million, \$504.0 million, and \$642.3 million as of June 30, 2020, 2019, and 2018, respectively. Changes of assumptions in the actuarial valuation have had significant impacts on the deferred outflows of resources related to pensions. Deferred outflows of resources related to pensions due to changes of assumptions decreased by \$241.2 million from FY19 to FY20 and \$133.9 million from FY18 to FY19. From FY19 to FY20, the most significant assumption change was an increase in the discount rate from 5.69% to 7.25%. From FY18 to FY19, the most significant assumption change was a decrease in the inflation assumption from 3.0% to 2.5%.

### Liabilities

Current liabilities are generally defined as amounts due within one year. The most significant current liabilities of the University are accounts payable, accrued payroll, unearned revenue, and accrued compensated absences.

Noncurrent liabilities of the University primarily consist of the net pension liability, the noncurrent portion of bonds payable, and the net Other Postemployment Benefits (OPEB) liability.

The composition of total liabilities is represented in the following chart:





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# THE UNIVERSITY OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

Total liabilities decreased by \$748.2 million from FY19 to FY20 and increased by \$125.8 million from FY18 to FY19. The decrease in total liabilities from FY19 to FY20 included a decrease of \$805.3 million in net pension and OPEB liability. The most significant increase in total liabilities from FY19 to FY20 was an \$86.2 million increase in the Medicare accelerated and advance payment program. The decrease in the net pension and OPEB liability included a decrease in the net pension liability of \$776.5 million due to an overall decrease in the net pension liability of the pension plan as reported by the State of New Mexico Educational Retirement Board as a result of changes enacted in House Bill 360 effective July 1, 2019, as well as a decrease in the University's proportionate share of the overall liability. The changes enacted in House Bill 360 included benefit provisions for new hires and a 0.25% increase in the employer contribution percentage. The increase in the Medicare accelerated and advance payment program was primarily the result of a CMS advance payment of \$78.8 million received in the last quarter of the fiscal year at the Hospital.

The increase in total liabilities from FY18 to FY19 included an increase of \$130.0 million in net pension and OPEB liability. The most significant decrease in total liabilities from FY18 to FY19 was a \$31.5 million decrease in bonds payable. The increase in the net pension and OPEB liability included an increase in the net pension liability of \$135.4 million due to an overall increase in the net pension liability of the pension plan as reported by the State of New Mexico Educational Retirement Board as well as an increase in the University's proportionate share of that overall liability. The decrease in bonds payable was the result of principal payments on existing bonds with no new bond additions in FY19.

### ***Deferred Inflows of Resources***

Deferred inflows of resources increased by \$90.6 million from FY19 to FY20 and \$14.2 million from FY18 to FY19. The most significant deferred inflow of resources is related to pensions. The recognition of a deferred inflow of resources related to pensions resulted from the implementation of GASB Statement No. 68. The amount recognized as a deferred inflow of resources related to pensions was \$99.0 million, \$39.1 million, and \$29.9 million as of June 30, 2020, 2019, and 2018, respectively.

### ***Net Position***

Total net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) is classified by the University's ability to use the net position to meet operating needs. Net position that is restricted as to its use by sponsoring agencies, donors, or other non-UNM entities is classified as either "nonexpendable" or "expendable." Restricted nonexpendable net position includes true endowments. Restricted expendable net position is generated by contracts, grants, gifts, and assets required to be set aside for debt service. The restricted net position is further classified in general terms as to the function for which it must be used. Unrestricted net position may be used to meet operating needs of the University.

# THE UNIVERSITY OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

### Statement of Revenues, Expenses, and Changes in Net Position

A comparison of the University's revenues, expenses, and changes in net position for the years ended June 30, 2020, 2019, and 2018 is as follows:

|   | 2020                    | 2019                    | 2018                    |
|---|-------------------------|-------------------------|-------------------------|
| <b>Operating Revenues</b>                         |                         |                         |                         |
| Tuition and fees, net                             | \$ 131,786,683          | \$ 136,023,808          | \$ 142,597,712          |
| Net patient service                               | 1,396,811,244           | 1,293,561,834           | 1,222,290,962           |
| Grants and contracts                              | 295,161,328             | 285,419,597             | 292,528,424             |
| Sales and services, net                           | 105,647,112             | 119,509,597             | 116,374,997             |
| Other operating revenues                          | 120,973,136             | 79,399,348              | 52,442,428              |
| <b>Total operating revenues</b>                   | <b>\$ 2,050,379,503</b> | <b>\$ 1,913,914,184</b> | <b>\$ 1,826,234,523</b> |
| <b>Operating Expenses</b>                         |                         |                         |                         |
| Instruction                                       | \$ 251,219,986          | \$ 245,244,734          | \$ 240,780,086          |
| Research  | 172,480,132             | 172,343,862             | 180,266,640             |
| Public service                                    | 1,525,025,563           | 1,456,370,551           | 1,332,911,777           |
| Academic support                                  | 47,174,855              | 45,381,949              | 43,587,583              |
| Student services                                  | 29,777,813              | 27,592,390              | 26,989,877              |
| Institutional support                             | 64,182,635              | 58,348,115              | 56,481,636              |
| Operation of plant                                | 185,210,032             | 179,251,577             | 182,656,188             |
| Student aid and activities                        | 29,190,722              | 25,108,063              | 27,041,737              |
| Intercollegiate athletics                         | 28,932,248              | 30,861,024              | 32,297,538              |
| Auxiliary enterprises                             | 40,401,109              | 45,515,831              | 46,372,287              |
| GASB 68 pension expense                           | (393,622,917)           | 349,640,626             | 312,613,583             |
| GASB 75 OPEB expense                              | 1,599,200               | 6,985,200               | 7,834,000               |
| Other operating expenses                          | 106,973,092             | 62,029,340              | 59,633,188              |
| <b>Total operating expenses</b>                   | <b>\$ 2,088,544,470</b> | <b>\$ 2,704,673,262</b> | <b>\$ 2,549,466,120</b> |
| <b>Nonoperating Revenues</b>                      |                         |                         |                         |
| Appropriations                                    | \$ 343,730,860          | \$ 319,955,449          | \$ 308,042,291          |
| Mill levies                                       | 115,084,816             | 105,794,580             | 101,975,401             |
| Federal pell grants                               | 38,300,579              | 41,212,072              | 43,280,031              |
| Gifts   | 34,080,719              | 29,723,441              | 33,797,785              |
| Investment income                                 | 35,165,710              | 45,006,539              | 29,233,109              |
| Other nonoperating revenues and expenses, net     | 48,675,054              | 11,630,438              | (3,239,265)             |
| <b>Net nonoperating revenues</b>                  | <b>\$ 615,037,738</b>   | <b>\$ 553,322,519</b>   | <b>\$ 513,089,352</b>   |
| <b>Income (loss) before capital contributions</b> | <b>576,872,771</b>      | <b>(237,436,559)</b>    | <b>(210,142,245)</b>    |
| Capital contributions                             | 52,141,538              | 61,522,739              | 28,224,142              |
| <b>Change in net position</b>                     | <b>\$ 629,014,309</b>   | <b>\$ (175,913,820)</b> | <b>\$ (181,918,103)</b> |
| Net position - beginning of year                  | 246,376,291             | 422,290,111             | 604,208,214             |
| <b>Net position - end of year</b>                 | <b>\$ 875,390,600</b>   | <b>\$ 246,376,291</b>   | <b>\$ 422,290,111</b>   |

# THE UNIVERSITY OF NEW MEXICO

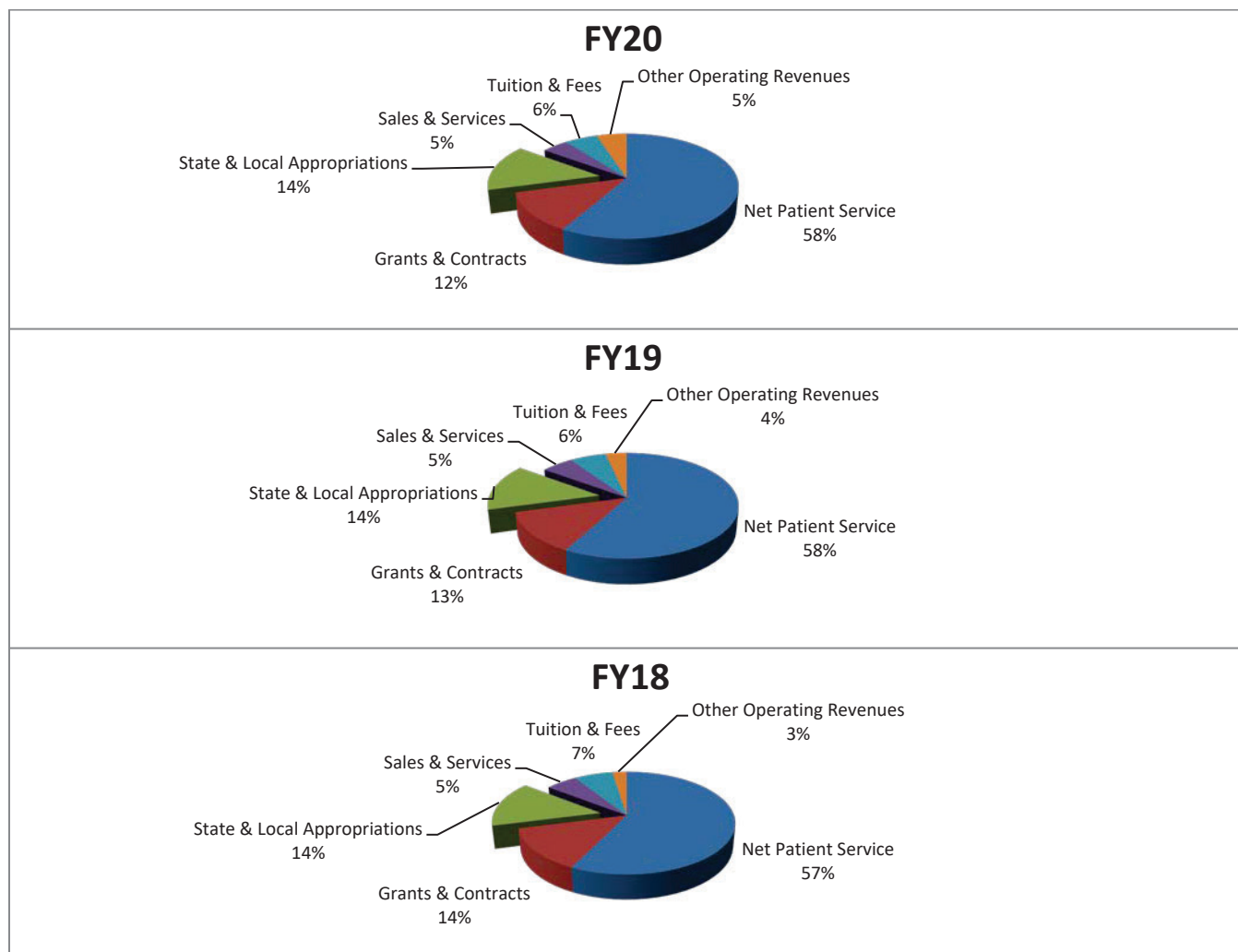
## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

### Revenues

The presentation of revenues, as defined by GASB, requires that state and local appropriation income be excluded when calculating the financial results of operations. This presentation method results in an “operating loss.” The operating loss is offset by “nonoperating revenues (expenses)” to arrive at an actual result of operations amount. The definition of “nonoperating revenues” revolves around the concept of exchange versus nonexchange transactions. State and local appropriations, along with the Bernalillo County mill levy, are considered revenues from nonexchange transactions, because they do not involve an exchange of value for value. Conversely, tuition income is defined as “operating revenues,” because a student pays tuition (value) to receive an education (value). Other nonoperating revenues are federal pell grants, state lottery scholarships, gifts, and income from investing and capital activities.

Although State of New Mexico appropriations are considered nonoperating 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 14% of total operating revenues for fiscal years 2020, 2019, and 2018. The following charts depict operating revenues (with state and local appropriations) by source:



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# THE UNIVERSITY OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

**Operating Revenues:** Operating revenues increased by 7.1% from FY19 to FY20 and 4.8% from FY18 to FY19. Net patient service revenues are a significant portion of the total net operating revenues. It is comprised of gross patient revenues, net of contractual allowances, charity care, provision for doubtful accounts, and any third-party cost report settlements. Net patient service revenues increased by 8.0% from FY19 to FY20 and 5.8% from FY18 to FY19.

UNM Health Sciences Center (HSC) offers a financial assistance program called UNM Care to which all eligible patients are encouraged to apply. This program assigns patients primary care providers and enables them to receive care throughout UNM HSC locations. This program is available to Bernalillo County residents who also meet certain income and asset thresholds. Patients applying for coverage under UNM Care must apply for coverage under Medicaid or the Health Insurance Exchange (HIX), if eligible. Patients may continue to receive UNM Care until they receive Medicaid eligibility or notification of coverage under the HIX. Patients certified under Medicaid or the HIX may continue to qualify for UNM Care as a secondary coverage for copays and deductibles if they meet the income guidelines. UNM HSC uses the same sliding income scale as the Affordable Care Act (ACA) to determine if insurance coverage is considered affordable. If coverage is determined not to be affordable, patients may be granted a hardship waiver to qualify for UNM Care and would not be required to pursue coverage under the HIX.

As of June 30, 2020, 2019, and 2018, there were approximately 5,900, 7,300, and 7,100 active enrollees in UNM Care, respectively. The income threshold for UNM Care is 300% of the federal poverty level, and patients may apply for this program at various locations throughout UNM HSC and the community. UNM HSC does not pursue collection of amounts determined to qualify as charity care, with the exception of copayments.

UNM HSC provides care to patients who are either uninsured or underinsured and who do not meet the criteria for financial assistance. These accounts are fully reserved and recorded as a provision for uncollectible accounts. Provision expenses recorded for fiscal years 2020, 2019, and 2018 were \$102.7 million, \$121.8 million, and \$116.2 million, respectively.

UNM HSC incurs costs associated with providing charity care and other services for which payment is not received. As of June 30, 2020, the estimated cost of care for providing these services was \$98.7 million compared to \$101.3 million in FY19 and \$94.5 million in FY18.

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# THE UNIVERSITY OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

Tuition and fees are also a significant component of the University's total net operating revenues. UNM's total credit hour production for 2019-2020 was 558,163. This represents a 6.33% decrease in credit hour totals compared to the previous year. Very high levels of degree production and record completion rates have continued to contribute to the decrease due to students graduating earlier. UNM's new Vice President of Enrollment Management began on September 3, 2019. Under his leadership, freshmen enrollment for the fall 2020 class is up 7.48% while our freshman retention has held steady at 76.94%. Changes in enrollment and tuition and fees rates in academic functions of the University were as follows:

|  | Fall 2019 | Fall 2018 | Fall 2017 |
|--|-----------|-----------|-----------|
| Enrollment change (headcount)                                      | -3.9%     | -6.4%     | -4.3%     |
| Tuition and fees rate change<br>(full-time resident undergraduate) | 3.2%      | 2.5%      | 2.8%      |

**Nonoperating Revenues/Expenses:** Net nonoperating revenues increased by 11.2% from FY19 to FY20 and 7.8% from FY18 to FY19. Nonoperating revenues are primarily driven by state appropriations, the Bernalillo County mill levy, federal pell grants, gifts received by the University, and investment income/loss. The major reasons for the increase in net nonoperating revenues in FY20 were \$34.9 million received from the federal CARES Act, a \$23.6 million increase in state appropriations, and a \$9.3 million increase in revenue from county mill levies at the clinical operations. The major reasons for the increase in net nonoperating revenues in FY19 were a \$15.8 million increase in investment income and an \$11.7 million increase in state appropriations.

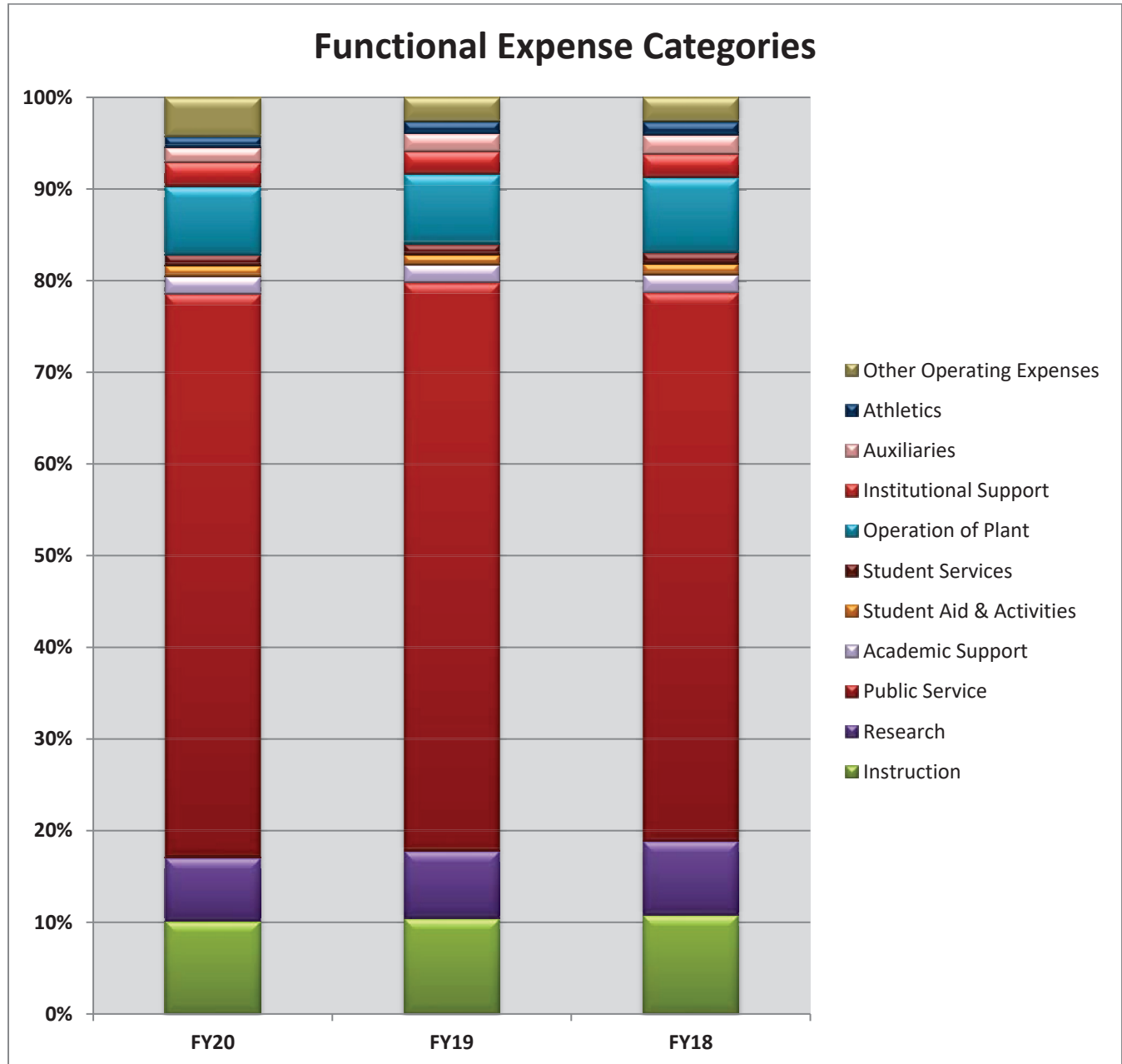


# THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
Year Ended June 30, 2020

## Expenses

**Operating Expenses:** GASB standards allow public universities to present operating expenses in either a functional or natural format. UNM chose to present expenses on the statement of revenues, expenses, and changes in net position by the major functions of the University. The chart below shows the distribution of operating expenses by functional category (smaller categories have been combined) for the years ended June 30, 2020, 2019, and 2018:

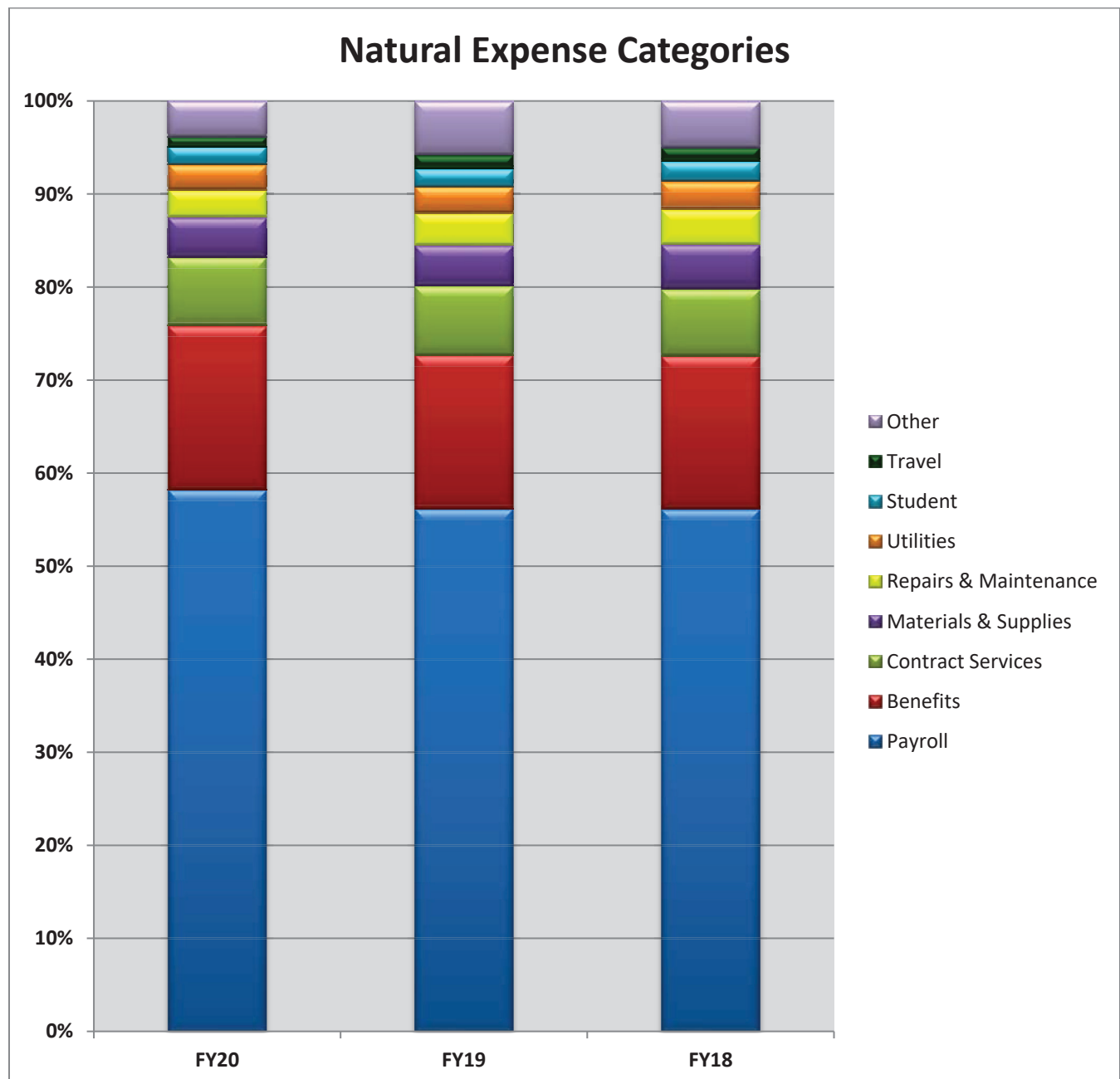


# THE UNIVERSITY OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

The chart below shows total expenses by natural category, excluding GASB 68 pension expense and GASB 75 OPEB expense, for the University (excluding Hospital, BHO, and component units) for the years ended June 30, 2020, 2019, and 2018:



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# THE UNIVERSITY OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

### *Changes in Net Position*

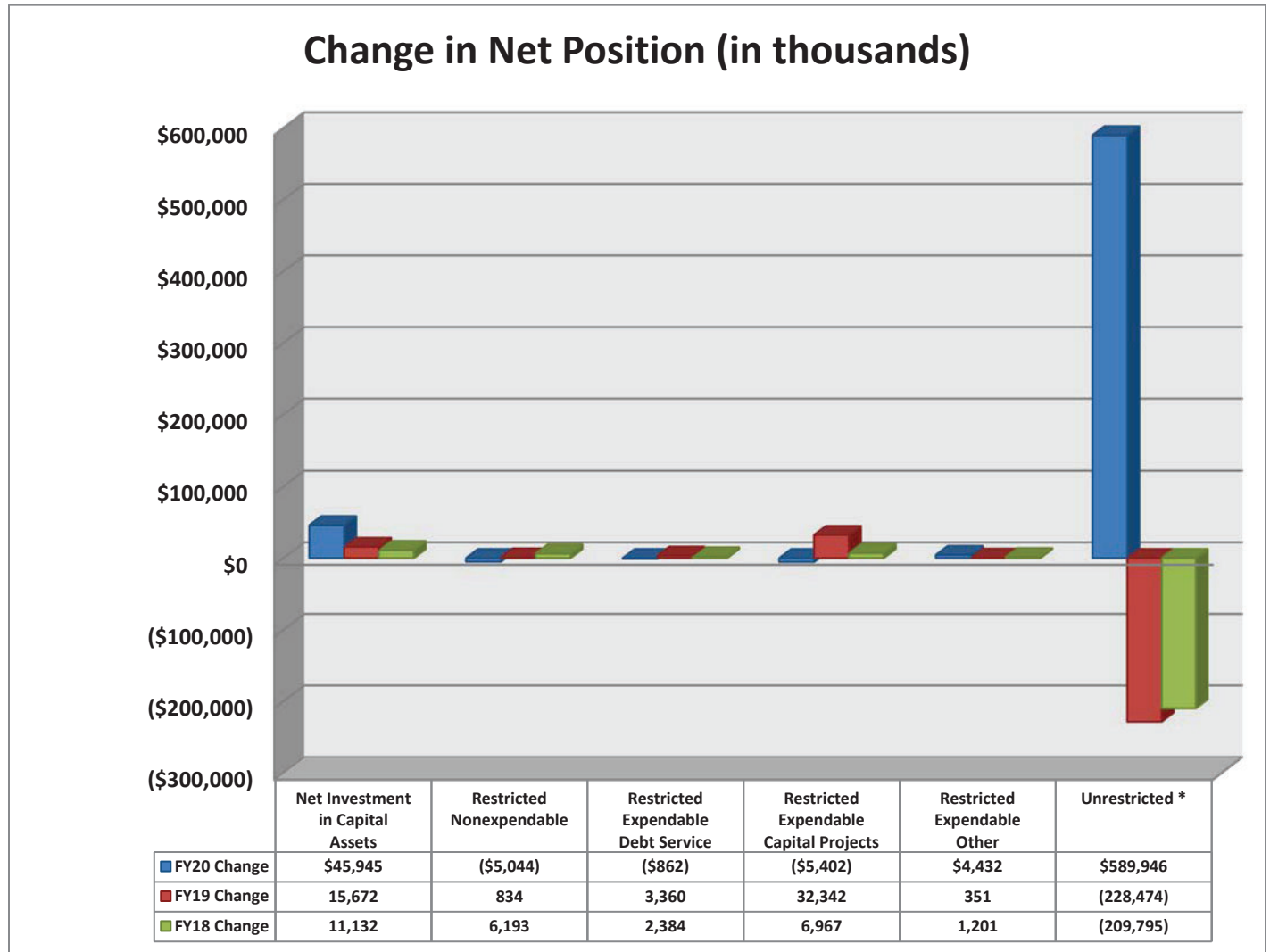
The University's total change in net position showed a net increase of \$629.0 million for FY20 and net decreases of \$175.9 million for FY19 and \$181.9 million for FY18. The major changes in net position in FY20 included increases of \$589.9 million in unrestricted net position and \$45.9 million in net investments in capital assets. The increase in unrestricted net position was primarily the result of pension income of \$462.8 million reported by the University per the requirements of GASB Statement No. 68. The significant decrease in the pension expense over the prior fiscal year was primarily due to the increase in the discount rate used in the actuarial valuation from 5.69% to 7.25% as a result of changes enacted in House Bill 360 that included changes to benefit provisions for new hires and a 0.25% increase in the employer contribution percentage. Other significant changes to unrestricted net position were increases of \$60.2 million at the Hospital and a decrease of \$10.0 million at UNMMG. The increase in the net position of net investments in capital assets was primarily the result of an increase of \$62.6 million in buildings, net of accumulated depreciation, due to the completion of several major capital projects.

The major changes in net position in FY19 included a decrease of \$228.5 million in unrestricted net position and increases of \$32.3 million in the net position restricted for capital projects and \$15.7 million in net investments in capital assets. The decrease in unrestricted net position was primarily the result of the additional pension expense of \$282.3 million reported by the University per the requirements of GASB Statement No. 68. The increase in the pension expense over the prior fiscal year was primarily due to the increase in the University's proportionate share of the pension plan expense. Other significant changes to unrestricted net position were increases of \$19.0 million at the Hospital and \$16.0 million at UNMMG. The increase in the net position restricted for capital projects was mostly due to the recognition of \$29.7 million in capital appropriations from the state to the Health Sciences Center for the UNM Hospital Tower Medical Facility project. The increase in the net position of net investments in capital assets was primarily the result of a net increase of \$43.2 million in CIP.

# THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
Year Ended June 30, 2020

The chart below shows the changes in net position by category for the fiscal years ended June 30, 2020, 2019, and 2018:



\* Significant changes to the unrestricted net position in FY18, FY19, and FY20 were primarily the result of the significant changes to pension expense required to be reported by the University per the requirements of GASB Statement No. 68.

# THE UNIVERSITY OF NEW MEXICO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

### Statement of Cash Flows

A comparison of the University's changes in cash and cash equivalents for the years ended June 30, 2020, 2019, and 2018 is as follows:

|   | 2020                  | 2019                  | 2018                  |
|---|-----------------------|-----------------------|-----------------------|
| <b>Cash provided by (used in):</b>                          |                       |                       |                       |
| Operating activities  | \$ (310,952,374)      | \$ (447,115,237)      | \$ (380,172,850)      |
| Noncapital financing activities                             | 592,471,390           | 523,090,865           | 504,629,636           |
| Capital and related financing activities                    | (157,298,152)         | (119,554,727)         | (123,545,929)         |
| Investing activities  | 22,071,822            | 25,644,189            | 16,251,615            |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>146,292,686</b>    | <b>(17,934,910)</b>   | <b>17,162,472</b>     |
| Cash and cash equivalents — beginning of year               | 451,855,587           | 469,790,497           | 452,628,025           |
| <b>Cash and cash equivalents — end of year</b>              | <b>\$ 598,148,273</b> | <b>\$ 451,855,587</b> | <b>\$ 469,790,497</b> |

The Statement of Cash Flows provides additional information about the University's financial results by reporting the major sources and uses of cash during the fiscal year. The statement assists in evaluating the University's ability to generate future net cash flows to meet its obligations as they become due and aids in determining the need for external financing. The statement is divided into four sections based on major activity: operating, noncapital financing, capital and related financing, and investing.

Cash received from operations consists primarily of receipts from insurance and patients, student tuition and fees, and grants and contracts. Payments to employees and suppliers represent the largest use of cash for operations. Cash provided by noncapital financing activities is used to fund operating activities in a public university, such as UNM. Major sources of cash provided by noncapital financing activities for the University are state appropriations, federal Pell grants, Bernalillo County mill levy, and gifts to the University. Capital and related financing activities consist primarily of payments on the purchase of capital assets, principal and interest payments on bonds, and cash received on capital appropriations and bond issuances. Cash flows from investing activities include shifts between cash and investments, distributions from the state land grant permanent fund, and investment income.

### Fiduciary Fund

The University of New Mexico Welfare Benefit Trust (VEBA Trust), a voluntary employees' beneficiary association (VEBA) trust, is presented as a fiduciary fund (exhibits D and E). The VEBA Trust was established to provide a funding vehicle to which participants and the University contribute to prefund, in part, the cost of OPEB for eligible retirees of the University. The University matches the employees' contributions to the VEBA Trust. In FY20, the University and employee contributions were \$2.2 million each, and the VEBA Trust earned \$1.9 million in net investment income. In FY19, the University and employee contributions were \$2.2 million each, and the VEBA Trust earned \$2.1 million in net investment income.



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# THE UNIVERSITY OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

### Budget Activity

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.

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

In terms of FY20 Main campus revenues, there was an overall increase of approximately \$17.7 million, or 2%, over the FY19 budget. This increase was primarily due to an increase in state appropriations and the spending of reserves related to capital projects and the \$3.5 million embedded in the instruction and general (I&G) scenario.

State appropriations for Main campus operations increased by \$14,904,600, or approximately 7.8%, for FY20. The legislature approved a 4% compensation increase for higher education. However, the funding from the state for compensation only funded approximately 2% of the compensation increase.

Tuition and fee rates were approved by the Board of Regents on April 22, 2019. They approved a 3.1% tuition increase plus a \$10 per credit hour increase in the undergraduate and graduate premium rate, a \$50 technology fee, as well as a 3.43% mandatory student fee increase. Unrestricted tuition and fee revenues were below FY19 original budget because conservative tuition and fee projections were used to account for the current revenue shortfall, as well as to offset any future enrollment declines.

In terms of FY20 Main campus expenditures, there was an overall increase of approximately \$17.7 million, or 2%, over the FY19 budget. This was primarily due to increased spending towards capital projects, the 3% compensation increase approved by the Regents, an increase of 0.25% in the employer ERB contribution rate, a 5% increase in group health insurance, and the funding of new initiatives in I&G.

In addition, Main campus experienced a \$41.2 million, or 4.7%, net increase in revenues and expenditures that were primarily driven by the \$22.3 million CARES Act Relief Funding, \$9.4 million 2019 Bond Refunding activities and transfers to plant for various capital projects, and \$9.5 million in non-endowed, internal service, classroom technology, Grand Challenges, student services, and research activities. In the Spring of 2019, UNM launched three Grand Challenges (one led by UNM Main campus, one led by UNM HSC, and one with shared leadership between the two campuses). On February 5, 2019, UNM President Garnett S. Stokes announced that UNM's three Grand Challenges will focus on the following areas: Sustainable Water Resources, Successful Aging, and Substance Use Disorders. The \$41.2 million net amount includes \$11.9 million of revenue decreases due to an enrollment decline, revenue shortfalls due to COVID-19, and the \$4.5 million movement of the historical Athletics deficit to a central index in response to HB2 2020 Legislative Session language.

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# THE UNIVERSITY OF NEW MEXICO

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## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2020

At HSC, significant changes in revenues from the FY19 to FY20 revised budget include an increase in patient volume and related clinical revenues of \$58.0 million, an increase in unrestricted I&G revenues of \$17.2 million, and an increase in independent operations revenues of \$10.9 million. In total, revenues increased by \$91.2 million, or 13.3%, over the FY19 revised budget.

Noteworthy changes in expenses and transfers at HSC were an increase in clinical FTE and contract services expenses of \$39.7 million, an increase in teaching FTE and other instruction-related costs of \$5.6 million, and an increase in independent operations expenses of \$9.9 million. Expenses increased by \$66.5 million, or 9.6%, over the FY19 revised budget. Net transfers changed by \$21.5 million over the FY19 revised budget. Overall, HSC had a budgeted net margin of \$2.3 million, approximately \$3.2 million more than the FY19 revised budget, primarily because of generating adequate revenue to cover the increased patient care and instruction-related costs in FY20.

Overall, the University's change in net position on a budgetary basis for unrestricted and restricted funds was an increase of approximately \$2.2 million (schedule 15), which is primarily due to activity at the Main and Branch campuses. The University's change in net position on a budgetary basis for Unrestricted I&G funds was a net increase of \$6.5 million (schedule 16), which is primarily due to activity at all campuses.

### Factors Impacting Future Periods

Total enrollment for the fall 2020 semester stands at 22,244 students, declining by 2.4%, compared with the fall 2019 semester. The overall decrease is within the University's target for enrollment. However, other important fall 2020 enrollment figures at the University indicate continued increases and positive momentum. The fall 2020 freshman class increased by 7.6% from the fall 2019 freshman class, and the number of new graduate students increased by 19.1%.

The state legislature concluded a special session in June 2020 to address the economic challenges associated with the COVID-19 pandemic, which required cutting the state's overall budget. Those cuts directly impacted the University's FY21 budget. The University's reductions included more than \$22 million in state funding on Main campus, while state revenues at HSC was reduced by \$11 million. The University also anticipates \$11 million in lost tuition and fees due to declining enrollment, as well as additional revenue shortfalls in housing, food service, parking, and event revenue.

The University faces the potential for additional negative impacts to revenues based on the current and anticipated budget situation in New Mexico with the ongoing COVID-19 pandemic and the uncertainty of the oil industry in New Mexico, which is a large driver of revenues in the State budget.

The Hospital is the only Level I Trauma Center in the State and is at physical capacity to treat adult patients. As such, the Hospital engaged the services of a national architectural and engineering firm with experience in designing teaching hospitals to identify location, size, phasing, and staging for the addition of a clinical tower. The Hospital has worked with architects Fanning Bard Tatum and HDR (FBT/HDR) to identify the location, design, and site of the new tower. The proposal for the location of the new tower is adjacent to the Barbara & Bill Richardson Pavilion (BBRP) and will have 96 adult acute care beds. It will also add 16 operating rooms and include radiology diagnostic services and will relocate the adult emergency room. The existing parking structure will be demolished and a new one erected. In the 2019 legislative session, the state appropriated \$30 million for designing, constructing, and equipping the new tower. The preliminary opening date is late 2024.

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# THE UNIVERSITY OF NEW MEXICO

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
Year Ended June 30, 2020

## **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, 2020 and 2019, 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.

For internal audit inquiries and reports, see information available at <http://iaudit.unm.edu>.

To download additional copies of this report, or to obtain prior year copies of this report, go to <http://fsd.unm.edu/annual-reports.html>.

# THE UNIVERSITY OF NEW MEXICO

## BASIC FINANCIAL STATEMENTS

Statements of Net Position as of June 30, 2020 and 2019

|  | PRIMARY INSTITUTION     |                         | DISCRETELY PRESENTED<br>COMPONENT UNITS |                       |
|--|-------------------------|-------------------------|---|-----------------------|
|  | 2020                    | 2019                    | 2020                                    | 2019                  |
| <b>ASSETS</b>  |                         |                         |   |                       |
| <b>Current assets</b>  |                         |                         |   |                       |
| Cash and cash equivalents (note 3)                             | \$ 541,320,233          | \$ 380,279,071          | \$ 18,467,575                           | \$ 14,135,460         |
| Cash and cash equivalents – restricted (note 3)                | 43,333,445              | 24,500,551              | -                                       | -                     |
| Short-term investments (note 3)                                | 455,787,443             | 435,028,401             | 11,261,360                              | 11,213,802            |
| Accounts receivable, net (note 4)                              | 65,766,596              | 55,096,180              | 1,232,514                               | 1,710,455             |
| Patient receivables, net (note 4)                              | 178,104,920             | 185,097,472             | -                                       | -                     |
| Due from component units                                       | 10,707,190              | 8,063,862               | -                                       | -                     |
| Due from The University of New Mexico                          | -                       | -                       | 54,967                                  | 53,356                |
| Notes receivable (note 5)                                      | 2,227,966               | 3,053,160               | -                                       | -                     |
| Estimated third-party payor settlements                        | 89,171,793              | 84,462,338              | -                                       | -                     |
| Other receivables (note 4)                                     | 11,119,505              | 8,655,093               | -                                       | -                     |
| Inventories  | 23,652,546              | 22,688,867              | -                                       | 38,434                |
| Other current assets (note 7)                                  | 18,565,308              | 17,879,154              | 611,990                                 | 441,271               |
| <b>Total current assets</b>                                    | <b>\$ 1,439,756,945</b> | <b>\$ 1,224,804,149</b> | <b>\$ 31,628,406</b>                    | <b>\$ 27,592,778</b>  |
| <b>Noncurrent assets</b>                                       |                         |                         |   |                       |
| Cash and cash equivalents (note 3)                             | \$ 9,676,561            | \$ 2,063,504            | \$ -                                    | \$ -                  |
| Cash and cash equivalents – restricted (note 3)                | 3,818,034               | 45,012,461              | -                                       | -                     |
| Due from component units                                       | 3,087,067               | 4,052,661               | -                                       | -                     |
| Notes receivable (note 5)                                      | 4,926,953               | 6,128,611               | -                                       | -                     |
| Investments (note 3)   | 321,823,210             | 327,818,709             | 231,979,096                             | 236,530,307           |
| Derivative instruments – interest rate swaps overlay (note 13) | 1,286,271               | 853,522                 | -                                       | -                     |
| Beneficial interest in irrevocable split interest agreements   | -                       | -                       | 19,941,453                              | 20,998,761            |
| Other noncurrent assets (note 7)                               | 21,811,929              | 17,927,778              | 4,641,288                               | 5,737,691             |
| Capital assets, net (note 6)                                   | 1,367,936,494           | 1,329,896,472           | -                                       | -                     |
| <b>Total noncurrent assets</b>                                 | <b>\$ 1,734,366,519</b> | <b>\$ 1,733,753,718</b> | <b>\$ 256,561,837</b>                   | <b>\$ 263,266,759</b> |
| <b>Total assets</b>  | <b>\$ 3,174,123,464</b> | <b>\$ 2,958,557,867</b> | <b>\$ 288,190,243</b>                   | <b>\$ 290,859,537</b> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                          |                         |                         |   |                       |
| Related to pensions (note 17)                                  | \$ 252,561,700          | \$ 503,989,517          | \$ -                                    | \$ -                  |
| Related to OPEB (note 18)                                      | 14,214,960              | 7,513,700               | -                                       | -                     |
| Interest rate swaps (note 13)                                  | 8,373,755               | 7,185,873               | -                                       | -                     |
| Loss on bond refundings  | 3,782,023               | 4,413,702               | -                                       | -                     |
| <b>Total deferred outflows of resources</b>                    | <b>\$ 278,932,438</b>   | <b>\$ 523,102,792</b>   | <b>\$ -</b>                             | <b>\$ -</b>           |
| <b>LIABILITIES</b>   |                         |                         |   |                       |
| <b>Current liabilities</b>                                     |                         |                         |   |                       |
| Accounts payable and accrued payroll (note 8)                  | \$ 173,304,419          | \$ 175,905,990          | \$ 2,050,404                            | \$ 2,154,455          |
| Bonds payable – current portion (notes 12 and 13)              | 31,190,000              | 29,820,000              | -                                       | -                     |
| Long-term debt – current portion (note 12)                     | 1,171,619               | 1,137,372               | -                                       | -                     |
| Due to component units   | 54,967                  | 53,356                  | -                                       | -                     |
| Due to The University of New Mexico (note 12)                  | -                       | -                       | 10,707,190                              | 8,063,862             |
| Unearned revenue (note 11)                                     | 57,737,441              | 46,185,775              | 668,845                                 | 693,203               |
| Accrued compensated absences (note 9)                          | 64,786,841              | 57,602,401              | -                                       | -                     |
| Estimated third-party payor settlements                        | 74,253,744              | 49,194,565              | -                                       | -                     |
| Medicare accelerated and advance payment program               | 86,160,304              | -                       | -                                       | -                     |
| CARES Act funding  | 3,617,914               | -                       | -                                       | -                     |
| Notes payable – current portion (note 12)                      | -                       | -                       | 658,912                                 | -                     |
| Deposits and funds held for others                             | 4,397,153               | 5,020,656               | -                                       | -                     |
| Other accrued liabilities (note 10)                            | 17,007,859              | 51,627,389              | 1,192,418                               | 1,582,758             |
| <b>Total current liabilities</b>                               | <b>\$ 513,682,261</b>   | <b>\$ 416,547,504</b>   | <b>\$ 15,277,769</b>                    | <b>\$ 12,494,278</b>  |
| <b>Noncurrent liabilities (note 12)</b>                        |                         |                         |   |                       |
| Bonds payable (notes 12 and 13)                                | \$ 562,823,433          | \$ 599,961,556          | \$ -                                    | \$ -                  |
| Long-term debt (note 12)                                       | 1,732,165               | 2,904,771               | -                                       | -                     |
| Due to The University of New Mexico (note 12)                  | -                       | -                       | 3,087,067                               | 4,052,661             |
| Student loan program (note 12)                                 | 8,725,045               | 11,715,940              | -                                       | -                     |
| Notes payable (note 12)  | -                       | -                       | 644,875                                 | -                     |
| Derivative instruments – interest rate swaps (notes 12 and 13) | 8,373,755               | 7,185,873               | -                                       | -                     |
| Net pension liability (notes 12 and 17)                        | 1,244,357,298           | 2,020,852,577           | -                                       | -                     |
| Net OPEB liability (notes 12 and 18)                           | 96,711,700              | 125,483,900             | -                                       | -                     |
| Other noncurrent liabilities (note 12)                         | 285,545                 | 234,263                 | 2,060,973                               | 2,060,731             |
| <b>Total noncurrent liabilities</b>                            | <b>\$ 1,923,008,941</b> | <b>\$ 2,768,338,880</b> | <b>\$ 5,792,915</b>                     | <b>\$ 6,113,392</b>   |
| <b>Total liabilities</b>                                       | <b>\$ 2,436,691,202</b> | <b>\$ 3,184,886,384</b> | <b>\$ 21,070,684</b>                    | <b>\$ 18,607,670</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                           |                         |                         |   |                       |
| Related to pensions (note 17)                                  | \$ 99,016,165           | \$ 39,057,018           | \$ -                                    | \$ -                  |
| Related to OPEB (note 18)                                      | 40,203,260              | 10,590,200              | -                                       | -                     |
| Gain on bond refundings  | 1,754,675               | 750,766                 | -                                       | -                     |
| Beneficial interest in irrevocable split interest agreements   | -                       | -                       | 20,101,312                              | 21,311,638            |
| Unearned revenue   | -                       | -                       | 303,182                                 | 606,087               |
| <b>Total deferred inflows of resources</b>                     | <b>\$ 140,974,100</b>   | <b>\$ 50,397,984</b>    | <b>\$ 20,404,494</b>                    | <b>\$ 21,917,725</b>  |

See accompanying notes to the basic financial statements.

(Continued)

# EXHIBIT A

## Statements of Net Position as of June 30, 2020 and 2019

|                                     | PRIMARY INSTITUTION   |                       | DISCRETELY PRESENTED<br>COMPONENT UNITS |                       |
|-------------------------------------|-----------------------|-----------------------|---|-----------------------|
|                                     | 2020                  | 2019                  | 2020                                    | 2019                  |
| <b>NET POSITION</b>                 |                       |                       |   |                       |
| Net investment in capital assets    | \$ 790,456,175        | \$ 744,511,061        | \$ -                                    | \$ -                  |
| Restricted for:                     |                       |                       |   |                       |
| Nonexpendable:                      |                       |                       |   |                       |
| Scholarships                        | 123,729,370           | 128,773,756           | -                                       | -                     |
| Grants, bequests, and contributions | 6,003,885             | 6,003,885             | 208,057,913                             | 211,794,373           |
| Expendable:                         |                       |                       |   |                       |
| Scholarships                        | 2,778,329             | 2,906,282             | -                                       | -                     |
| Grants, bequests, and contributions | 25,208,751            | 20,648,498            | -                                       | -                     |
| Debt service                        | 60,206,286            | 61,068,391            | -                                       | -                     |
| Capital projects                    | 43,409,384            | 48,811,552            | -                                       | -                     |
| Other                               | -                     | -                     | 20,652,085                              | 20,972,586            |
| Unrestricted (note 20)              | (176,401,580)         | (766,347,134)         | 18,005,067                              | 17,567,183            |
| <b>Total net position</b>           | <b>\$ 875,390,600</b> | <b>\$ 246,376,291</b> | <b>\$ 246,715,065</b>                   | <b>\$ 250,334,142</b> |

See accompanying notes to the basic financial statements.

# THE UNIVERSITY OF NEW MEXICO

## BASIC FINANCIAL STATEMENTS

Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2020 and 2019

|  | PRIMARY INSTITUTION     |                         | DISCRETELY PRESENTED<br>COMPONENT UNITS |                        |
|--|-------------------------|-------------------------|---|------------------------|
|  | 2020                    | 2019                    | 2020                                    | 2019                   |
| <b>OPERATING REVENUES</b>  |                         |                         |   |                        |
| Student tuition and fees (net of scholarship allowances of<br>\$79,446,036 in 2020 and \$75,993,272 in 2019) | \$ 131,786,683          | \$ 136,023,808          | \$ -                                    | \$ -                   |
| Net patient service (note 14)  | 1,396,811,244           | 1,293,561,834           | -                                       | -                      |
| Federal grants and contracts   | 219,666,416             | 212,154,329             | -                                       | -                      |
| State and local grants and contracts   | 42,520,753              | 38,126,491              | -                                       | -                      |
| Nongovernmental grants, contracts, bequests, and contributions   | 32,974,159              | 35,138,777              | 31,350,055                              | 24,569,877             |
| Sales and services   | 76,160,916              | 81,544,996              | 2,675,063                               | 3,035,261              |
| Auxiliary enterprises (net of scholarship allowances of<br>\$7,951,835 in 2020 and \$8,767,408 in 2019)      | 29,486,196              | 37,964,601              | -                                       | -                      |
| Other operating revenues   | 120,973,136             | 79,399,348              | 8,885,713                               | 9,134,819              |
| <b>Total operating revenues</b>  | <b>\$ 2,050,379,503</b> | <b>\$ 1,913,914,184</b> | <b>\$ 42,910,831</b>                    | <b>\$ 36,739,957</b>   |
| <b>OPERATING EXPENSES</b>  |                         |                         |   |                        |
| Educational and general  |                         |                         |   |                        |
| Instruction  | \$ 251,219,986          | \$ 245,244,734          | \$ -                                    | \$ -                   |
| Research   | 172,480,132             | 172,343,862             | -                                       | -                      |
| Public service   | 1,525,025,563           | 1,456,370,551           | -                                       | -                      |
| Academic support   | 47,174,855              | 45,381,949              | -                                       | -                      |
| Student services   | 29,777,813              | 27,592,390              | -                                       | -                      |
| Institutional support  | 64,182,635              | 58,348,115              | -                                       | -                      |
| Operation and maintenance of plant   | 79,255,416              | 75,637,935              | -                                       | -                      |
| Depreciation expense   | 105,954,616             | 103,613,642             | -                                       | -                      |
| Student aid  | 20,589,266              | 15,935,804              | -                                       | -                      |
| Student activities   | 8,601,456               | 9,172,259               | -                                       | -                      |
| Intercollegiate athletics  | 28,932,248              | 30,861,024              | -                                       | -                      |
| Auxiliary enterprises  | 40,401,109              | 45,515,831              | -                                       | -                      |
| GASB 68 pension expense (income) (note 17)   | (393,622,917)           | 349,640,626             | -                                       | -                      |
| GASB 75 OPEB expense (note 18)   | 1,599,200               | 6,985,200               | -                                       | -                      |
| Distributions to The University of New Mexico  | -                       | -                       | 33,536,172                              | 27,572,038             |
| Other operating expenses   | 106,973,092             | 62,029,340              | 21,296,777                              | 22,379,408             |
| <b>Total operating expenses</b>  | <b>\$ 2,088,544,470</b> | <b>\$ 2,704,673,262</b> | <b>\$ 54,832,949</b>                    | <b>\$ 49,951,446</b>   |
| <b>Operating loss</b>  | <b>\$ (38,164,967)</b>  | <b>\$ (790,759,078)</b> | <b>\$ (11,922,118)</b>                  | <b>\$ (13,211,489)</b> |

See accompanying notes to the basic financial statements.

(Continued)



**Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2020 and 2019**

|   | <b>PRIMARY INSTITUTION</b> |                         | <b>DISCRETELY PRESENTED<br/>COMPONENT UNITS</b> |                       |
|---|----------------------------|-------------------------|---|-----------------------|
|   | <b>2020</b>                | <b>2019</b>             | <b>2020</b>                                     | <b>2019</b>           |
| <b>NONOPERATING REVENUES (EXPENSES)</b>           |                            |                         |   |                       |
| State appropriations                              | \$ 334,381,020             | \$ 310,784,779          | \$ -  | \$ -                  |
| Local appropriations                              | 9,349,840                  | 9,170,670               | -   | -                     |
| County mill levies                                | 115,084,816                | 105,794,580             | -   | -                     |
| Federal pell grants                               | 38,300,579                 | 41,212,072              | -   | -                     |
| Federal CARES Act grants                          | 34,901,899                 | -                       | -   | -                     |
| State lottery scholarships                        | 23,254,053                 | 25,366,949              | -   | -                     |
| Gifts   | 34,080,719                 | 29,723,441              | -   | -                     |
| Federal bond subsidy                              | 1,756,026                  | 1,810,878               | -   | -                     |
| Investment income (loss) (note 3)                 | 35,165,710                 | 45,006,539              | (1,168,684)                                     | 11,207,138            |
| Interest on capital asset-related debt            | (17,736,921)               | (20,376,509)            | -   | -                     |
| Loss on disposal of capital assets                | (220,919)                  | (248,652)               | -   | -                     |
| Other nonoperating revenues and expenses, net     | 6,720,916                  | 5,077,772               | (206,361)                                       | (259,115)             |
| <b>Net nonoperating revenues (expenses)</b>       | <b>\$ 615,037,738</b>      | <b>\$ 553,322,519</b>   | <b>\$ (1,375,045)</b>                           | <b>\$ 10,948,023</b>  |
| <b>Income (loss) before capital contributions</b> | <b>\$ 576,872,771</b>      | <b>\$ (237,436,559)</b> | <b>\$ (13,297,163)</b>                          | <b>\$ (2,263,466)</b> |
| Capital appropriations                            | \$ 52,141,538              | \$ 61,522,739           | \$ -  | \$ -                  |
| Contributions to permanent endowments             | -                          | -                       | 9,678,086                                       | 9,606,123             |
| <b>Total capital contributions</b>                | <b>\$ 52,141,538</b>       | <b>\$ 61,522,739</b>    | <b>\$ 9,678,086</b>                             | <b>\$ 9,606,123</b>   |
| <b>Change in net position</b>                     | <b>\$ 629,014,309</b>      | <b>\$ (175,913,820)</b> | <b>\$ (3,619,077)</b>                           | <b>\$ 7,342,657</b>   |
| <b>NET POSITION</b>                               |                            |                         |   |                       |
| Net position at beginning of year                 | 246,376,291                | 422,290,111             | 250,334,142                                     | 242,991,485           |
| <b>Net position at end of year</b>                | <b>\$ 875,390,600</b>      | <b>\$ 246,376,291</b>   | <b>\$ 246,715,065</b>                           | <b>\$ 250,334,142</b> |

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, 2020 and 2019

|  | 2020                    | 2019                    |
|--|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                         |                         |
| Cash received from tuition and fees                                  | \$ 132,998,579          | \$ 134,763,352          |
| Cash received from grants and contracts                              | 308,532,408             | 290,538,377             |
| Cash received from insurance and patients                            | 1,496,967,051           | 1,284,309,138           |
| Cash received from Medicare advance payment plan                     | 86,160,304              | -                       |
| Cash received from sales and services                                | 32,990,612              | 50,055,929              |
| Cash received from auxiliary enterprise charges                      | 30,811,311              | 37,437,807              |
| Cash payments to employees   | (1,253,904,490)         | (1,197,753,270)         |
| Cash payments for benefits   | (247,350,966)           | (235,433,670)           |
| Cash payments to suppliers   | (720,093,365)           | (724,792,024)           |
| Cash payments for utilities  | (36,853,865)            | (38,658,718)            |
| Cash payments for scholarships and fellowships                       | (25,614,154)            | (25,507,101)            |
| Cash payments to State of New Mexico for intergovernmental transfer  | (42,793,530)            | (40,600,000)            |
| Cash payments to State of New Mexico for gross receipts tax          | (24,878,498)            | -                       |
| Loans issued to students   | (2,935,974)             | (341,035)               |
| Collection of loans to students                                      | 1,677,633               | 1,862,763               |
| Other cash receipts (payments)                                       | (46,665,430)            | 17,003,215              |
| <b>Net cash used in operating activities</b>                         | <b>\$ (310,952,374)</b> | <b>\$ (447,115,237)</b> |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>               |                         |                         |
| Cash received from state appropriations                              | \$ 333,712,677          | \$ 309,254,011          |
| Cash received from local appropriations                              | 9,349,840               | 9,170,670               |
| Cash received from county mill levies                                | 114,952,523             | 105,813,827             |
| Cash received from federal pell grants                               | 38,177,956              | 40,897,243              |
| Cash received from federal CARES Act grants                          | 38,519,813              | -                       |
| Cash received from state lottery scholarships                        | 23,254,053              | 25,366,949              |
| Cash received from gifts and the University of New Mexico Foundation | 27,467,820              | 28,324,157              |
| Drawdowns of federal direct loan proceeds                            | 88,516,088              | 97,127,963              |
| Disbursements of federal direct loans to students                    | (88,254,317)            | (94,111,060)            |
| Other nonoperating cash receipts                                     | 6,774,937               | 1,247,105               |
| <b>Net cash provided by noncapital financing activities</b>          | <b>\$ 592,471,390</b>   | <b>\$ 523,090,865</b>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>      |                         |                         |
| Proceeds from bond issuance  | \$ 25,247,830           | \$ -                    |
| Cash received from capital appropriations                            | 50,309,059              | 63,355,728              |
| Cash received from federal bond subsidy                              | 885,646                 | 2,631,025               |
| Cash received from disposal of capital assets                        | 214,823                 | 344,926                 |
| Purchases of capital assets  | (147,280,712)           | (127,384,687)           |
| Principal payments on bonds  | (54,740,000)            | (28,241,811)            |
| Interest payments on bonds   | (20,225,893)            | (22,741,830)            |
| Cash payments for mortgage reserve funds                             | (1,876,653)             | (1,876,920)             |
| Other cash payments  | (9,832,252)             | (5,641,158)             |
| <b>Net cash used in capital and related financing activities</b>     | <b>\$ (157,298,152)</b> | <b>\$ (119,554,727)</b> |

See accompanying notes to the basic financial statements.

(Continued)

## EXHIBIT C

### Statements of Cash Flows for the years ended June 30, 2020 and 2019

|  | 2020                    | 2019                    |
|--|-------------------------|-------------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                         |                         |
| Proceeds from sales and maturities of investments  | \$ 500,804,950          | \$ 199,224,392          |
| Purchases of investments   | (510,147,086)           | (202,892,780)           |
| Distributions from land grant permanent fund and land maintenance fund                   | 11,304,730              | 15,238,920              |
| Investment income  | 18,144,570              | 12,963,252              |
| Investment in Lovelace UNM Rehab Hospital  | 1,272,191               | 1,110,405               |
| Cash withdrawals from 2015 bond reserve fund   | 692,467                 | -                       |
| <b>Net cash provided by investing activities</b>   | <b>\$ 22,071,822</b>    | <b>\$ 25,644,189</b>    |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                              | <b>\$ 146,292,686</b>   | <b>\$ (17,934,910)</b>  |
| Cash and cash equivalents – beginning of year  | 451,855,587             | 469,790,497             |
| <b>Cash and cash equivalents – end of year</b>   | <b>\$ 598,148,273</b>   | <b>\$ 451,855,587</b>   |
| <b>RECONCILIATION OF NET OPERATING LOSS<br/>TO NET CASH USED IN OPERATING ACTIVITIES</b> |                         |                         |
| Operating loss   | \$ (38,164,967)         | \$ (790,759,078)        |
| Adjustments to reconcile net operating loss<br>to net cash used in operating activities  |                         |                         |
| Depreciation expense   | 105,879,799             | 103,613,642             |
| Provision for doubtful accounts  | 105,663,500             | 123,861,778             |
| Changes in assets, deferred outflows, liabilities, and deferred inflows                  |                         |                         |
| Accounts receivable  | (7,817,934)             | (1,828,431)             |
| Patient receivables  | (95,227,074)            | (144,285,862)           |
| Estimated third-party payor settlements receivables                                      | (7,185,667)             | (49,686,122)            |
| Notes receivable   | 1,765,081               | 1,529,626               |
| Inventories  | (963,679)               | 1,075,169               |
| Other assets   | (7,151,896)             | 702,960                 |
| Due from component units   | 1,171,927               | (581,894)               |
| Due to component units   | (380)                   | (29,158)                |
| Accounts payable   | (8,596,378)             | (13,145,580)            |
| Accrued expenses and compensated absences  | (16,738,950)            | 41,082,186              |
| Other current liabilities  | 1,977,468               | 2,386,086               |
| Estimated third-party payor settlements liability  | 27,248,084              | (3,196,673)             |
| Unearned revenue   | 11,997,103              | (233,935)               |
| Medicare advance payment plan  | 86,160,304              | -                       |
| Net pension liability  | (776,495,279)           | 135,411,015             |
| Net OPEB liability   | (28,772,200)            | (5,403,600)             |
| Deferred outflows of resources   | 244,726,557             | 138,166,121             |
| Deferred inflows of resources  | 89,572,207              | 14,206,513              |
| <b>Net cash used in operating activities</b>   | <b>\$ (310,952,374)</b> | <b>\$ (447,115,237)</b> |

See accompanying notes to the basic financial statements.

## BASIC FINANCIAL STATEMENTS

 University of New Mexico Retiree Welfare Benefit Trust  
 Statements of Fiduciary Net Position as of June 30, 2020 and 2019

|   | 2020                 | 2019                 |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| Cash and cash equivalents   | \$ 325,423           | \$ 710,720           |
| Investments   | 43,438,059           | 36,629,816           |
| Interest receivable   | 163                  | 596                  |
| Other current assets  | -                    | 695,881              |
| <b>Total assets</b>   | <b>\$ 43,763,645</b> | <b>\$ 38,037,013</b> |
| <b>LIABILITIES</b>  |                      |                      |
| Accounts payable  | \$ -                 | \$ 695,881           |
| Unsettled transactions  | 244,152              | -                    |
| <b>Total liabilities</b>  | <b>\$ 244,152</b>    | <b>\$ 695,881</b>    |
| <b>NET POSITION</b>   |                      |                      |
| Net position restricted for postemployment benefits other than pensions | \$ 43,519,493        | \$ 37,341,132        |
| <b>Total net position</b>   | <b>\$ 43,519,493</b> | <b>\$ 37,341,132</b> |

See accompanying notes to the basic financial statements.

## BASIC FINANCIAL STATEMENTS

 University of New Mexico Retiree Welfare Benefit Trust  
 Statements of Changes in Fiduciary Net Position for the years ended June 30, 2020 and 2019

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| <b>ADDITIONS</b>   |                      |                      |
| University of New Mexico contributions   | \$ 2,164,082         | \$ 2,215,093         |
| Employee contributions   | 2,164,082            | 2,215,093            |
| Investment income:   |                      |                      |
| Net increase in fair value of investments  | 1,181,301            | 1,497,836            |
| Interest and dividends   | 735,946              | 669,606              |
| Less investment expense  | (63,814)             | (56,357)             |
| Net investment income  | 1,853,433            | 2,111,085            |
| <b>Total additions</b>   | <b>\$ 6,181,597</b>  | <b>\$ 6,541,271</b>  |
| <b>DEDUCTIONS</b>  |                      |                      |
| Administrative expenses  | \$ 3,236             | \$ 5,410             |
| <b>Total deductions</b>  | <b>\$ 3,236</b>      | <b>\$ 5,410</b>      |
| <b>Net increase in net position</b>  | <b>\$ 6,178,361</b>  | <b>\$ 6,535,861</b>  |
| <b>NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS<br/>OTHER THAN PENSIONS</b> |                      |                      |
| Net position at beginning of year  | 37,341,132           | 30,805,271           |
| <b>Net position at end of year</b>   | <b>\$ 43,519,493</b> | <b>\$ 37,341,132</b> |

See accompanying notes to the basic financial statements.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (1) Creation and Purpose of Entity

The University of New Mexico (the University or UNM) was founded in 1889 and 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 (State) 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, and its financial data is included with the financial data in the State'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.

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

#### (A) Basis of Presentation

The University and its component units present their financial statements in accordance with U.S. generally accepted accounting principles as prescribed in applicable pronouncements of the Governmental Accounting Standards Board (GASB). The statement presentation required by GASB Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34*, provides a comprehensive entity-wide perspective of the University's assets, liabilities, and net position, revenues, expenses and changes in net position, and cash flows.

GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Determining Whether Certain Organizations Are Component Units*, GASB Statement 61, *The Financial Reporting Entity: Omnibus*, and GASB Statement 80, *Blending Requirements for Certain Component Units*, provides guidance in determining whether certain organizations are component units and the presentation of these component units in the financial statements. Criteria for determining whether related organizations are component units include the following circumstances:

- Appointment of a voting majority of an organization's governing authority and the ability of the University to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the University, or;
- An organization is fiscally dependent on the University and provides specific financial benefits to, or imposes specific financial burdens on, the University, or;
- It is determined that it would be misleading to exclude the related organization from the University's financial statements because of the nature of the entity or because the entity is closely related to or financially integrated with the University.

Component units that are blended generally include those in which 1) the component unit provides services entirely, or almost entirely, to the University or otherwise exclusively, or almost exclusively, benefits the University, 2) the component unit's governing body is substantively the same as the governing body of the University and there is either a financial benefit or burden relationship between the University and the component unit or management of the University has operational responsibility for the component unit, or 3) the University is the sole corporate member of the component unit. Based on the criteria set forth in GASB Statements 14, 39, 61, and 80, the entities presented below have been determined to be component units of the University. Summary financial statement information for the blended and discretely presented component units is provided in schedules 5 through 14.



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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### **Blended Component Units**

- **STC.UNM**

STC.UNM (formerly known as Science & Technology Corporation @ UNM) is a nonprofit corporation formed under the auspices of the 1989 New Mexico University Research Park Act and the New Mexico Nonprofit 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 was determined to be a component unit, because it is fiscally dependent on the University. STC.UNM, 101 Broadway Blvd. NE, Suite 1100, Albuquerque, NM 87102.

- **Lobo Development Corporation**

Lobo Development Corporation (LDC) was established in October 2007, under the State of New Mexico's University Research Park and Economic Development Act. LDC was established to benefit UNM's Regents in the management and development of University-owned real estate. The activities of LDC include the acquisition, development, disposition, and rental of University real estate. LDC was determined to be a component unit, because the University appoints a voting majority of LDC's board and is able to impose its will on LDC. Lobo Development Corporation, 801 University Blvd. SE, Suite 207, Albuquerque, NM 87106.

- **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. LEI was determined to be a component unit, because the University appoints a voting majority of LEI's board and is able to impose its will on LEI. Lobo Energy, Inc., 800 Bradbury Dr. SE, Suite 216, Albuquerque, NM 87106.

- **University of New Mexico Medical Group**

University of New Mexico Medical Group (UNMMG) is a nonprofit corporation that was organized to promote, advance, and support the clinical, scientific, educational, research, and charitable purposes of the School of Medicine (SOM) and the University of New Mexico Health Sciences Center (HSC). UNMMG was determined to be a component unit, because the University appoints a voting majority of UNMMG's board and is able to impose its will on UNMMG. University of New Mexico Medical Group, 933 Bradbury Street SE, Suite 2222, Albuquerque, NM 87106.

- **Sandoval Regional Medical Center**

Sandoval Regional Medical Center (SRMC) is a teaching hospital located in Sandoval County that was formed by the UNM Regents in August 2009 and is a New Mexico nonprofit corporation organized under and pursuant to the New Mexico University Research Park and Economic Development Act. SRMC was determined to be a component unit, because the University appoints a voting majority of SRMC's board and is able to impose its will on SRMC. Sandoval Regional Medical Center, 3001 Broadmoor Blvd. NE, Rio Rancho, NM 87144.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

- **Innovate ABQ, Inc.**

Innovate ABQ, Inc. is a nonprofit corporation established under the provisions of the New Mexico Nonprofit Corporation Act and the State of New Mexico University Research Park and Economic Development Act and is operated exclusively for charitable, scientific, and educational purposes under Section 501(c)(3) of the IRC. Innovate ABQ, Inc., a public/private partnership, is a research and high technology business district located between the main University campus and downtown Albuquerque, New Mexico that serves as a catalyst for a new innovation economy in New Mexico and other educational initiatives for the University. Innovate ABQ was determined to be a component unit, because the University appoints a voting majority of Innovate ABQ's board and is able to impose its will on Innovate ABQ. Innovate ABQ, Inc., 801 University Blvd. SE, Suite 207, Albuquerque, NM 87106.

### **Discretely Presented Component Units**

- **The University of New Mexico Foundation, Inc.**

The University of New Mexico Foundation, Inc. (Foundation) is a nonprofit corporation, organized to solicit, receive, hold, invest, and transfer funds for the benefit of the University of New Mexico. The majority of the University's investments are managed by the Foundation. The Foundation was determined to be a component unit, because University management concluded that it would be misleading to exclude it. The University of New Mexico Foundation, Inc., Two Woodward Center, 700 Lomas Blvd. NE, Suite 203, Albuquerque, NM 87131.

- **The Robert O. Anderson Schools of Management Foundation**

The Robert O. Anderson Schools of Management Foundation (ASMF) is a nonprofit corporation organized in 1971 to promote continued education to the business community. ASMF provides professional workshops, seminars, guest symposiums, a master's degree program and funding for various faculty fellowships, research grants, and student scholarships. ASMF was determined to be a component unit, because University management concluded that it would be misleading to exclude it. The University of New Mexico, The Robert O. Anderson Schools of Management Foundation, MSC05 3090, 1924 Las Lomas NE, Albuquerque, NM 87131.

- **University of New Mexico Lobo Club**

The University of New Mexico Lobo Club (Club) is a nonprofit corporation established to operate as a fund-raising entity in support of the athletic programs at the University. The Club was determined to be a component unit, because University management concluded that it would be misleading to exclude it. The University of New Mexico Lobo Club, Department of Athletics, MSC04 2680, 1 University of New Mexico, Albuquerque, NM 87131.

- **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 Association was determined to be a component unit, because it is fiscally dependent on the University. The University of New Mexico Alumni Association at Hodgkin Hall, Albuquerque, NM 87131.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### **Fiduciary Fund**

- **University of New Mexico Retiree Welfare Benefit Trust**

The University of New Mexico Retiree Welfare Benefit Trust (VEBA Trust) is a voluntary employees' beneficiary association (VEBA) trust that is tax-exempt under Section 501(c)(9) of the Internal Revenue Code (IRC) and is presented as a fiduciary fund in the University's financial statements. The VEBA Trust was established to provide a funding vehicle to which participants and the University contribute to prefund, in part, the cost of other postemployment benefits (OPEB) for eligible retirees of the University.

The University's basic financial statements also include the University of New Mexico Hospital (Hospital) and the University of New Mexico Behavioral Health Operations (BHO), whose operations are summarized to be compatible with University reporting; these operations are not legally separate entities and, therefore, are operating as divisions of the University. The Hospital and BHO, when combined with SRMC, UNMMG, and the University's School of Medicine, College of Nursing, College of Pharmacy, and College of Population Health are referred to as the University of New Mexico Health Sciences Center (HSC) and are included in the primary institution financial statement information.

The Hospital, BHO, and the component units have separately audited financial statements, which can be obtained at their separate administrative offices.

### *(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.

### *(C) Significant Accounting Policies*

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows and inflows of resources and disclosure of contingent assets, liabilities, and deferred outflows and inflows of resources 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.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

Patient receivables: The Hospital, BHO, SRMC, and UNMMG receive payments 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 other payor category includes United States Public Health Service, self-pay, counties, and other government agencies. Progressive percentages are reserved beginning at 90 days for all payors, ramping up to 100% fully reserved at 210 days. Self-pay receivables are fully reserved after 30 days when they are referred to internal collections, and they are charged off when they are deemed uncollectible and are turned over to a collection agency. The following summarizes the percentage of gross patient receivables from all payors as of June 30:

|                          | <u>2020</u> | <u>2019</u> |
|--------------------------|-------------|-------------|
| Medicare and Medicaid    | 56%         | 53%         |
| Other third-party payors | 32%         | 30%         |
| Others                   | 12%         | 17%         |
|                          | <u>100%</u> | <u>100%</u> |

Investments: The University measures and records its investments at fair value. GASB Statement 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the case of pooled funds or mutual funds, the fair value is determined as the number of units held in the fund multiplied by the price per unit share as publicly quoted. Within the Consolidated Investment Fund (CIF), the alternative investments are valued as reported by the general partners and fund managers. Management reviews and evaluates the valuation received from third parties and believes the carrying amount to be a reasonable estimate of fair value. As limited partnerships investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. The income from the University's interest in the Land Grant Permanent Fund, which interests are managed by the New Mexico State Investment Council, is distributed monthly to the University. Additional information about investments and their fair value is provided in note 3.

The endowment spending policy provides that the total annual distribution of spendable income to each unit of the CIF, a unitized investment pool, shall not exceed 6% nor be less than 4% 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 20 quarters. The target annual distribution rate shall be 5% of the average unit market value. If, in any given 20-quarter rolling period, total return is less than target annual distribution, actual distribution shall not be less than 4% of the average unit market value for such 20-quarter rolling period. If in any 20-quarter rolling period the distribution exceeds 5% of the current market value, the CIF 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 movable 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.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

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 a range of 3 to 15 years for equipment. Loaned equipment from private and federal sources is not owned by the University, and is not an asset. This equipment is monitored by the University and totals \$765,157 and \$771,156 at June 30, 2020 and 2019, respectively.

As an institute of higher education in existence for over 100 years, the University 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 deaccessioning. However, because of their invaluable and irreplaceable nature, these collections are not recorded as capital assets but are reported as other noncurrent assets in the statements of net position.

**Bonds Payable:** Bonds payable are special obligations of the Regents of the University and do not constitute a debt or liability of the State of New Mexico or any political subdivision thereof. Each bond is secured, as described in the applicable trust indentures, by certain pledged revenues, representing certain revenues of the Regents after the payment of certain operating and maintenance expenses and pre-existing debt service obligations. The issuance of the bonds does not directly, indirectly, or contingently obligate the state or any political subdivision to levy any form of taxation or to make any appropriation for their payment. The Regents do not have taxing power.

The University issues fixed and variable rate bonds. The rate on the fixed rate bonds is set at bond closing. The variable rate bonds bear interest at a weekly rate until maturity or earlier redemption. For bonds that pay weekly rates, the remarketing agent for each bond issue establishes the weekly rate according to each indenture's remarketing agreement. The weekly rates are communicated to the various bond trustees for preparation of debt service payments. The weekly rate, as set by the remarketing agent, allows the bonds to trade in the secondary market at a price equal to 100% of the principal amount outstanding, with each rate not exceeding maximum rates permitted by law.

Variable rate bonds have an assumed Standby Purchase Agreement (SBPA), which states that the issuer of the SBPA will purchase the bonds in the event the remarketing agent is unsuccessful in marketing the bonds. In this event, the interest rate paid by the University will be calculated using a defined rate from the SBPA. If the bonds remain unsold for a period of time, designated in the SBPA, they are deemed to be "bank bonds" and the University will be required to repurchase the bonds from the SBPA issuer.

**Derivatives:** The University follows GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments*. Derivatives are financial arrangements used to manage or hedge specific risks or to make investments. Changes in fair value for those derivative instruments that meet the criteria for hedging instruments under GASB Statement 53 are reported as deferred inflows and outflows of resources. Changes in fair value of investment derivative instruments, which are ineffective hedging instruments, are reported as a component of investment income.

The University has entered into interest rate swap agreements with rated swap counter parties in order to utilize synthetic fixed rate structures in order to generate cash flow savings and to hedge against interest rate risk. By entering into a swap agreement, the University hedges its interest rate exposure on the associated variable rate bonds. With the exception of two swaps that are considered investments, the swaps are considered hedging derivatives. Additional information about the swap agreements is provided in note 13.

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

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the VEBA Trust and additions to/deductions from the VEBA Trust's fiduciary net position have been determined on the same basis as they are reported by the VEBA Trust. For this purpose, the VEBA Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Annual leave plan: Employees are allowed to accumulate 252 hours of annual 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 upon retirement or death, not to exceed 1,040 hours. Also under the revised plan, employees hired prior to August 1, 2017 are entitled to receive cash payments, at a rate equal to 50% of the employee's hourly wage, for accumulated unused sick leave exceeding 600 hours for full-time employees, 450 hours for employees with a FTE between 0.75 and full-time, and 300 hours for employees with a FTE between 0.5 and 0.75, up to 120 hours per fiscal year. Upon retirement or death, employees are paid, at a rate equal to 50% of the employee's hourly wage, for accumulated unused sick leave exceeding 600 hours for full-time employees, 450 hours for employees with a FTE between 0.75 and full-time, and 300 hours for employees with a FTE between 0.5 and 0.75, not to exceed 440 hours.

Net position:

*Net investment in capital assets* represents 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 net investment in capital assets. Unspent bond proceeds for the University were \$17,181,108 and \$44,538,192 at June 30, 2020 and 2019, respectively. The Hospital and SRMC had no unspent bond proceeds at June 30, 2020 and 2019, respectively. Unamortized prepaid bond insurance for the University was \$228,442 and \$237,160 at June 30, 2020 and 2019, respectively.

*Restricted net position* represents those operating funds on which external restrictions have been imposed that limit the purposes for which such funds can be used. *Restricted expendable* net position is resources that the University is legally or contractually obligated to spend in accordance with imposed restrictions by third parties. *Restricted nonexpendable* net position consists 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 position*, which may contain multiple year contractual commitments, consists 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: Revenues are classified as operating or nonoperating 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.

*Nonoperating revenues* include activities that have the characteristics of nonexchange transactions, such as a) appropriations, b) gifts, c) investment income, and d) mill levy. These revenue streams are recognized under GASB



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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

Statement 33, *Accounting and Financial Reporting for Nonexchange 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 collected by the 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 position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on 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 service 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 clinical operations provide care to patients who meet certain criteria under its charity care policy without expectation of payment or at amounts less than established rates. The clinical operations do not pursue collection of amounts determined to qualify as charity care with the exception of copayments. Charity care is treated as a deduction from gross 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.

Unearned revenue consists primarily of advances from contracts and grants, prepayments of tuition and fees for the summer semester, and prepayments of tickets to public and athletic events.

Expenses: Expenses are classified as operating or nonoperating 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.

*Nonoperating expenses* include interest on capital asset-related debt and bond expenses that are defined as nonoperating expenses by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

### (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 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).

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

As part of a state institution of higher education, the income of the Hospital and BHO is generally excluded from federal and state income taxes under IRC Section 115. However, income generated from activities unrelated to these entities' exempt purpose is subject to income taxes under IRC Section 511(a)(2)(B).

STC.UNM, Innovate ABQ, Inc., Lobo Development Corporation, Lobo Energy, Inc., UNM Medical Group, Inc., and UNM Sandoval Regional Medical Center, Inc. are exempt from federal income tax on income related to their exempt purposes under Section 501(a) of the IRC as organizations described in Section 501(c)(3) of the IRC. The University of New Mexico Retiree Welfare Benefit Trust is exempt from federal income tax under Section 501(c)(9) of the IRC.

### (E) *Joint Powers Agreements*

- (1) The Regents of The University of New Mexico and the Board of County Commissioners of the County of Bernalillo entered into a lease agreement for operation and lease of county healthcare facilities, effective July 1, 1999, amended June 2004 and terminating June 20, 2040. The purpose of the agreement is to operate and maintain UNM Hospital and UNM Behavioral Health Operations in accordance with the provisions of the Hospital Funding Act for the term of the agreement. The agreement continues in force until rescinded or terminated by either party. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.
- (2) The University has entered into Joint Powers Agreements with fifty-two (52) Municipal School Districts (the Districts) throughout the State of New Mexico. The University and the Districts have formed an organization for promoting their mutual educational purposes known as the New Mexico Research and Study Council (Council). The purpose of this agreement is to create a mechanism by which the Districts can jointly and cooperatively undertake any activities in their function of providing public educational services. The University has entered into this agreement in order to facilitate such joint activities. This agreement remains in force until terminated. The Council may be terminated by a two-thirds vote of all current parties. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.
- (3) The Regents of the University of New Mexico, the Regents of New Mexico State University, and the Regents of the New Mexico Institute of Mining and Technology entered into an agreement to form the New Mexico University Research Consortium (NMURC) effective May 4, 2006. The purpose of the Research Consortium is to promote statewide cooperation in attracting research resources to New Mexico, managing them for the state's higher education research facilities, other New Mexico research facilities and for the benefit of New Mexico economic development. The agreement continues in force indefinitely. Any party may choose to withdraw with 60 days' written notice. At such time, the remaining parties have 45 days to agree to maintain the NMURC or the Joint Powers Agreement will terminate on the date of withdrawal. Each party shall bear its own cost for participating in the NMURC and may elect to make contributions from its funds to or to make payments on behalf of the NMURC. The agreement does not create any obligation for the parties to transfer any funds to the NMURC. The parties shall ensure that all receipts and disbursements of the NMURC are subject to annual audit, either as part of the annual audit of one of the parties, or independently. There is no specific amount estimated since the agreement describes an ongoing relationship.
- (4) The University of New Mexico Natural Heritage Program (NHP) and the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) entered into a Joint Powers Agreement effective August 8, 2005, amended on April 28, 2008 and December 20, 2010. EMNRD's Rare and Endangered Plant Program often receives federal grants to develop projects that require botanical field research, greenhouse studies, and data management. NHP, as a branch of the UNM-Southwest Museum of Biology, maintains the only comprehensive database for New Mexico rare and endangered plant species and is capable of providing professional field and research assistance, greenhouse access, and data management. The purpose of the agreement is for administrative efficiency so that the projects can be carried out through a single program. The agreement continues indefinitely unless earlier terminated by one or both parties. The University of New Mexico Natural Heritage Program acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

- (5) The Regents of the University of New Mexico and the Board of Education of Albuquerque Public Schools, District No. 12 entered into a Joint Powers Agreement concerning the ownership and operation of an educational television facility known as KNME-TV with an effective date of September 16, 1968, amended April 1978. The purpose of the agreement is to make a useful and beneficial educational facility available to both parties over an extended period of time. The agreement continues for an indefinite term and may be terminated upon a) mutual agreement of the parties, b) continued inability of one party to perform its obligations, or c) inadequacy of the facility to fulfill the educational television needs of both parties accompanied by the expressed desire of either party to terminate. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.

(F) *Reclassifications*

Certain 2019 amounts have been reclassified in order to be consistent with the 2020 presentation. For 2019, GASB 68 pension expense totaling \$349,640,626 and GASB 75 OPEB expense totaling \$6,985,200, which had previously been allocated to the functional expense categories on the statements of revenues, expenses, and changes in net position, have been reclassified to separate line items in order to be consistent with the 2020 presentation and provide better comparability of the expense categories.

(G) *Impact of Recently Issued Accounting Standards*

- (1) GASB Statement 84 – *Fiduciary Activities*. This Statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. It describes four fiduciary funds that should be reported, if applicable: 1) pension (and other employee benefit) trust funds, 2) investment trust funds, 3) private-purpose trust funds, and 4) custodial funds. In light of the COVID-19 pandemic, GASB issued Statement 95, which postpones the effective date of GASB Statement 84 by one year. Therefore, GASB Statement 84 is effective for periods beginning after December 15, 2019 (fiscal year 2021), and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 84 will have on its financial statements.
- (2) GASB Statement 87 – *Leases*. This Statement defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (e.g., buildings, land, vehicles, equipment) as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources (revenues) or outflows of resources (expenses) based on the payment provisions of the contract. A lessee is required to recognize a lease liability, measured at the present value of payments expected to be made during the lease term, and an intangible right-to-use lease asset, measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lessor is required to recognize a lease receivable, measured at the present value of lease payments expected to be received during the lease term, and a deferred inflow of resources, measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. This Statement includes an exception for short-term leases (those with a maximum possible term of 12 months or less), contracts that transfer ownership, leases of assets that are investments, and certain regulated leases. In light of the COVID-19 pandemic, GASB issued Statement 95, which postpones the effective date of GASB Statement 87 by 18 months. Therefore, GASB Statement 87 is effective for periods beginning after June 15, 2021 (fiscal year 2022), and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 87 will have on its financial statements.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

- (3) GASB Statement 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. In light of the COVID-19 pandemic, GASB issued Statement 95, which postpones the effective date of GASB Statement 89 by one year. Therefore, GASB Statement 89 is effective for periods beginning after December 15, 2020 (fiscal year 2022), and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 89 will have on its financial statements.
- (4) GASB Statement 90 – *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. In light of the COVID-19 pandemic, GASB issued Statement 95, which postpones the effective date of GASB Statement 90 by one year. Therefore, GASB Statement 90 is effective for periods beginning after December 15, 2019 (fiscal year 2021), and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 90 will have on its financial statements.
- (5) GASB Statement 91 – *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. In light of the COVID-19 pandemic, GASB issued Statement 95, which postpones the effective date of GASB Statement 91 by one year. Therefore, GASB Statement 91 is effective for periods beginning after December 15, 2021 (fiscal year 2023), and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 91 will have on its financial statements.
- (6) GASB Statement 93 – *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) — most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021 (fiscal year 2022). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020 (fiscal year 2021). Earlier application is encouraged. In light of the COVID-19 pandemic, GASB issued Statement 95, which postpones the effective date of paragraphs 13 and 14, related to lease modifications, of GASB Statement 93 to fiscal years beginning after June 15, 2021 (fiscal year 2022).

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (3) Cash, Cash Equivalents, and Investments

#### (A) Cash and Cash Equivalents

The primary institution's cash accounts are held in demand and time deposits at various financial institutions and had carrying amounts totaling \$594,330,239 and \$406,843,126 at June 30, 2020 and 2019, respectively. New Mexico statutes require financial institutions to pledge qualifying collateral to the primary institution to cover at least 50% of uninsured deposits. All collateral is held by third parties in safekeeping. The primary institution is at risk to the extent that its funds are uninsured or uncollateralized. These amounts are invested in overnight sweep accounts and are collateralized at 102% of the invested balance. At June 30, 2020 and 2019, these funds were collateralized by government agency securities held in the primary institution's name, or a letter of credit (LOC) issued by the Federal Reserve. At June 30, 2020 and June 30, 2019, the total primary institution's deposits were fully insured and/or collateralized.

During FY20, the primary institution swept excess checking balances into overnight commercial paper issued by U.S. Bank. At June 30, 2020, this cash equivalent had a carrying amount of \$90,775,586 and is subject to custodial credit risk. Also, the University used an overnight interest-bearing cash sweep account to invest excess checking balances. At June 30, 2020, this cash equivalent had a carrying value of \$70,734,751 and is 100% FDIC insured. Therefore, it is not subject to custodial credit risk.

During FY18 and FY17, the primary institution invested bond proceeds to be used for future capital projects in a guaranteed investment contract held at another financial institution. This cash equivalent had a carrying amount of \$3,818,034 and \$45,012,461 at June 30, 2020 and 2019, respectively, and is subject to custodial credit risk.

A summary of cash and cash equivalents at June 30, 2020 and 2019 is as follows:

|   | <u>2020</u>           | <u>2019</u>           |
|---|-----------------------|-----------------------|
| Demand and time deposits  | \$ 427,485,485        | \$ 351,905,702        |
| Commercial paper  | 161,510,337           | 49,988,365            |
| Guaranteed investment contracts                                   | 3,818,034             | 45,012,461            |
| Money markets   | 6,352,669             | 7,132,532             |
| VEBA Trust  | 325,423               | 710,720               |
| Other (includes petty cash and component units' cash held by UNM) | (1,018,252)           | (2,183,473)           |
|   | <u>\$ 598,473,696</u> | <u>\$ 452,566,307</u> |

The discretely presented component units' cash accounts held in demand and time deposits at various institutions had carrying amounts totaling \$18,467,575 and \$14,135,460 at June 30, 2020 and 2019, respectively. Certain amounts are invested in overnight sweep accounts and are collateralized at various levels of the invested balance. At June 30, 2020 and 2019, these funds were collateralized by government-backed securities held in the component unit's name. At June 30, 2020 and June 30, 2019, the total discretely presented component units' public deposits were fully insured and/or collateralized.



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (B) Investments

University investments are grouped into three major categories for financial reporting purposes: Temporary investments, the CIF, and other long-term investments. Temporary investments are primarily funds available for current operations. Under the University's investment policies, temporary investment funds may be invested in the following instruments:

- Money market funds
- Certificates of deposit (fully insured by the Federal Deposit Insurance Corporation [FDIC])
- Commercial paper
- Bankers' acceptances
- U.S. government agencies
- Corporate bonds (minimum BBB/Baa2 rating or better) per issue
- Industrial floaters
- U.S. Treasuries
- Municipal bonds — both taxable and tax-exempt (minimum A/A2 rating or better) per issue
- Global fixed-income securities: non-dollar denominated securities

Temporary investments also include unspent bond proceeds that are dedicated to various facilities construction projects on campus. Bond proceeds may be invested in all of the securities allowed for temporary funds, as well as Repurchase Agreements and Guaranteed Investment Contracts (GICs). Such construction projects are reported as capital assets in the accompanying statements of net position (note 6). The bond obligations are reported as bonds payable in the accompanying statements of net position (notes 12 and 13).

Long-term investments primarily consist of debt service, debt service reserve, and plant renewal and replacement funds. Bond obligations are reported as bonds payable in the accompanying statements of net position (notes 12 and 13).

The CIF is a unitized internal investment pool consisting of gifted endowment funds of the University and gifted endowment funds of the UNM Foundation. The CIF operates with a long-term investment goal of preserving and maintaining the real purchasing power of the principal while allowing for an annual distribution. The investment of the CIF 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, the endowment assets of UNM and the UNM Foundation are commingled for investment purposes, whenever possible, in the CIF. The investment of UNM and the UNM Foundation endowment funds is in accordance with Sections 6-8-10 and 46-9-12, NMSA 1978. At June 30, 2020 and 2019, UNM's portion of the CIF was \$218,570,808 and \$230,020,678, respectively.

### Consolidated Investment Fund

|                           | 2020             | 2019             |
|---------------------------|------------------|------------------|
| Units:                    |                  |                  |
| UNM Foundation            | 554,555          | 561,038          |
| University of New Mexico  | 536,184          | 561,401          |
|                           | <u>1,090,739</u> | <u>1,122,439</u> |
| Fair Value (in millions): |                  |                  |
| UNM Foundation            | \$ 226.0         | \$ 229.9         |
| University of New Mexico  | 218.6            | 230.0            |
|                           | <u>\$ 444.6</u>  | <u>\$ 459.9</u>  |



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

Total primary institution investments by type at June 30, 2020 and 2019 are as follows:

|   | Temporary<br>Investments | Consolidated<br>Investment Fund | Other Long-Term<br>Investments | VEBA Trust           | Fair Value            |
|---|--------------------------|---------------------------------|--------------------------------|----------------------|-----------------------|
| <b>Primary Institution 2020</b>   |                          |                                 |                                |                      |                       |
| Money Market  | \$ 11,538,505            | \$ 14,447,412                   | \$ 15,083,228                  | \$ 534,388           | \$ 41,603,533         |
| Guaranteed Investment Contract  | 3,818,034                | -                               | -                              | -                    | 3,818,034             |
| U S Government Agencies   | 76,805,490               | -                               | -                              | -                    | 76,805,490            |
| Corporate Bonds/Notes   | 120,371,705              | -                               | 40,131,095                     | -                    | 160,502,800           |
| Corporate Fixed Income  | -                        | -                               | 2,826,587                      | -                    | 2,826,587             |
| Municipal Bonds   | 6,458,441                | -                               | -                              | -                    | 6,458,441             |
| Mutual Funds — Equity/Fixed   | -                        | 262,431,584                     | 2,926,517                      | 40,305,739           | 305,663,840           |
| Mutual Funds — Closed-end Equity  | -                        | -                               | -                              | 2,597,932            | 2,597,932             |
| Equity  | 6,738,199                | -                               | -                              | -                    | 6,738,199             |
| Exchange-Traded Funds   | 1,783,006                | 3,017,379                       | 971,166                        | -                    | 5,771,551             |
| Alternative Investments   | -                        | 164,734,434                     | -                              | -                    | 164,734,434           |
| U S Treasury Securities   | 232,092,097              | -                               | 41,313,808                     | -                    | 273,405,905           |
|   | <b>459,605,477</b>       | <b>444,630,809</b>              | <b>103,252,401</b>             | <b>43,438,059</b>    | <b>1,050,926,746</b>  |
| Guaranteed Investment Contract (cash equivalent)  | (3,818,034)              | -                               | -                              | -                    | (3,818,034)           |
| University of New Mexico Foundation, Inc<br>Investments held in Consolidated<br>Investment Fund | -                        | (226,060,000)                   | -                              | -                    | (226,060,000)         |
| <b>Total Investments</b>  | <b>\$ 455,787,443</b>    | <b>\$ 218,570,809</b>           | <b>\$ 103,252,401</b>          | <b>\$ 43,438,059</b> | <b>\$ 821,048,712</b> |
| <b>Primary Institution 2019</b>   |                          |                                 |                                |                      |                       |
| Money Market  | \$ 10,798,324            | \$ 5,890,138                    | \$ 31,828,256                  | \$ 357,435           | \$ 48,874,153         |
| Guaranteed Investment Contract  | -                        | -                               | 45,012,461                     | -                    | 45,012,461            |
| U S Government Agencies   | 77,234,609               | -                               | 3,415,440                      | -                    | 80,650,049            |
| Corporate Bonds/Notes   | 131,536,928              | -                               | 5,413,747                      | -                    | 136,950,675           |
| Municipal Bonds   | 7,689,699                | -                               | 734,241                        | -                    | 8,423,940             |
| Mutual Funds — Equity/Fixed   | 81,049                   | 7,056,601                       | -                              | 32,616,196           | 39,753,846            |
| Mutual Funds — Closed-end Equity  | 364,803                  | 110,795,078                     | -                              | 2,673,895            | 113,833,776           |
| Equity  | -                        | -                               | 35,070,488                     | -                    | 35,070,488            |
| Exchange-Traded Funds   | 315,939                  | -                               | 3,597,979                      | -                    | 3,913,918             |
| Alternative Investments   | -                        | 336,150,533                     | -                              | 982,290              | 337,132,823           |
| U S Treasury Securities   | 207,007,050              | -                               | 17,737,880                     | -                    | 224,744,930           |
|   | <b>435,028,401</b>       | <b>459,892,350</b>              | <b>142,810,492</b>             | <b>36,629,816</b>    | <b>1,074,361,059</b>  |
| Guaranteed Investment Contract (cash equivalent)  | -                        | -                               | (45,012,461)                   | -                    | (45,012,461)          |
| University of New Mexico Foundation, Inc<br>Investments held in Consolidated<br>Investment Fund | -                        | (229,871,672)                   | -                              | -                    | (229,871,672)         |
| <b>Total Investments</b>  | <b>\$ 435,028,401</b>    | <b>\$ 230,020,678</b>           | <b>\$ 97,798,031</b>           | <b>\$ 36,629,816</b> | <b>\$ 799,476,926</b> |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

Total discretely presented component unit investments by type at June 30, 2020 and 2019 are as follows:

|   | Temporary<br>Investments | Consolidated<br>Investment Fund | Other Long-Term<br>Investments | Fair Value            |
|---|--------------------------|---------------------------------|--------------------------------|-----------------------|
| <b><i>Discretely Presented Component Units 2020</i></b> |                          |                                 |                                |                       |
| Money Market  | \$ -                     | \$ 7,345,379                    | \$ -                           | \$ 7,345,379          |
| U.S. Government Obligations                             | 1,017,011                | -                               | 2,318,256                      | 3,335,267             |
| Mortgage-/Asset-Backed Bonds                            | -                        | -                               | 660,981                        | 660,981               |
| Corporate Bonds/Notes                                   | 729,132                  | -                               | -                              | 729,132               |
| Municipal Bonds   | -                        | -                               | 3,112,459                      | 3,112,459             |
| Mutual Funds — Equity/Fixed                             | 1,847,783                | 133,425,943                     | 338,737                        | 135,612,463           |
| Equity  | 5,897,021                | -                               | 125,303                        | 6,022,324             |
| Alternative Investments                                 | 1,109,432                | 85,288,678                      | 24,341                         | 86,422,451            |
| <b>Total Investments</b>                                | <b>\$ 10,600,379</b>     | <b>\$ 226,060,000</b>           | <b>\$ 6,580,077</b>            | <b>\$ 243,240,456</b> |

|   | Temporary<br>Investments | Consolidated<br>Investment Fund | Other Long-Term<br>Investments | Fair Value            |
|---|--------------------------|---------------------------------|--------------------------------|-----------------------|
| <b><i>Discretely Presented Component Units 2019</i></b> |                          |                                 |                                |                       |
| Money Market  | \$ -                     | \$ 2,944,315                    | \$ -                           | \$ 2,944,315          |
| U.S. Government Obligations                             | 797,235                  | -                               | 2,258,695                      | 3,055,930             |
| Mortgage-/Asset-Backed Bonds                            | 829,174                  | -                               | -                              | 829,174               |
| Corporate Bonds/Notes                                   | 704,364                  | -                               | -                              | 704,364               |
| Municipal Bonds   | -                        | -                               | 3,249,509                      | 3,249,509             |
| Mutual Funds — Equity/Fixed                             | 421,019                  | 58,906,747                      | 527,250                        | 59,855,016            |
| Mutual Funds — Closed End                               | 1,412,093                | -                               | -                              | 1,412,093             |
| Equity  | 6,573,026                | -                               | 567,095                        | 7,140,121             |
| Alternative Investments                                 | 476,891                  | 168,020,809                     | 55,887                         | 168,553,587           |
| <b>Total Investments</b>                                | <b>\$ 11,213,802</b>     | <b>\$ 229,871,871</b>           | <b>\$ 6,658,436</b>            | <b>\$ 247,744,109</b> |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

**Additional Risk Disclosures for Investments** – GASB Statements 3 and 40 require certain additional disclosures related to the risks of custodial credit, interest rates, credit, foreign currency, and concentration of credit associated with deposits and investments.

**Custodial Credit Risk** — 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 investment or collateral securities that are in possession of an outside party. Mutual funds and external investment pools are not exposed to custodial credit risk. The University does not have a policy concerning custodial credit risk on investments.

At June 30, 2020 and 2019, the primary institution had no exposure to custodial credit risk with the exception of the Guaranteed Investment Contracts as previously mentioned in the Cash and Cash Equivalents section. At June 30, 2020 and 2019, the discretely presented component units had exposure to custodial credit risk in the amounts of \$14,983,797 and \$8,695,543, respectively.

**Interest Rate Risk** — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates. The University does have policies to mitigate exposure to interest rate risk by prohibiting certain high-risk investments and investment practices and by establishing duration and maturity guidelines for investments. A summary of the investments at June 30, 2020 and 2019 and their exposure to interest rate risk are as follows:

| <i>Primary Institution 2020</i>                  |           | Fair Value         | Investment Maturities |                       |                      |                       |
|--|-----------|--------------------|-----------------------|-----------------------|----------------------|-----------------------|
|  |           |                    | Less than 1 Year      | 1—5 Years             | 6—10 Years           | Greater than 10 Years |
| <b>Items subject to interest rate risk:</b>      |           |                    |                       |                       |                      |                       |
| Money Market                                     | \$        | 26,519,766         | \$ 11,538,505         | \$ -                  | \$ 14,446,873        | \$ 534,388            |
| Guaranteed Investment Contract                   |           | 3,818,034          | 3,818,034             | -                     | -                    | -                     |
| U.S. Treasury Securities                         |           | 273,405,905        | 232,092,097           | 41,313,808            | -                    | -                     |
| U.S. Government Agencies                         |           | 12,719,626         | 251,607               | 12,468,019            | -                    | -                     |
| Corporate Bonds/Notes                            |           | 160,502,800        | 120,371,705           | 40,131,095            | -                    | -                     |
| Municipal Bonds                                  |           | 6,458,441          | 284,281               | 6,174,160             | -                    | -                     |
| Mutual Funds — Fixed                             |           | 54,705,448         | -                     | -                     | 54,705,448           | -                     |
|  | <u>\$</u> | <u>538,130,020</u> | <u>\$ 368,356,229</u> | <u>\$ 100,087,082</u> | <u>\$ 69,152,321</u> | <u>\$ 534,388</u>     |
| <b>Items not subject to interest rate risk:</b>  |           |                    |                       |                       |                      |                       |
| Money Market                                     | \$        | 15,083,767         |                       |                       |                      |                       |
| Mutual Funds — Equity/Fixed                      |           | 253,556,324        |                       |                       |                      |                       |
| Equity   |           | 6,738,199          |                       |                       |                      |                       |
| Exchange-Traded Funds                            |           | 5,771,551          |                       |                       |                      |                       |
| Alternative Investments                          |           | 164,734,434        |                       |                       |                      |                       |
| Corporate Fixed Income                           |           | 2,826,587          |                       |                       |                      |                       |
| U S Government Agencies                          |           | 64,085,864         |                       |                       |                      |                       |
|  | <u>\$</u> | <u>512,796,726</u> |                       |                       |                      |                       |
| Guaranteed Investment Contract (cash equivalent) |           | (3,818,034)        |                       |                       |                      |                       |
| University of New Mexico Foundation, Inc.        |           |                    |                       |                       |                      |                       |
| Investments held in Consolidated Investment Fund |           | (226,060,000)      |                       |                       |                      |                       |
| <b>Total Investments</b>                         | <u>\$</u> | <u>821,048,712</u> |                       |                       |                      |                       |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

| Primary Institution 2019                         | Fair Value            | Investment Maturities |                       |                      |                       |
|--|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
|  |                       | Less than 1 Year      | 1—5 Years             | 6—10 Years           | Greater than 10 Years |
| Items subject to interest rate risk:             |                       |                       |                       |                      |                       |
| Money Market                                     | \$ 10,982,487         | \$ 10,625,052         | \$ -                  | \$ 357,435           | \$ -                  |
| Guaranteed Investment Contract                   | 45,012,461            | 26,819,163            | 18,193,298            | -                    | -                     |
| U.S. Treasury Securities                         | 224,744,930           | 61,717,823            | 163,027,107           | -                    | -                     |
| U.S. Government Agencies                         | 77,234,609            | 48,888,273            | 28,346,336            | -                    | -                     |
| Corporate Bonds/Notes                            | 136,950,675           | 40,331,581            | 96,619,094            | -                    | -                     |
| Municipal Bonds                                  | 8,423,940             | 251,964               | 8,171,976             | -                    | -                     |
| Mutual Funds — Fixed                             | 11,659,336            | -                     | -                     | 11,659,336           | -                     |
|  | <u>\$ 515,008,438</u> | <u>\$ 188,633,856</u> | <u>\$ 314,357,811</u> | <u>\$ 12,016,771</u> | <u>\$ -</u>           |
| Items not subject to interest rate risk:         |                       |                       |                       |                      |                       |
| Money Market                                     | \$ 37,891,666         |                       |                       |                      |                       |
| Mutual Funds — Equity/Fixed                      | 141,928,286           |                       |                       |                      |                       |
| Equity   | 35,070,488            |                       |                       |                      |                       |
| Exchange-Traded Funds                            | 3,913,918             |                       |                       |                      |                       |
| Alternative Investments                          | 337,132,823           |                       |                       |                      |                       |
| U S Government Agencies                          | 3,415,440             |                       |                       |                      |                       |
|  | <u>\$ 559,352,621</u> |                       |                       |                      |                       |
| Guaranteed Investment Contract (cash equivalent) | (45,012,461)          |                       |                       |                      |                       |
| University of New Mexico Foundation, Inc.        |                       |                       |                       |                      |                       |
| Investments held in Consolidated Investment Fund | (229,871,672)         |                       |                       |                      |                       |
| Total Investments                                | <u>\$ 799,476,926</u> |                       |                       |                      |                       |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

| <i>Discretely Presented Component Units 2020</i> | Fair Value                   | Investment Maturities |                     |                     |                          |
|--|------------------------------|-----------------------|---------------------|---------------------|--------------------------|
|  |                              | Less than 1<br>Year   | 1—5 Years           | 6—10 Years          | Greater than<br>10 Years |
| <b>Items subject to interest rate risk:</b>      |                              |                       |                     |                     |                          |
| U.S. Government Securities                       | \$ 3,335,267                 | \$ 1,563,301          | \$ 1,286,467        | \$ 101,339          | \$ 384,160               |
| Corporate Bonds/Notes                            | 729,132                      | 5,076                 | 170,784             | 395,741             | 157,531                  |
| Municipal Bonds                                  | 3,112,459                    | 66,809                | 875,989             | 1,103,975           | 1,065,686                |
|  | <u>\$ 7,176,858</u>          | <u>\$ 1,635,186</u>   | <u>\$ 2,333,240</u> | <u>\$ 1,601,055</u> | <u>\$ 1,607,377</u>      |
| <b>Items not subject to interest rate risk:</b>  |                              |                       |                     |                     |                          |
| Money Market                                     | \$ 7,345,379                 |                       |                     |                     |                          |
| Mutual Funds — Equity/Fixed                      | 135,612,463                  |                       |                     |                     |                          |
| Equities   | 6,022,324                    |                       |                     |                     |                          |
| Mortgage/Asset-Backed Bonds                      | 660,981                      |                       |                     |                     |                          |
| Alternative Investments                          | 86,422,451                   |                       |                     |                     |                          |
|  | <u>\$ 236,063,598</u>        |                       |                     |                     |                          |
| <b>Total Investments</b>                         | <u><b>\$ 243,240,456</b></u> |                       |                     |                     |                          |

| <i>Discretely Presented Component Units 2019</i> | Fair Value                   | Investment Maturities |                     |                     |                          |
|--|------------------------------|-----------------------|---------------------|---------------------|--------------------------|
|  |                              | Less than 1<br>Year   | 1—5 Years           | 6—10 Years          | Greater than<br>10 Years |
| <b>Items subject to interest rate risk:</b>      |                              |                       |                     |                     |                          |
| U.S. Government Securities                       | \$ 3,055,930                 | \$ 1,605,294          | \$ 980,704          | \$ 54,665           | \$ 415,267               |
| Alternative Investments                          | 829,174                      | 355                   | 33,673              | -                   | 795,146                  |
| Corporate Bonds/Notes                            | 704,364                      | 19,406                | 211,632             | 303,355             | 169,971                  |
| Municipal Bonds                                  | 3,249,509                    | 25,625                | 553,470             | 1,270,432           | 1,399,982                |
|  | <u>\$ 7,838,977</u>          | <u>\$ 1,650,680</u>   | <u>\$ 1,779,479</u> | <u>\$ 1,628,452</u> | <u>\$ 2,780,366</u>      |
| <b>Items not subject to interest rate risk:</b>  |                              |                       |                     |                     |                          |
| Money Market                                     | \$ 2,944,315                 |                       |                     |                     |                          |
| Mutual Funds — Equity/Fixed                      | 61,267,109                   |                       |                     |                     |                          |
| Equities   | 7,140,121                    |                       |                     |                     |                          |
| Alternative Investments                          | 168,553,587                  |                       |                     |                     |                          |
|  | <u>\$ 239,905,132</u>        |                       |                     |                     |                          |
| <b>Total Investments</b>                         | <u><b>\$ 247,744,109</b></u> |                       |                     |                     |                          |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

**Credit Risk** — Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information, as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings, provides a current depiction of potential variable cash flows and credit risk. The University does have a policy to limit its exposure to credit risk that states that investments should have an average credit quality of A1/A+ or better and security ratings of investment grade. A summary of the investments at June 30, 2020 and 2019 and their exposure to credit risk are as follows:

### Primary Institution 2020

#### Items subject to credit risk:

| Credit Rating                      | Money Market | Guaranteed Investment Contract | U.S. Government Agencies | Corporate Bonds/Notes | Corporate Fixed Income | Municipal Bonds | Mutual Funds — Closed-end Equity | Fair Value     |
|------------------------------------|--------------|--------------------------------|--------------------------|-----------------------|------------------------|-----------------|----------------------------------|----------------|
| Moody's — Aaa                      | \$ 8,803,486 | \$ -                           | \$ 251,607               | \$ 552,000            | \$ 526,321             | \$ -            | \$ 2,597,932                     | \$ 12,731,346  |
| Moody's — Aa1                      | -            | -                              | -                        | 4,550,321             | -                      | 1,361,767       | -                                | 5,912,088      |
| Moody's — Aa2                      | -            | -                              | -                        | 4,494,395             | -                      | 2,068,507       | -                                | 6,562,902      |
| Moody's — Aa3                      | -            | -                              | -                        | 2,599,815             | -                      | 1,033,747       | -                                | 3,633,562      |
| Moody's — A1                       | -            | -                              | -                        | 17,187,736            | -                      | -               | -                                | 17,187,736     |
| Moody's — A2                       | -            | -                              | -                        | 20,462,073            | -                      | -               | -                                | 20,462,073     |
| Moody's — A3                       | -            | -                              | -                        | 16,174,032            | -                      | -               | -                                | 16,174,032     |
| Moody's — Baa1                     | -            | -                              | -                        | 9,541,686             | -                      | -               | -                                | 9,541,686      |
| Moody's — Baa2                     | -            | -                              | -                        | 7,536,182             | -                      | -               | -                                | 7,536,182      |
| Moody's — Baa3                     | -            | -                              | -                        | 1,222,752             | -                      | -               | -                                | 1,222,752      |
| S&P — AAA                          | -            | -                              | -                        | 4,622,501             | -                      | -               | -                                | 4,622,501      |
| S&P — AA+                          | -            | -                              | 12,468,019               | 4,687,952             | -                      | -               | -                                | 17,155,971     |
| S&P — AA-                          | -            | -                              | -                        | 7,387,415             | -                      | 210,095         | -                                | 7,597,510      |
| S&P — AA                           | -            | -                              | 301,989                  | 3,410,491             | -                      | 1,521,762       | -                                | 5,234,242      |
| S&P — A+                           | -            | -                              | -                        | 3,805,130             | -                      | 262,563         | -                                | 4,067,693      |
| S&P — A-                           | -            | -                              | -                        | 16,658,957            | -                      | -               | -                                | 16,658,957     |
| S&P — A                            | -            | -                              | -                        | 17,467,312            | -                      | -               | -                                | 17,467,312     |
| S&P — Baa1                         | -            | -                              | -                        | 9,034,772             | -                      | -               | -                                | 9,034,772      |
| S&P — BBB                          | -            | -                              | -                        | 3,529,048             | -                      | -               | -                                | 3,529,048      |
| S&P — BBB+                         | -            | -                              | -                        | 4,337,658             | -                      | -               | -                                | 4,337,658      |
| Not Rated                          | 834,313      | 3,818,034                      | -                        | 1,240,572             | -                      | -               | -                                | 5,892,919      |
| Total items subject to credit risk | \$ 9,637,799 | \$ 3,818,034                   | \$ 13,021,615            | \$ 160,502,800        | \$ 526,321             | \$ 6,458,441    | \$ 2,597,932                     | \$ 196,562,942 |

#### Items not subject to credit risk:

|  |                |
|--|----------------|
| Money Market   | \$ 31,965,734  |
| U.S. Treasury Securities   | 273,405,905    |
| Mutual Funds — Equity/Fixed Equity   | 305,663,840    |
| Corporate Fixed Income   | 6,738,199      |
| U.S. Government Agencies   | 2,300,266      |
| Exchange-Traded Funds  | 63,783,875     |
| Alternative Investments  | 5,771,551      |
| Total items not subject to credit risk   | 164,734,434    |
| Guaranteed Investment Contract (cash equivalent)   | \$ 854,363,804 |
| University of New Mexico Foundation, Inc. Investments held in Consolidated Investment Fund | (3,818,034)    |
| Total Investments  | (226,060,000)  |
|  | \$ 821,048,712 |



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Primary Institution 2019

#### Items subject to credit risk:

| Credit Rating                      | Money Market | Guaranteed Investment Contract | U.S. Government Agencies | Corporate Bonds/Notes | Corporate Fixed Income | Municipal Bonds | Mutual Funds — Fixed | Fair Value     |
|------------------------------------|--------------|--------------------------------|--------------------------|-----------------------|------------------------|-----------------|----------------------|----------------|
| Moody's — Aaa                      | \$ 7,209,431 | \$ -                           | \$ 77,234,609            | \$ 2,294,577          | \$ -                   | \$ -            | \$ 3,217,425         | \$ 89,956,042  |
| Moody's — Aa1                      | -            | -                              | -                        | 3,012,150             | -                      | 862,925         | -                    | 3,875,075      |
| Moody's — Aa2                      | -            | -                              | -                        | 4,456,204             | -                      | 2,888,853       | -                    | 7,345,057      |
| Moody's — Aa3                      | -            | -                              | -                        | 3,631,952             | -                      | 766,110         | -                    | 4,398,062      |
| Moody's — A1                       | -            | -                              | -                        | 3,739,910             | -                      | -               | -                    | 3,739,910      |
| Moody's — A2                       | -            | -                              | -                        | 4,290,859             | -                      | -               | -                    | 4,290,859      |
| Moody's — A3                       | -            | -                              | -                        | 4,971,091             | -                      | -               | -                    | 4,971,091      |
| Moody's — Baa1                     | -            | -                              | -                        | 4,092,113             | -                      | -               | -                    | 4,092,113      |
| Moody's — Baa2                     | -            | -                              | -                        | 14,175,540            | -                      | -               | -                    | 14,175,540     |
| Moody's — Baa3                     | -            | -                              | -                        | 1,023,511             | -                      | -               | -                    | 1,023,511      |
| S&P — AAA                          | -            | -                              | -                        | 3,016,584             | -                      | -               | -                    | 3,016,584      |
| S&P — AA+                          | -            | -                              | 3,415,440                | -                     | -                      | 330,241         | -                    | 3,745,681      |
| S&P — AA-                          | -            | -                              | -                        | 13,893,941            | -                      | 1,125,608       | -                    | 15,019,549     |
| S&P — AA                           | -            | -                              | -                        | -                     | -                      | 681,276         | -                    | 681,276        |
| S&P — A+                           | -            | -                              | -                        | 20,675,840            | -                      | -               | -                    | 20,675,840     |
| S&P — A-                           | -            | -                              | -                        | 3,652,109             | -                      | -               | -                    | 3,652,109      |
| S&P — A                            | -            | -                              | -                        | 14,720,469            | -                      | 1,768,927       | -                    | 16,489,396     |
| S&P — BBB                          | -            | -                              | -                        | 14,569,408            | -                      | -               | -                    | 14,569,408     |
| S&P — BBB+                         | -            | -                              | -                        | 20,326,006            | -                      | -               | -                    | 20,326,006     |
| Fitch — A                          | -            | -                              | -                        | 408,411               | -                      | -               | -                    | 408,411        |
| Not Rated                          | 355,650      | 45,012,461                     | -                        | -                     | -                      | -               | -                    | 45,368,111     |
| Total items subject to credit risk | \$ 7,565,081 | \$ 45,012,461                  | \$ 80,650,049            | \$ 136,950,675        | \$ -                   | \$ 8,423,940    | \$ 3,217,425         | \$ 281,819,631 |

#### Items not subject to credit risk:

|  |                       |
|--|-----------------------|
| Money Market                                     | \$ 41,309,072         |
| U.S. Treasury Securities                         | 224,744,930           |
| Mutual Funds — Equity/Fixed                      | 150,370,197           |
| Equity   | 35,070,488            |
| Exchange-Traded Funds                            | 3,913,918             |
| Alternative Investments                          | 337,132,823           |
| Total items not subject to credit risk           | <u>\$ 792,541,428</u> |
| Guaranteed Investment Contract (cash equivalent) | (45,012,461)          |
| University of New Mexico Foundation, Inc.        |                       |
| Investments held in Consolidated Investment Fund | (229,871,672)         |
| Total Investments                                | <u>\$ 799,476,926</u> |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Discretely Presented Component Units 2020

#### Items subject to credit risk:

| Credit Rating                      | U.S. Government<br>Agencies | Corporate<br>Bonds/Notes | Mortgage-/<br>Asset-Backed<br>Bonds | Municipal<br>Bonds | Fair Value   |
|------------------------------------|-----------------------------|--------------------------|-------------------------------------|--------------------|--------------|
| Moody's — Aaa                      | \$ 2,318,256                | \$ 90,712                | \$ 42,770                           | \$ 676,607         | \$ 3,128,345 |
| Moody's — Aa1                      | -                           | -                        | -                                   | 304,976            | 304,976      |
| Moody's — Aa2                      | -                           | -                        | -                                   | 608,215            | 608,215      |
| Moody's — Aa3                      | -                           | -                        | -                                   | 529,418            | 529,418      |
| Moody's — AA+                      | 31,164                      | -                        | -                                   | -                  | 31,164       |
| Moody's — A1                       | -                           | -                        | -                                   | 25,051             | 25,051       |
| Moody's — Baa2                     | -                           | -                        | -                                   | 10,464             | 10,464       |
| S&P — AA+                          | -                           | 47,708                   | -                                   | -                  | 47,708       |
| S&P — AA-                          | -                           | 14,096                   | -                                   | -                  | 14,096       |
| S&P — A                            | -                           | 4,316                    | -                                   | -                  | 4,316        |
| S&P — A+                           | -                           | 1,079                    | -                                   | -                  | 1,079        |
| S&P — A-                           | -                           | 161,327                  | -                                   | -                  | 161,327      |
| S&P — BBB+                         | -                           | 281,258                  | -                                   | -                  | 281,258      |
| S&P — BBB                          | -                           | 78,101                   | -                                   | -                  | 78,101       |
| S&P — BBB-                         | -                           | 5,458                    | -                                   | -                  | 5,458        |
| S&P — BB+                          | -                           | 45,077                   | -                                   | -                  | 45,077       |
| Not Rated                          | -                           | -                        | 618,211                             | 957,728            | 1,575,939    |
| Government Guaranteed              | 985,847                     | -                        | -                                   | -                  | 985,847      |
| Total items subject to credit risk | \$ 3,335,267                | \$ 729,132               | \$ 660,981                          | \$ 3,112,459       | \$ 7,837,839 |

#### Items not subject to credit risk:

|  |                       |
|--|-----------------------|
| Money Market Account                   | \$ 7,345,379          |
| Mutual Funds — Equity/Fixed            | 135,612,463           |
| Equity                                 | 6,022,324             |
| Marketable Alternatives                | 86,422,451            |
| Total items not subject to credit risk | \$ 235,402,617        |
| <b>Total Investments</b>               | <b>\$ 243,240,456</b> |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Discretely Presented Component Units 2019

#### Items subject to credit risk:

| Credit Rating                      | U.S. Government<br>Agencies | Corporate<br>Bonds/Notes | Mortgage-/<br>Asset-Backed<br>Bonds | Municipal<br>Bonds | Fair Value   |
|------------------------------------|-----------------------------|--------------------------|-------------------------------------|--------------------|--------------|
| Moody's — Aaa                      | \$ 2,258,695                | \$ -                     | \$ -                                | \$ 544,125         | \$ 2,802,820 |
| Moody's — Aa1                      | -                           | -                        | -                                   | 431,588            | 431,588      |
| Moody's — Aa2                      | -                           | -                        | -                                   | 630,790            | 630,790      |
| Moody's — Aa3                      | -                           | -                        | -                                   | 613,641            | 613,641      |
| Moody's — AA+                      | 28,752                      | -                        | -                                   | -                  | 28,752       |
| Moody's — A1                       | -                           | -                        | -                                   | 35,322             | 35,322       |
| Moody's — Baa2                     | -                           | -                        | -                                   | 10,561             | 10,561       |
| S&P — AAA                          | -                           | 89,590                   | 27,086                              | -                  | 116,676      |
| S&P — AA+                          | -                           | -                        | 8,625                               | -                  | 8,625        |
| S&P — AA-                          | -                           | 57,083                   | -                                   | -                  | 57,083       |
| S&P — A-                           | -                           | 150,116                  | -                                   | -                  | 150,116      |
| S&P — BBB+                         | -                           | 373,501                  | -                                   | -                  | 373,501      |
| S&P — BBB                          | -                           | 33,074                   | -                                   | -                  | 33,074       |
| Not Rated                          | -                           | 1,000                    | 793,463                             | 983,482            | 1,777,945    |
| Total items subject to credit risk | \$ 2,287,447                | \$ 704,364               | \$ 829,174                          | \$ 3,249,509       | \$ 7,070,494 |

#### Items not subject to credit risk:

|  |                       |
|--|-----------------------|
| Equities                               | \$ 6,573,026          |
| U.S. Treasury Securities               | 768,483               |
| Mutual Funds — Equity/Fixed            | 2,360,362             |
| Equity                                 | 567,095               |
| Marketable Alternatives                | 230,404,649           |
| Total items not subject to credit risk | \$ 240,673,615        |
| <b>Total Investments</b>               | <b>\$ 247,744,109</b> |

**Foreign Currency Risk** — Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. In order to mitigate foreign currency risk, University policy allows for currency forwards to be implemented as a hedge to the global fixed income portfolio when deemed appropriate. In addition, University policy states that the portfolio will not invest more than 5% of the total market value of its investments (measured at the time of purchase) in the debt obligations of any single fixed income issuer; however, securities issued and guaranteed by Organization for Economic Cooperation and Development (OECD) nations may be held without limitation. At June 30, 2020 and 2019, the University had no investments subject to foreign currency risk.

**Concentration of Credit Risk** — Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. Investments in any one issuer that represent 5% or more of total investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued and explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

The University does have a policy to limit its exposure to concentrated credit risk; the policy states that investments shall be diversified with the intent to minimize the risk of large investment losses. For the fiscal year ended June 30, 2020, the University had 0.47% of its investments in guaranteed investment contracts held at Bayern Landesbank.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

**Investment Income** — At June 30, 2020 and 2019, investment income consisted of the following:

|  | <u>2020</u>                  | <u>2019</u>                 |
|--|------------------------------|-----------------------------|
| <b>Primary Institution Investment Income</b> |                              |                             |
| <i>Investment Revenue</i>                    |                              |                             |
| Investment income                            | \$ 19,149,225                | \$ 10,561,098               |
| Land Grant Permanent Fund distributions      | 9,963,924                    | 15,238,920                  |
| <i>Realized Gains (Losses)</i>               |                              |                             |
| Endowments — Consolidated Investment Fund    | 7,656,891                    | 4,520,069                   |
| Nonendowment investments                     | 8,694,185                    | 244,839                     |
| <i>Unrealized Gains (Losses)</i>             |                              |                             |
| Endowments — Consolidated Investment Fund    | (9,576,532)                  | 3,952,811                   |
| Nonendowment investments                     | (721,983)                    | 10,488,802                  |
| <b>Primary Institution Investment Income</b> | <u><u>\$ 35,165,710</u></u>  | <u><u>\$ 45,006,539</u></u> |
| <b>Discretely Presented Component Units</b>  |                              |                             |
| <b>Investment Income</b>                     | <u><u>\$ (1,168,684)</u></u> | <u><u>\$ 11,207,138</u></u> |

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

**Fair Value Measurement** – The University and its component units categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- *Level 1* inputs are quoted prices (unadjusted) for identical assets in active markets, accessible at the measurement date. Level 1 inputs include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.
- *Level 2* inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.
- *Level 3* inputs are unobservable inputs for an asset.

Investments that do not have a readily determinable fair value are recorded using net asset value (NAV). NAV is generally provided by the investment managers but the University and its component units consider the reasonableness of the NAV, based on market information, to arrive at the fair value estimates for each investment.

The investments valued using NAV include the following strategies:

- Multi-strategy hedge funds
- Event driven hedge funds
- Equity hedge funds
- Distressed/restructuring hedge funds
- Global macro hedge funds
- Systematic diversified risk hedge funds
- Private equity
- Illiquid real assets
- Mutual funds-fixed
- Mutual funds-equity

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

A summary of fair value measurements at June 30, 2020 and 2019 are as follows:

| <i>Primary Institution 2020</i>                     | Fair Value            | Quoted prices in<br>active markets for<br>identical assets<br>(Level 1) | Significant other<br>observable inputs<br>(Level 2) | Significant<br>unobservable<br>inputs (Level 3) |
|---|-----------------------|---|---|---|
| <b>Investments held by the Primary Institution:</b> |                       |   |   |   |
| U.S. Treasury Securities                            | \$ 273,405,905        | \$ 273,405,905  | \$ -  | \$ -  |
| U.S. Government Agencies                            | 76,805,490            | 63,783,875  | 13,021,615  | -   |
| Corporate Bonds/Notes                               | 160,502,800           | -   | 160,502,800   | -   |
| Municipal Bonds                                     | 6,458,441             | -   | 6,458,441   | -   |
| Mutual Funds — Fixed                                | 39,413,415            | 39,413,415  | -   | -   |
| Mutual Funds — Equity                               | 45,830,189            | 45,830,189  | -   | -   |
| Equity  | 5,759,813             | 759,813   | -   | 5,000,000                                       |
| Exchange-Traded Funds                               | 5,771,551             | 5,771,551   | -   | -   |
| <b>Total</b>  | <b>\$ 613,947,604</b> | <b>\$ 428,964,748</b>   | <b>\$ 179,982,856</b>                               | <b>\$ 5,000,000</b>                             |
| <b>Investments measured at the NAV:</b>             |                       |   |   |   |
|   | Fair Value            | Unfunded<br>commitments   | Redemption<br>frequency (if<br>currently eligible)  | Redemption notice<br>period                     |
| Marketable Alternatives                             | \$ 83,115,950         | \$ -  | Monthly/Quarterly/<br>Annually                      | 2 to 90 days                                    |
| Private Equity                                      | 65,269,460            | 27,667,008  | -   | -   |
| Illiquid Funds                                      | 5,573,088             | 4,978,746   | -   | -   |
| Real Estate funds                                   | 10,775,936            | 2,114,083   | -   | -   |
| Mutual Funds — Fixed                                | 15,292,032            | -   | -   | 1 to 30 days                                    |
| Mutual Funds — Equity                               | 207,726,136           | -   | -   | 1 to 2 days                                     |
| <b>Total</b>  | <b>\$ 387,752,602</b> | <b>\$ 34,759,837</b>  |   |   |
| <b>Investments measured at the amortized cost:</b>  |                       |   |   |   |
| Guaranteed Investment Contract                      | \$ 3,818,034          |   |   |   |
| Corporate Fixed Income                              | 2,826,587             |   |   |   |
| Money Market  | 41,603,533            |   |   |   |
| <b>Total</b>  | <b>\$ 48,248,154</b>  |   |   |   |
| <b>Other:</b>                                       |                       |   |   |   |
| Equity  | \$ 978,386            |   |   |   |
| Guaranteed Investment Contract (cash equivalent)    | (3,818,034)           |   |   |   |
| University of New Mexico Foundation, Inc.           |                       |   |   |   |
| Investments held in Consolidated Investment Fund    | (226,060,000)         |   |   |   |
| <b>Total Investments</b>                            | <b>\$ 821,048,712</b> |   |   |   |



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

| <i>Primary Institution 2019</i>                     | Fair Value            | Quoted prices in<br>active markets for<br>identical assets<br>(Level 1) | Significant other<br>observable inputs<br>(Level 2) | Significant<br>unobservable<br>inputs (Level 3) |
|---|-----------------------|---|---|---|
| <b>Investments held by the Primary Institution:</b> |                       |   |   |   |
| U.S. Treasury Securities                            | \$ 224,744,930        | \$ 224,744,930  | \$ -  | \$ -  |
| U.S. Government Agencies                            | 80,650,049            | -   | 80,650,049  | -   |
| Corporate Bonds/Notes                               | 136,950,675           | -   | 136,950,675   | -   |
| Municipal Bonds                                     | 8,423,940             | -   | 8,423,940   | -   |
| Mutual Funds — Fixed                                | 3,217,425             | 3,217,425   | -   | -   |
| Mutual Funds — Equity                               | 23,995,559            | 23,995,559  | -   | -   |
| Equity  | 13,707,149            | 8,707,149   | -   | 5,000,000                                       |
| Exchange-Traded Funds                               | 3,913,918             | 3,913,918   | -   | -   |
| <b>Total</b>  | <b>\$ 495,603,645</b> | <b>\$ 264,578,981</b>   | <b>\$ 226,024,664</b>                               | <b>\$ 5,000,000</b>                             |
|   | Fair Value            | Unfunded<br>commitments   | Redemption<br>frequency (if<br>currently eligible)  | Redemption notice<br>period                     |
| <b>Investments measured at the NAV:</b>             |                       |   |   |   |
| Marketable Alternatives                             | \$ 257,909,153        | \$ -  | Monthly/Quarterly/<br>Annually                      | 2 to 90 days                                    |
| Private Equity                                      | 59,491,810            | 24,397,204  | -   | -   |
| Illiquid Funds                                      | 8,587,175             | 5,559,454   | -   | -   |
| Real Estate funds                                   | 11,144,685            | 2,350,330   | -   | -   |
| Mutual Funds — Fixed                                | 15,579,561            | -   | -   | 1 to 30 days                                    |
| Mutual Funds — Equity                               | 110,795,077           | -   | -   | 1 to 2 days                                     |
| <b>Total</b>  | <b>\$ 463,507,461</b> | <b>\$ 32,306,988</b>  |   |   |
| <b>Investments measured at the amortized cost:</b>  |                       |   |   |   |
| Guaranteed Investment Contract                      | \$ 45,012,461         |   |   |   |
| Money Market  | 48,874,153            |   |   |   |
| <b>Total</b>  | <b>\$ 93,886,614</b>  |   |   |   |
| <b>Other:</b>                                       |                       |   |   |   |
| Equity  | \$ 21,363,339         |   |   |   |
| Guaranteed Investment Contract (cash equivalent)    | (45,012,461)          |   |   |   |
| University of New Mexico Foundation, Inc.           |                       |   |   |   |
| Investments held in Consolidated Investment Fund    | (229,871,672)         |   |   |   |
| <b>Total Investments</b>                            | <b>\$ 799,476,926</b> |   |   |   |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

| <i>Discretely Presented Component Units 2020</i>             | Fair Value            | Quoted prices in<br>active markets for<br>identical assets<br>(Level 1) | Significant other<br>observable inputs<br>(Level 2) | Significant<br>unobservable<br>inputs (Level 3) |
|--|-----------------------|---|---|---|
| Beneficial interest in irrevocable split interest agreements | \$ 19,941,453         | \$ -  | \$ 19,941,453                                       | \$ -  |
| <b>Investments held by the Component Units:</b>              |                       |   |   |   |
| Government Securities — Treasuries                           | \$ 3,335,267          | \$ 774,691  | \$ 2,560,576  | \$ -  |
| Corporate Bonds/Notes  | 729,132               | -   | 729,132   | -   |
| Municipal Bonds  | 3,112,459             | -   | 3,112,459   | -   |
| Mutual Funds   | 2,090,103             | 2,090,103   | -   | -   |
| Mutual Funds — Fixed   | 198,700               | -   | 198,700   | -   |
| Mutual Funds — Equity  | 2,458,293             | 2,458,293   | -   | -   |
| Equity   | 6,022,324             | 6,022,324   | -   | -   |
| Mortgage-/Asset-Backed Bonds                                 | 660,981               | -   | 660,981   | -   |
| Alternative Investments                                      | 24,341                | -   | 24,341  | -   |
| <b>Total</b>   | <b>\$ 18,631,600</b>  | <b>\$ 11,345,411</b>  | <b>\$ 7,286,189</b>                                 | <b>\$ -</b>                                     |
| <b>Investments measured at the NAV:</b>                      |                       |   |   |   |
|  | Fair Value            | Unfunded<br>commitments   | Redemption<br>frequency (if<br>currently eligible)  | Redemption notice<br>period                     |
| Marketable Alternatives                                      | \$ 45,901,494         | \$ -  | Monthly/Quarterly/<br>Annually                      | 2 to 90 days                                    |
| Private Equity   | 33,184,416            | 27,667,008  | -   | -   |
| Illiquid Real Asset Funds                                    | 1,833,479             | 4,978,746   | -   | -   |
| Real Estate funds  | 5,478,721             | 2,114,083   | -   | -   |
| Mutual Funds — Fixed   | 130,865,367           | -   | Daily-monthly                                       | 1 to 30 days                                    |
| Mutual Funds — Equity  | -                     | -   | Daily   | 1 to 2 days                                     |
| <b>Total</b>   | <b>\$ 217,263,477</b> | <b>\$ 34,759,837</b>  |   |   |
| <b>Investments measured at the amortized cost:</b>           |                       |   |   |   |
| Money Market   | \$ 7,345,379          |   |   |   |
| <b>Total</b>   | <b>\$ 7,345,379</b>   |   |   |   |
| <b>Total Investments</b>                                     | <b>\$ 243,240,456</b> |   |   |   |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

| <i>Discretely Presented Component Units 2019</i>             | Fair Value           | Quoted prices in<br>active markets for<br>identical assets<br>(Level 1) | Significant other<br>observable inputs<br>(Level 2) | Significant<br>unobservable<br>inputs (Level 3) |
|--|----------------------|---|---|---|
| Beneficial interest in irrevocable split interest agreements | \$ 20,998,761        | \$ -  | \$ 20,998,761                                       | \$ -  |
| <b>Investments held by the Component Units:</b>              |                      |   |   |   |
| Government Securities — Treasuries                           | \$ 797,235           | \$ -  | \$ 797,235  | \$ -  |
| Corporate Bonds/Notes  | 704,364              | -   | 704,364   | -   |
| Municipal Bonds  | 3,249,509            | -   | 3,249,509   | -   |
| Mutual Funds   | 1,833,112            | 1,833,112   | -   | -   |
| Mutual Funds — Fixed   | 23,116,362           | 22,815,360  | 301,002   | -   |
| Mutual Funds — Equity  | 2,484,943            | 2,484,943   | -   | -   |
| Equity   | 7,140,121            | 7,140,121   | -   | -   |
| Exchange-Traded Funds  | 2,135,689            | 2,135,689   | -   | -   |
| Real Estate  | 20,875               | -   | 20,875  | -   |
| Mortgage-/Asset-Backed Bonds                                 | 829,174              | -   | 829,174   | -   |
| Alternative Investments                                      | 35,012               | -   | 35,012  | -   |
| <b>Total</b>   | <b>\$ 42,346,396</b> | <b>\$ 36,409,225</b>  | <b>\$ 5,937,171</b>                                 | <b>\$ -</b>                                     |

### Investments measured at the NAV:

|                           | Fair Value            | Unfunded<br>commitments | Redemption<br>frequency (if<br>currently eligible) | Redemption notice<br>period |
|---------------------------|-----------------------|-------------------------|--|-----------------------------|
| Marketable Alternatives   | \$ 44,953,453         | \$ -                    | Monthly/Quarterly/<br>Annually                     | 2 to 90 days                |
| Private Equity            | 29,736,267            | 24,397,204              | -  | -                           |
| Illiquid Real Asset Funds | 4,292,196             | 5,559,454               | -  | -                           |
| Real Estate funds         | 5,570,537             | 2,350,330               | -  | -                           |
| Mutual Funds — Fixed      | 11,219,431            | -                       | Daily-monthly                                      | 1 to 30 days                |
| Mutual Funds — Equity     | 106,681,713           | -                       | Daily  | 1 to 2 days                 |
| <b>Total</b>              | <b>\$ 202,453,597</b> | <b>\$ 32,306,988</b>    |  |                             |

### Investments measured at the amortized cost:

|                          |                       |
|--------------------------|-----------------------|
| Money Market             | \$ 2,944,116          |
| <b>Total</b>             | <b>\$ 2,944,116</b>   |
| <b>Total Investments</b> | <b>\$ 247,744,109</b> |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (4) Accounts Receivable, Patient Receivables, and Other Receivables

Accounts receivable and patient receivables are shown net of allowances for doubtful accounts in the accompanying statements of net position. At June 30, 2020 and 2019, receivables consisted of the following:

|   | 2020             | 2019             |
|---|------------------|------------------|
| <b>Accounts receivable, net</b>                                   |                  |                  |
| Primary Institution:  |                  |                  |
| Contracts and grants  | \$ 35,520,152    | \$ 37,485,750    |
| Tuition and fees  | 16,372,209       | 16,298,281       |
| Auxiliaries   | 9,175,640        | 9,987,958        |
| Sales and services  | 17,332,578       | 7,472,490        |
| State of New Mexico bonds   | 2,183,931        | 351,453          |
| HSC health services   | 5,262,921        | 3,562,784        |
| Other   | 4,059,971        | 2,505,418        |
| Total accounts receivable   | \$ 89,907,402    | \$ 77,664,134    |
| Less: Allowance for doubtful accounts                             | (24,140,806)     | (22,567,954)     |
| Total accounts receivable, net                                    | \$ 65,766,596    | \$ 55,096,180    |
| <br>Discretely Presented Component Units                          | <br>\$ 1,232,514 | <br>\$ 1,710,455 |
| <br><b>Patient receivables, net</b>                               |                  |                  |
| Primary Institution:  |                  |                  |
| Patient receivables   | \$ 452,174,703   | \$ 494,188,215   |
| Less: Allowance for doubtful accounts and contractual adjustments | (274,069,783)    | (309,090,743)    |
| Total patient receivables, net                                    | \$ 178,104,920   | \$ 185,097,472   |
| <br><b>Other receivables</b>                                      |                  |                  |
| Primary Institution:  |                  |                  |
| Interest receivable   | \$ 2,847,033     | \$ 2,112,696     |
| Bernalillo County mill levy                                       | 1,873,393        | 1,516,742        |
| Other receivables   | 6,399,079        | 5,025,655        |
| Total other receivables   | \$ 11,119,505    | \$ 8,655,093     |

### (5) Notes Receivable

At June 30, 2020 and 2019, notes receivable consisted of the following:

|                           | 2020         | 2019         |
|---------------------------|--------------|--------------|
| Primary Institution:      |              |              |
| Student loans, current    | \$ 2,227,966 | \$ 3,053,160 |
| Student loans, noncurrent | 4,926,953    | 6,128,611    |
| Total notes receivable    | \$ 7,154,919 | \$ 9,181,771 |

Federal Perkins Loans make up approximately 57% and 60% of the student loans at June 30, 2020 and 2019, respectively. Under this program, the federal government provides funds for approximately 75% of the total contribution for student loans, with the University providing the remaining 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 canceled on loans originated prior to July 1, 1993

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

under the Federal Perkins Loan Program. Under federal law, the authority for schools to make new Perkins Loans ended September 30, 2017, and final disbursements were permitted through June 30, 2018. As a result, students can no longer receive Perkins Loans.

### (6) Capital Assets

|  | Year Ended June 30, 2020  |                         |                         |                        |                           |
|--|---------------------------|-------------------------|-------------------------|------------------------|---------------------------|
|  | Beginning<br>Balance      | Additions               | Transfers               | Retirements            | Ending<br>Balance         |
| <b>Primary Institution:</b>                |                           |                         |                         |                        |                           |
| Capital assets not being depreciated       |                           |                         |                         |                        |                           |
| Land                                       | \$ 58,575,602             | \$ -                    | \$ -                    | \$ -                   | \$ 58,575,602             |
| Construction in progress                   | 109,394,671               | 105,527,951             | (110,938,644)           | -                      | 103,983,978               |
| Fabricated equipment in progress           | 626,857                   | 410,155                 | (158,690)               | -                      | 878,322                   |
| Total capital assets not being depreciated | <u>\$ 168,597,130</u>     | <u>\$ 105,938,106</u>   | <u>\$ (111,097,334)</u> | <u>\$ -</u>            | <u>\$ 163,437,902</u>     |
| Depreciable capital assets                 |                           |                         |                         |                        |                           |
| Land improvements                          | \$ 83,872,885             | \$ -                    | \$ 468,983              | \$ (137,606)           | \$ 84,204,262             |
| Infrastructure                             | 180,829,165               | -                       | -                       | -                      | 180,829,165               |
| Buildings                                  | 1,594,532,443             | 1,297,768               | 106,375,967             | (10,218,489)           | 1,691,987,689             |
| Equipment and furnishings                  | 705,840,543               | 31,995,517              | 4,252,384               | (28,241,807)           | 713,846,637               |
| Library books                              | 193,229,593               | 5,271,204               | -                       | -                      | 198,500,797               |
| Total depreciable capital assets           | <u>\$ 2,758,304,629</u>   | <u>\$ 38,564,489</u>    | <u>\$ 111,097,334</u>   | <u>\$ (38,597,902)</u> | <u>\$ 2,869,368,550</u>   |
| Less: Accumulated depreciation for         |                           |                         |                         |                        |                           |
| Land improvements                          | \$ (58,366,359)           | \$ (2,815,770)          | \$ -                    | \$ 137,606             | \$ (61,044,523)           |
| Infrastructure                             | (123,228,826)             | (8,100,018)             | -                       | -                      | (131,328,844)             |
| Buildings                                  | (704,828,495)             | (44,896,788)            | -                       | 10,039,294             | (739,685,989)             |
| Equipment and furnishings                  | (528,988,108)             | (44,348,460)            | -                       | 27,913,045             | (545,423,523)             |
| Library books                              | (181,593,499)             | (5,793,580)             | -                       | -                      | (187,387,079)             |
| Total accumulated depreciation             | <u>\$ (1,597,005,287)</u> | <u>\$ (105,954,616)</u> | <u>\$ -</u>             | <u>\$ 38,089,945</u>   | <u>\$ (1,664,869,958)</u> |
| Total depreciable capital assets, net      | <u>\$ 1,161,299,342</u>   | <u>\$ (67,390,127)</u>  | <u>\$ 111,097,334</u>   | <u>\$ (507,957)</u>    | <u>\$ 1,204,498,592</u>   |
| Capital asset summary                      |                           |                         |                         |                        |                           |
| Capital assets not being depreciated       | \$ 168,597,130            | \$ 105,938,106          | \$ (111,097,334)        | \$ -                   | \$ 163,437,902            |
| Depreciable capital assets at cost         | 2,758,304,629             | 38,564,489              | 111,097,334             | (38,597,902)           | 2,869,368,550             |
| Total cost of capital assets               | <u>\$ 2,926,901,759</u>   | <u>\$ 144,502,595</u>   | <u>\$ -</u>             | <u>\$ (38,597,902)</u> | <u>\$ 3,032,806,452</u>   |
| Less: Accumulated depreciation             | <u>(1,597,005,287)</u>    | <u>(105,954,616)</u>    | <u>-</u>                | <u>38,089,945</u>      | <u>(1,664,869,958)</u>    |
| Capital assets, net                        | <u>\$ 1,329,896,472</u>   | <u>\$ 38,547,979</u>    | <u>\$ -</u>             | <u>\$ (507,957)</u>    | <u>\$ 1,367,936,494</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, 2020 and 2019, the University capitalized interest expense of \$3,920,926 and \$2,787,875, respectively.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

|  | Year Ended June 30, 2019  |                         |                        |                        |                           |
|--|---------------------------|-------------------------|------------------------|------------------------|---------------------------|
|  | Beginning<br>Balance      | Additions               | Transfers              | Retirements            | Ending<br>Balance         |
| <b>Primary Institution:</b>                  |                           |                         |                        |                        |                           |
| Capital assets not being depreciated         |                           |                         |                        |                        |                           |
| Land   | \$ 58,575,602             | \$ -                    | \$ -                   | \$ -                   | \$ 58,575,602             |
| Construction in progress                     | 66,177,055                | 86,223,958              | (43,006,342)           | -                      | 109,394,671               |
| Fabricated equipment in-progress             | 102,853                   | 539,720                 | (15,716)               | -                      | 626,857                   |
| Total capital assets not being depreciated   | <u>\$ 124,855,510</u>     | <u>\$ 86,763,678</u>    | <u>\$ (43,022,058)</u> | <u>\$ -</u>            | <u>\$ 168,597,130</u>     |
| Depreciable capital assets                   |                           |                         |                        |                        |                           |
| Land improvements                            | \$ 80,015,345             | \$ 51,507               | \$ 3,806,033           | \$ -                   | \$ 83,872,885             |
| Infrastructure                               | 180,130,305               | -                       | 698,860                | -                      | 180,829,165               |
| Buildings                                    | 1,564,350,058             | -                       | 30,938,918             | (756,533)              | 1,594,532,443             |
| Equipment and furnishings                    | 691,026,580               | 40,417,802              | 7,578,247              | (33,182,086)           | 705,840,543               |
| Library books                                | 187,781,522               | 5,448,071               | -                      | -                      | 193,229,593               |
| Total depreciable capital assets             | <u>\$ 2,703,303,810</u>   | <u>\$ 45,917,380</u>    | <u>\$ 43,022,058</u>   | <u>\$ (33,938,619)</u> | <u>\$ 2,758,304,629</u>   |
| Less: Accumulated depreciation for           |                           |                         |                        |                        |                           |
| Land improvements                            | \$ (55,590,869)           | \$ (2,775,490)          | \$ -                   | \$ -                   | \$ (58,366,359)           |
| Infrastructure                               | (115,137,761)             | (8,091,065)             | -                      | -                      | (123,228,826)             |
| Buildings                                    | (663,071,056)             | (42,467,237)            | -                      | 709,798                | (704,828,495)             |
| Equipment and furnishings                    | (517,269,692)             | (44,261,761)            | -                      | 32,543,345             | (528,988,108)             |
| Library books                                | (175,575,411)             | (6,018,088)             | -                      | -                      | (181,593,499)             |
| Total accumulated depreciation               | <u>\$ (1,526,644,789)</u> | <u>\$ (103,613,641)</u> | <u>\$ -</u>            | <u>\$ 33,253,143</u>   | <u>\$ (1,597,005,287)</u> |
| Total depreciable capital assets, net        | <u>\$ 1,176,659,021</u>   | <u>\$ (57,696,261)</u>  | <u>\$ 43,022,058</u>   | <u>\$ (685,476)</u>    | <u>\$ 1,161,299,342</u>   |
| Capital asset summary                        |                           |                         |                        |                        |                           |
| Capital assets not being depreciated         | \$ 124,855,510            | \$ 86,763,678           | \$ (43,022,058)        | \$ -                   | \$ 168,597,130            |
| Depreciable capital assets at cost           | 2,703,303,810             | 45,917,380              | 43,022,058             | (33,938,619)           | 2,758,304,629             |
| Total cost of capital assets                 | <u>\$ 2,828,159,320</u>   | <u>\$ 132,681,058</u>   | <u>\$ -</u>            | <u>\$ (33,938,619)</u> | <u>\$ 2,926,901,759</u>   |
| Less: Accumulated depreciation               | <u>(1,526,644,789)</u>    | <u>(103,613,641)</u>    | <u>-</u>               | <u>33,253,143</u>      | <u>(1,597,005,287)</u>    |
| Capital assets, net                          | <u>\$ 1,301,514,531</u>   | <u>\$ 29,067,417</u>    | <u>\$ -</u>            | <u>\$ (685,476)</u>    | <u>\$ 1,329,896,472</u>   |
| <b>Discretely Presented Component Units:</b> |                           |                         |                        |                        |                           |
| Capital assets, net                          | <u>\$ 19,262</u>          | <u>\$ (19,262)</u>      | <u>\$ -</u>            | <u>\$ -</u>            | <u>\$ -</u>               |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (7) Other Assets – Current and Noncurrent

At June 30, 2020 and 2019, other assets consisted of the following:

|   | 2020                 | 2019                 |
|---|----------------------|----------------------|
| <b>Other current assets</b>               |                      |                      |
| Primary Institution:                      |                      |                      |
| Prepaid expenses                          | \$ 16,290,739        | \$ 15,476,722        |
| Broadcast rights                          | 921,975              | 913,037              |
| Other                                     | 1,352,594            | 1,489,395            |
| Total other current assets                | <u>\$ 18,565,308</u> | <u>\$ 17,879,154</u> |
| Discretely Presented Component Units      | <u>\$ 611,990</u>    | <u>\$ 441,271</u>    |
| <b>Other noncurrent assets</b>            |                      |                      |
| Primary Institution:                      |                      |                      |
| Investment in Lovelace UNM Rehab Hospital | \$ 14,069,668        | \$ 9,235,167         |
| Art and special collections               | 6,003,885            | 6,003,885            |
| Partnership interests                     | -                    | 717,462              |
| Prepaid expenses                          | 242,861              | 291,430              |
| Other                                     | 1,495,515            | 1,679,834            |
| Total other noncurrent assets             | <u>\$ 21,811,929</u> | <u>\$ 17,927,778</u> |
| Discretely Presented Component Units      | <u>\$ 4,641,288</u>  | <u>\$ 5,737,691</u>  |

### (8) Accounts Payable and Accrued Payroll

At June 30, 2020 and 2019, accounts payable and accrued payroll consisted of the following:

|  | 2020                  | 2019                  |
|--|-----------------------|-----------------------|
| Primary Institution:                       |                       |                       |
| Trade payables                             | \$ 78,893,049         | \$ 92,217,610         |
| Accrued payroll                            | 76,343,320            | 65,083,647            |
| Self-insurance reserve                     | 18,068,050            | 18,604,733            |
| Total accounts payable and accrued payroll | <u>\$ 173,304,419</u> | <u>\$ 175,905,990</u> |
| Discretely Presented Component Units       | <u>\$ 2,050,404</u>   | <u>\$ 2,154,455</u>   |



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (9) Accrued Compensated Absences

During the years ended June 30, 2020 and 2019, the following changes occurred in accrued compensated absences for the primary institution:

| Fiscal Year | Balance<br>July 1 | Additions     | Deductions      | Balance<br>June 30 |
|-------------|-------------------|---------------|-----------------|--------------------|
| 2020        | \$ 57,602,401     | \$ 67,987,727 | \$ (60,803,287) | \$ 64,786,841      |
| 2019        | 57,407,615        | 63,352,170    | (63,157,384)    | 57,602,401         |

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

### (10) Other Accrued Liabilities — Current

At June 30, 2020 and 2019, other accrued liabilities consisted of the following:

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| Primary Institution:                     |                      |                      |
| Legal settlement                         | \$ -                 | \$ 38,000,000        |
| Bond interest                            | 3,822,793            | 4,026,427            |
| Unsettled transactions                   | -                    | 2,477,487            |
| Royalty sharing                          | 890,126              | 1,036,260            |
| Other                                    | 12,294,940           | 6,087,215            |
| Total other accrued liabilities, current | <u>\$ 17,007,859</u> | <u>\$ 51,627,389</u> |
| Discretely Presented Component Units     | <u>\$ 1,192,418</u>  | <u>\$ 1,582,758</u>  |

### (11) Unearned Revenue

At June 30, 2020 and 2019, unearned revenue consisted of the following:

|                                      | 2020                 | 2019                 |
|--------------------------------------|----------------------|----------------------|
| Primary Institution:                 |                      |                      |
| Contracts and grants                 | \$ 40,676,633        | \$ 29,124,378        |
| Prepaid tuition and fees             | 6,475,936            | 6,386,818            |
| Gifts                                | 5,911,720            | 6,357,156            |
| Prepaid auxiliary operations sales   | 4,113,702            | 3,593,786            |
| Sales and services                   | 558,528              | 722,715              |
| Other                                | 922                  | 922                  |
| Total unearned revenue               | <u>\$ 57,737,441</u> | <u>\$ 46,185,775</u> |
| Discretely Presented Component Units | <u>\$ 668,845</u>    | <u>\$ 693,203</u>    |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (12) Noncurrent Liabilities

At June 30, 2020 and 2019, noncurrent liabilities consisted of the following:

|  | Year Ended June 30, 2020 |                       |                         |                         |                      |                         |
|--|--------------------------|-----------------------|-------------------------|-------------------------|----------------------|-------------------------|
|  | Beginning<br>Balance     | Additions             | Deductions              | Ending<br>Balance       | Current<br>Portion   | Noncurrent<br>Portion   |
| Primary Institution:                         |                          |                       |                         |                         |                      |                         |
| Bonds payable                                | \$ 629,781,556           | \$ 25,247,830         | \$ (61,015,953)         | \$ 594,013,433          | \$ 31,190,000        | \$ 562,823,433          |
| Long-term debt                               | 4,042,143                | -                     | (1,138,359)             | 2,903,784               | 1,171,619            | 1,732,165               |
| Student loan programs                        | 11,715,940               | 300,443               | (3,291,338)             | 8,725,045               | -                    | 8,725,045               |
| Derivative instruments — interest rate swaps | 7,185,873                | 1,187,882             | -                       | 8,373,755               | -                    | 8,373,755               |
| Net pension liability                        | 2,020,852,577            | 5,911,835             | (782,407,114)           | 1,244,357,298           | -                    | 1,244,357,298           |
| Net OPEB liability                           | 125,483,900              | 10,378,800            | (39,151,000)            | 96,711,700              | -                    | 96,711,700              |
| Other  | 234,263                  | 51,282                | -                       | 285,545                 | -                    | 285,545                 |
| Total  | <u>\$ 2,799,296,252</u>  | <u>\$ 43,078,072</u>  | <u>\$ (887,003,764)</u> | <u>\$ 1,955,370,560</u> | <u>\$ 32,361,619</u> | <u>\$ 1,923,008,941</u> |
| Discretely Presented Component Units:        |                          |                       |                         |                         |                      |                         |
| Due to University of New Mexico              | \$ 12,116,523            | \$ 9,741,596          | \$ (8,063,862)          | \$ 13,794,257           | \$ 10,707,190        | \$ 3,087,067            |
| Notes payable                                | -                        | 1,303,787             | -                       | 1,303,787               | 658,912              | 644,875                 |
| Other  | 2,060,731                | 242                   | -                       | 2,060,973               | -                    | 2,060,973               |
| Total  | <u>\$ 14,177,254</u>     | <u>\$ 11,045,625</u>  | <u>\$ (8,063,862)</u>   | <u>\$ 17,159,017</u>    | <u>\$ 11,366,102</u> | <u>\$ 5,792,915</u>     |
| As Adjusted Year Ended June 30, 2019         |                          |                       |                         |                         |                      |                         |
|  | Beginning<br>Balance     | Additions             | Deductions              | Ending<br>Balance       | Current<br>Portion   | Noncurrent<br>Portion   |
| Primary Institution:                         |                          |                       |                         |                         |                      |                         |
| Bonds payable                                | \$ 661,242,463           | \$ -                  | \$ (31,460,907)         | \$ 629,781,556          | \$ 29,820,000        | \$ 599,961,556          |
| Long-term debt                               | 5,150,676                | -                     | (1,108,533)             | 4,042,143               | 1,137,372            | 2,904,771               |
| Student loan programs                        | 11,824,236               | 572,841               | (681,137)               | 11,715,940              | -                    | 11,715,940              |
| Derivative instruments — interest rate swaps | 5,779,421                | 1,406,452             | -                       | 7,185,873               | -                    | 7,185,873               |
| Net pension liability                        | 1,885,441,562            | 354,471,333           | (219,060,318)           | 2,020,852,577           | -                    | 2,020,852,577           |
| Net OPEB liability                           | 130,887,500              | 7,011,200             | (12,414,800)            | 125,483,900             | -                    | 125,483,900             |
| Other  | 249,281                  | -                     | (15,018)                | 234,263                 | -                    | 234,263                 |
| Total  | <u>\$ 2,700,575,139</u>  | <u>\$ 363,461,826</u> | <u>\$ (264,740,713)</u> | <u>\$ 2,799,296,252</u> | <u>\$ 30,957,372</u> | <u>\$ 2,768,338,880</u> |
| Discretely Presented Component Units:        |                          |                       |                         |                         |                      |                         |
| Due to University of New Mexico              | \$ 11,674,213            | \$ 8,247,725          | \$ (7,805,415)          | \$ 12,116,523           | \$ 8,063,862         | \$ 4,052,661            |
| Other  | 1,955,131                | 105,600               | -                       | 2,060,731               | -                    | 2,060,731               |
| Total  | <u>\$ 13,629,344</u>     | <u>\$ 8,353,325</u>   | <u>\$ (7,805,415)</u>   | <u>\$ 14,177,254</u>    | <u>\$ 8,063,862</u>  | <u>\$ 6,113,392</u>     |

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

A promissory note payable to UNM from Lobo Development Corporation, a blended component unit of the University, was issued on April 1, 2013 and is eliminated from the basic financial statements. This note bears interest at 3%. Principal and interest payments are due monthly on the first day of each month. A Loan Revision Agreement was issued on January 1, 2016 to reduce the principal due to a transfer of one of the three buildings to UNM. A Second Loan Revision Agreement was issued on August 15, 2019 to extend the term of the loan from May 1, 2020 to May 1, 2027. The outstanding principal balance at June 30, 2020 was \$13,506,792, of which \$418,320 is due within one year.

During fiscal year 2020, UNM entered into a Research Park Corporation Funds Transfer Agreement with Lobo Development Corporation. The agreement is for Lobo Development to transfer \$1,000,000 to UNM for the purpose of funding improvements to the UNM Advanced Materials Laboratory. The note payable is to be repaid over a period of ten years at an interest rate of 3% per annum and is eliminated from the basic financial statements. The outstanding principal balance at June 30, 2020 was \$971,268, of which \$87,937 is due within one year.

### (13) Bonds Payable

#### (A) *University*

The University pledges substantially all unrestricted revenues, excluding state appropriations, to satisfy its bond obligations. Pledged revenues for the University were \$475,583,629 and \$497,080,028 as of June 30, 2020 and 2019 (see Schedule 21).

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

At June 30, 2020 and 2019, bonds payable for the University consisted of the following:

|   | 2020                  | 2019                  |
|---|-----------------------|-----------------------|
| Taxable Subordinate Lien System Refunding Revenue Bond          | \$ 22,140,000         | \$ -                  |
| Series 2019 with interest ranging from                          |                       |                       |
| 1.851% to 3.019% - final maturity 2032                          |                       |                       |
| Subordinate Lien System Improvement Revenue Bonds               | 39,205,000            | 39,910,000            |
| Series 2017 with interest ranging from                          |                       |                       |
| 3.25% to 5.0% – final maturity 2047                             |                       |                       |
| Subordinate Lien System Refunding & Improvement Revenue Bonds   | 152,525,000           | 155,415,000           |
| Series 2016A with interest ranging from                         |                       |                       |
| 2.0% to 5.0% – final maturity 2046                              |                       |                       |
| Subordinate Lien System Refunding & Improvement Revenue Bonds   | 5,090,000             | 6,030,000             |
| Series 2016B with interest ranging from                         |                       |                       |
| 0.72% to 2.48% – final maturity 2024                            |                       |                       |
| Subordinate Lien System Improvement Revenue Bonds               | 3,695,000             | 3,695,000             |
| Series 2014A with interest ranging from                         |                       |                       |
| 3.0% to 5.0% – final maturity 2033                              |                       |                       |
| Subordinate Lien System Improvement Revenue Bonds               | 1,495,000             | 1,885,000             |
| Series 2014B with interest ranging from                         |                       |                       |
| 0.496% to 3.28% – final maturity 2024                           |                       |                       |
| Subordinate Lien System Improvement Revenue Bonds               | 83,945,000            | 89,435,000            |
| Series 2014C with interest ranging from                         |                       |                       |
| 1.5% to 5.0% – final maturity 2035                              |                       |                       |
| Subordinate Lien System Improvement Revenue Bonds               | -                     | 24,590,000            |
| Series 2012 with interest ranging from                          |                       |                       |
| 2.0% to 5.0% – final maturity 2032                              |                       |                       |
| Subordinate Lien System Refunding Revenue Bonds                 | 11,940,000            | 13,405,000            |
| Series 2002B (Variable) with a synthetic fixed interest rate of |                       |                       |
| 3.83% achieved through an interest rate exchange agreement –    |                       |                       |
| final maturity 2026   |                       |                       |
| Subordinate Lien System Refunding Revenue Bonds                 | 26,670,000            | 28,845,000            |
| 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               | 18,675,000            | 21,355,000            |
| Series 2001 Variable Rate Demand Bonds — rates reset weekly     |                       |                       |
| Weekly rate as of June 30, 2020 was 0.13%                       |                       |                       |
| Ceiling of 12% – final maturity 2026                            |                       |                       |
| System Revenue Refunding Bonds                                  | 1,605,000             | 3,120,000             |
| Series 1992A with interest ranging from                         |                       |                       |
| 5.60% to 6.25% – final maturity 2021                            |                       |                       |
|   | <u>\$ 366,985,000</u> | <u>\$ 387,685,000</u> |
| Add: Bond premiums  | 27,443,433            | 32,621,556            |
| Less: Current portion of bonds payable                          | (20,965,000)          | (19,930,000)          |
| Noncurrent bonds payable  | <u>\$ 373,463,433</u> | <u>\$ 400,376,556</u> |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

Future debt service for the University as of June 30, 2020 for the bonds is as follows:

| Year ending<br>June 30 | Principal             | Interest              | Total                 |
|------------------------|-----------------------|-----------------------|-----------------------|
| 2021                   | \$ 20,965,000         | \$ 15,342,896         | \$ 36,307,896         |
| 2022                   | 21,590,000            | 14,445,235            | 36,035,235            |
| 2023                   | 22,490,000            | 13,538,989            | 36,028,989            |
| 2024                   | 23,005,000            | 12,576,820            | 35,581,820            |
| 2025                   | 23,985,000            | 11,601,791            | 35,586,791            |
| 2026–2030              | 109,225,000           | 43,848,807            | 153,073,807           |
| 2031–2035              | 88,295,000            | 24,912,762            | 113,207,762           |
| 2036–2040              | 26,555,000            | 9,909,476             | 36,464,476            |
| 2041–2045              | 23,090,000            | 4,978,550             | 28,068,550            |
| 2046–2047              | 7,785,000             | 487,600               | 8,272,600             |
|                        | <u>\$ 366,985,000</u> | <u>\$ 151,642,926</u> | <u>\$ 518,627,926</u> |

### Defeased Bonds:

The University has defeased certain System Revenue Bonds as follows:

On October 1, 1992, the University defeased \$3,095,000 of the 1986A series, \$24,765,000 of the 1989 series, and \$4,825,000 of the 1991 series. Sinking fund moneys in the amount of \$36,650,538 from the 1992A Refunding Revenue Bonds were placed in an irrevocable trust to provide for all future debt service payments. The refunding resulted in debt service savings to the University. The remaining principal outstanding in the escrow account at June 30, 2020 was \$1,821,251.

On March 1, 2016, the University defeased \$113,375,000 of the 2007A tax-exempt series revenue bonds. An escrow account was funded in the amount of \$120,925,885 from the 2016A Refunding and Improvement Revenue Bonds, and that amount was placed in an irrevocable trust to provide for all future debt service payments. The refunding resulted in debt service savings to the University. There is no remaining principal outstanding in the escrow account at June 30, 2020.

On March 1, 2016, the University defeased \$7,480,000 of the 2007B taxable series revenue bonds. An escrow account was funded in the amount of \$8,087,834 from the 2016B Refunding and Improvement Revenue Bonds, and that amount was placed in an irrevocable trust to provide for all future debt service payments. There is no remaining principal outstanding in the escrow account at June 30, 2020.

On December 31, 2019, the University defeased \$24,150,000 of the 2012 subordinate lien system refunding revenue bonds. An escrow account was funded in the amount of \$25,743,148 from the 2019 taxable subordinate lien system refunding revenue bonds, and that amount was placed in an irrevocable trust to provide for all future debt service payments. The refunding resulted in debt service savings to the University. The remaining principal outstanding in the escrow account at June 30, 2020 was \$23,650,218.

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

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Refunding:

The Series 2019 Taxable Subordinate Lien System Refunding Revenue Bonds were issued by the University for the purposes of: (a) advance refund, refinance, and defease all of the outstanding "The Regents of the University of New Mexico" Subordinate Lien System Refunding Revenue Bonds, Series 2012 maturing on or after June 1, 2022, on June 1, 2021, which is the earliest redemption date with respect to the refunded 2012 bonds, and (b) fund the costs of issuance associated therewith. The bonds may be subject to optional and mandatory sinking fund redemption prior to maturity.

### **Sources of Funds**

|  |                      |
|--|----------------------|
| Par amount of bonds                            | \$ 24,150,000        |
| Transfer from prior issue debt service reserve | 1,946,919            |
| <b>Total Sources of Funds</b>                  | <b>\$ 26,096,919</b> |

### **Uses of Funds**

|                              |                      |
|------------------------------|----------------------|
| Deposit to refunding escrow  | \$ 25,743,148        |
| Deposit to debt service fund | 1,831                |
| Costs of issuance            | 245,670              |
| Underwriter's discount       | 74,875               |
| Surety premium               | 31,395               |
| <b>Total Uses of Funds</b>   | <b>\$ 26,096,919</b> |

### **Cash Flow Differential**

| <u>Prior Refunded<br/>Debt Service</u> | <u>Refunding Debt<br/>Service</u> | <u>Refunding<br/>Savings</u> |
|--|-----------------------------------|------------------------------|
| \$ 33,064,050                          | \$ 28,360,671                     | \$ 4,703,379                 |

### **Economic Gain (Loss)**

Savings PV date: 12/31/2019

Savings PV rate: 2.923%

|                               |                     |
|-------------------------------|---------------------|
| PV savings from cash flow     | \$ 3,891,473        |
| Less: Prior funds on hand     | (1,946,919)         |
| Plus: Refunding funds on hand | 1,831               |
| <b>Economic gain</b>          | <b>\$ 1,946,385</b> |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Standby Purchase Agreements:

A Standby Purchase Agreement (SBPA) provides liquidity support on variable rate bonds that are remarketed weekly. The liquidity/commitment fees are based on a percentage of the outstanding bond balance, payable semiannually. Liquidity fees for the years ended June 30, 2020 and 2019 were as follows:

|             | 2001             | 2002B            | 2002C             | Total             |
|-------------|------------------|------------------|-------------------|-------------------|
| <b>FY20</b> | <u>\$ 81,264</u> | <u>\$ 50,225</u> | <u>\$ 107,018</u> | <u>\$ 238,507</u> |
| <b>FY19</b> | <u>\$ 89,461</u> | <u>\$ 55,414</u> | <u>\$ 114,323</u> | <u>\$ 259,198</u> |

An agreement with U.S. Bank was entered into on December 31, 2014 for a three-year term expiring December 29, 2017 and was extended to December 29, 2020. The University has entered into negotiations with U.S. Bank for a possible three-year extension of the agreement ending December 29, 2023. A schedule including the provider and maturities is presented below, as of June 30, 2020:

| <b>U.S. Bank</b>  |                      |                      |                      |                      |
|-------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Liquidity</b>  | <b>Series</b>        | <b>Series</b>        | <b>Series</b>        | <b>Grand</b>         |
| <b>Expiration</b> | <b>2001</b>          | <b>2002B</b>         | <b>2002C</b>         | <b>Total</b>         |
| <u>12/29/2020</u> | <u>\$ 18,675,000</u> | <u>\$ 11,940,000</u> | <u>\$ 26,670,000</u> | <u>\$ 57,285,000</u> |

The following provides the terms of the debt service requirements that would result if the SBPA commitments were to be exercised (bank bond rate, accelerated payment schedule, and lien):

- (1) Bank Rate: means, a rate per annum equal to (i) the period from and including the purchase date of such bank bond to and including the 30<sup>th</sup> day following such purchase date, the sum of 2% plus the base rate for such day, (ii) for the period from and including the 31<sup>st</sup> day immediately following the related purchase date to and including the 120<sup>th</sup> day following the related purchase date, the sum of 2.5% plus the base rate for such day, and (iii) the period from and after the 121<sup>st</sup> day immediately following the related purchase date, the sum of 3% plus the base rate for such day; provided that from and after the occurrence of an event of default, the "bank rate" shall mean the default rate; provided, further, that at no time shall the bank rate be less than the per annum interest rate applicable to bonds that are not bank bonds.
- (2) Base Rate: means, for any day, an interest rate per annum equal to the highest of (i) the sum of 1% plus the prime rate for such day, (ii) the sum of 1% plus the federal funds rate for such day, (iii) the sum of 1% plus the Securities Industry and Financial Markets Association (SIFMA) rate for such day, and (iv) 7.5%. Each change in the base rate shall take effect at the time of any change in the prime rate or federal funds rate.



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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

On September 1, 2015, Sections 7.1(c)(iii) and 7.1(c)(iv) of the SBPA were amended in order to clarify the University's reporting requirements. The amendments are as follows:

Section 7.1(c)(iii) of each of the Standby Bond Purchase Agreements is hereby amended in its entirety to read as follows:

(iii) as soon as practicable and, in any event, within 180 calendar days after the end of the fourth fiscal quarter of each fiscal year of the Board, a statement of net assets, statement of revenues, expenses, and changes in net assets, and statement of cash flows of the Board as of the end of each such annual fiscal period then ended and the Historical Debt Service Coverage calculation in comparative form against (x) the figures for the corresponding annual fiscal period from the previous fiscal year and (y) the Board's budget for such fiscal year, all in reasonable detail.

Section 7.1(c)(iv) of each of the Standby Bond Purchase Agreements is hereby amended in its entirety to read as follows:

(iv) as soon as practicable and, in any event, within 60 calendar days after the end of the second quarter of each fiscal year of the Board, (a) a statement of net assets, statement of revenues, expenses, and changes in net assets, and statement of cash flows of the Board as of the end of each such semiannual fiscal period then ended, in each case, in comparative form against (x) the figures for the corresponding semiannual fiscal period from the previous fiscal year and (y) the Board's budget for such fiscal year, all in reasonable detail, and (b) a consolidating semiannual summary of all restricted and unrestricted cash and investments held in any endowment or operating fund for the portion of the fiscal year then ended.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Interest Rate Swap Agreements:

As of June 30, 2020, the University had the following derivative instruments outstanding:

| Item/<br>Counterparty         | Type   | Objective   | Effective<br>Date | Maturity<br>Date | Terms   | Current Year<br>Fair Value | Prior Year<br>Fair Value | Current Year<br>Notional<br>Amount | Prior Year<br>Notional<br>Amount |
|-------------------------------|--|---|-------------------|------------------|---|----------------------------|--------------------------|------------------------------------|----------------------------------|
| <b>Hedging Derivatives</b>    |  |   |                   |                  |   |                            |                          |                                    |                                  |
| A - JP Morgan                 | Pay-fixed/Receive-variable interest rate swap    | Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap) | 10/30/2002        | 6/1/2026         | Receive SIFMA USD . Pay 4.16% Fixed                       | \$ (659,751)               | \$ (625,911)             | \$ 4,668,750                       | \$ 5,338,750                     |
| B - JP Morgan                 | Pay-fixed/Receive-variable interest rate swap    | Hedge against rising SIFMA rates related to the 2002C Refunding Revenue Bonds (Underlying Swap)         | 10/30/2002        | 6/1/2030         | Receive SIFMA USD . Pay 3.94% Fixed                       | \$ (5,361,833)             | \$ (4,421,586)           | \$ 26,670,000                      | \$ 28,845,000                    |
| C - JP Morgan                 | Pay-fixed/Receive-variable interest rate swap    | Hedge against rising SIFMA rates related to the 2002B Refunding Revenue Bonds (Underlying Swap)         | 1/14/2003         | 6/1/2026         | Receive SIFMA USD . Pay 3.83% Fixed                       | \$ (1,688,218)             | \$ (1,507,171)           | \$ 11,940,000                      | \$ 13,405,000                    |
| D - RBC Royal Bank            | Pay-fixed/Receive-variable interest rate swap    | Hedge against rising SIFMA rates related to the 2001 System Improvement Revenue Bonds (Underlying Swap) | 10/30/2002        | 6/1/2026         | Receive SIFMA USD . Pay 4.185% Fixed                      | \$ (663,953)               | \$ (631,205)             | \$ 4,668,750                       | \$ 5,338,750                     |
| <b>Investment Derivatives</b> |  |   |                   |                  |   |                            |                          |                                    |                                  |
| E - JP Morgan                 | Pay-variable/Receive-variable interest rate swap | Hedge against falling SIFMA rates related to the 2001 System Improvement Revenue Bonds (Swap Overlays)  | 8/15/2006         | 6/1/2026         | Receive 63.55% of 5-year USD swap rate + .31% - Pay SIFMA | \$ 187,350                 | \$ 157,378               | \$ 9,337,500                       | \$ 10,677,500                    |
| F - JP Morgan                 | Pay-variable/Receive-variable interest rate swap | Hedge against falling SIFMA rates related to the 2002C Refunding Revenue Bonds (Swap Overlays)          | 8/15/2006         | 6/1/2030         | Receive 63.55% of 5-year USD swap rate + .31% - Pay SIFMA | \$ 1,098,921               | \$ 696,144               | \$ 26,670,000                      | \$ 28,845,000                    |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

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

### Risks

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

| Entity         | Moody's    |            | S & P      |            | Fitch      |            |
|----------------|------------|------------|------------|------------|------------|------------|
|                | L/T Rating | S/T Rating | L/T Rating | S/T Rating | L/T Rating | S/T Rating |
| JP Morgan      | Aa2        | P1         | A+         | A1         | AA         | F1+        |
| RBC Royal Bank | A2         | P1         | AA-        | A1+        | AA         | F1+        |

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

*Basis risk.* The variable-rate debt hedged by the University's derivative instruments are variable-rate demand obligation (VRDO) bonds that are remarketed every seven days. The University is exposed to basis risk on its pay-variable (SIFMA), receive-variable (USD Swap Rate) overlay interest rate swaps, because the variable-rate payments received by the University on these derivative instruments are based on a rate (USD Swap Rate) other than the index (SIFMA) the University pays on the VRDO bonds. At June 30, 2020, the interest rate on the University's variable-rate hedged debt (SIFMA) is 0.13%, while the 63.55% of five-year USD Swap Rate + 0.31% is 0.36%.

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

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

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

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Commitments

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

| Rating          | Swap MTM Threshold for |            |
|-----------------|------------------------|------------|
|                 | Party's A & B          |            |
| AA/Aa2 and >    | USD                    | 25,000,000 |
| AA-/Aa3         | USD                    | 20,000,000 |
| A+/A1           | USD                    | 15,000,000 |
| A/A2            | USD                    | 10,000,000 |
| A-/A3           | USD                    | 5,000,000  |
| BBB+/Baa1 and < | USD                    | -          |

The collateral to be posted is to be in the form of U.S. Treasury securities in the amount of the fair value of derivative instruments in liability positions, net of the effect of applicable netting arrangements. If the University or the counterparty does not post collateral, the derivative instrument may be terminated. The University's credit rating is AA/Aa2 at June 30, 2020; therefore, no collateral has been posted.

### Derivative Instrument Payments and Hedged Debt

As of June 30, 2020, aggregate debt service requirements of the University's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are presented below. These amounts assume that current interest rates on variable-rate bonds and current reference rates on hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. The hedging derivative instruments column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.

| Year Ending<br>June 30 | Principal            | Interest          | Hedging<br>Derivative<br>Instruments, Net | Total                |
|------------------------|----------------------|-------------------|---|----------------------|
| 2021                   | 6,580,000            | 45,828            | 1,820,991                                 | 8,446,819            |
| 2022                   | 6,855,000            | 43,099            | 1,619,239                                 | 8,517,338            |
| 2023                   | 7,155,000            | 43,850            | 1,402,898                                 | 8,601,748            |
| 2024                   | 7,465,000            | 45,869            | 1,174,564                                 | 8,685,433            |
| 2025                   | 7,770,000            | 45,307            | 940,298                                   | 8,755,605            |
| 2026                   | 9,900,000            | 40,774            | 702,545                                   | 10,643,319           |
| 2027                   | 2,900,000            | 24,854            | 405,756                                   | 3,330,610            |
| 2028                   | 3,030,000            | 20,784            | 299,636                                   | 3,350,420            |
| 2029                   | 3,160,000            | 14,920            | 191,983                                   | 3,366,903            |
| 2030                   | 2,470,000            | 70                | 97,177                                    | 2,567,247            |
|                        | <u>\$ 57,285,000</u> | <u>\$ 325,355</u> | <u>\$ 8,655,087</u>                       | <u>\$ 66,265,442</u> |

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### **Fiscal Year Changes in Swap Valuations**

The swaps were put in place starting in fiscal years 2002 and 2003. The University has recorded the swaps at their estimated fair values as of June 30, 2020. Swaps A through D are deemed cash flow hedges, and therefore, in addition to recording the liability at fair value, the University has recorded an offsetting deferred outflow of resources. Annually, the changes to the fair values are recorded as an increase or decrease to the liability and the offset to the deferred outflow of resources. The fair value change in fiscal year 2020 for the hedge instruments was a \$1,187,882 increase to the liability and an equal offsetting increase to the deferred outflow of resources. For fiscal year 2019, the change was a \$1,406,452 increase to the liability and an equal offsetting increase to the deferred outflow of resources. Swaps E and F are not cash flow hedges, but rather are considered investment swaps, and changes in their fair value are recorded as investment gain (loss). The fair value change for swaps E and F as of June 30, 2020 was recorded to unrealized gains in the amount of \$432,749. As of June 30, 2019, the fair value change for swaps E and F was recorded to unrealized gains in the amount of \$331,268.

### *(B) University of New Mexico Hospital*

On June 9, 2004, the Regents adopted a parameters resolution authorizing the construction of the Children's Hospital and Critical Care Pavilion (CHCCP) and issuing bonds insured by HUD. On October 14, 2004, the Regents adopted resolutions authorizing the amendment of the lease to accommodate the requirements of HUD and to authorize execution of the HUD documents. On October 14, 2004, UNM Board of Regents issued FHA insured Hospital Mortgage Revenue Bonds (University of New Mexico Hospital Project), Series 2004 in the aggregate principal amount of \$192,250,000. Interest on the bonds ranged from 2% to 5% and was paid semi-annually on each January 1 and July 1, commencing January 1, 2005. The Series 2004 bonds were issued for the purpose of financing the construction, equipping, and furnishing of the CHCCP, which provides care to patients requiring trauma, children's and women's services, funding the debt service reserve fund, and paying costs of issuance associated with the bonds.

In conjunction with this construction project, the U.S. HUD, under Section 242 CFDA No. 14.128, issued a loan guarantee for the mortgage amount of \$183,399,000, and the UNM Regents adopted resolutions authorizing the final endorsement of the HUD insurance.

On December 12, 2014, the Regents adopted a parameters resolution authorizing the issuance of the Government National Mortgage Association (GNMA)-backed, HUD-insured mortgage bonds to redeem and refinance the remaining 2004 bonds. On May 7, 2015, the Regents adopted resolutions authorizing the execution of amended FHA documents and loan modification documents in connection with the redemption and refinancing of the remaining 2004 bonds.

On May 14, 2015, the Hospital issued \$115,000,000 in new bonds (2015 Series bonds) to refinance the remaining 2004 bonds. The bonds were issued pursuant to a trust indenture, dated as of May 1, 2015, by and between the Hospital and Wells Fargo Bank, National Association, as Trustee for the purpose of re-financing the previously issued bond series. The 2015 Series bonds carry interest rates that range from 0.484% to 3.532%.

The Regents granted the GNMA issuer in respect of the UNMH HUD-insured bonds a security interest in all of UNM Hospital's revenues, cash (with the exception of the proceeds of the UNM Hospital mill levy and state appropriations), accounts receivable, contract rights, and the proceeds of the same. In addition, in that certain regulatory agreement signed by the Regents, that is still in effect today, the University agreed and committed to HUD that it would not "assign, transfer, dispose of, or encumber any personal property of the project including revenues from any source..." As a result, of the \$1,053,935,716 in cash and short-term investments held by the primary institution as of June 30, 2020, \$370,486,991 is cash reserves of UNM Hospital subject to the security interest granted by the Regents to the bond Trustee and to the restrictions in the regulatory agreement. Lastly, in accordance with the terms of the lease under which the University leases a portion of the UNM Hospital facility from Bernalillo County, all reserves of the UNM Hospital covered by the lease are restricted to use for operation and maintenance of the UNM Hospital.

The 2015 Series bonds were issued as special limited obligations of the Hospital and are secured primarily by fully modified mortgage backed securities in the aggregate principal amount of \$99,029,361 (GNMA Securities), issued by Prudential Huntoon Paige Associates, Ltd. (Lender), guaranteed as to principal and interest by the Government National Mortgage Association (GNMA), with respect to the mortgage note.

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Under the GNMA Mortgage Backed Securities Program, the GNMA Securities are a “fully modified pass-through” mortgage-backed security issued and serviced by the Lender. The face amount of the GNMA Securities is to be the same amount as the outstanding principal balance of the mortgage note. The Lender is required to pass through to the Trustee, as the holder of the GNMA Securities, by the 15th day of each month, the monthly scheduled installments of principal and interest on the mortgage note (less the GNMA guarantee fee and the lender’s servicing fee), whether or not the Lender receives such payment from the Hospital under the mortgage note, plus any unscheduled prepayments of principal of the mortgage note received by the Lender. The GNMA Securities are issued solely for the benefit of the Trustee on behalf of the bondholders, and any and all payments received with respect to the GNMA Securities are solely for the benefit of the bondholders.

Interest expense associated with the bonds payable was approximately \$2,900,000 and \$3,000,000 for the years ended June 30, 2020 and 2019, respectively. Interest income earned from the investment of the bond proceeds was approximately \$247,000 and \$385,000 for the years ended June 30, 2020 and 2019, respectively.

At June 30, 2020 and 2019, bonds payable for the Hospital consisted of the following:

|   | 2020                 | 2019                 |
|---|----------------------|----------------------|
| FHA Insured Hospital Mortgage Revenue Bonds | \$ 86,305,000        | \$ 92,120,000        |
| Series 2015 with interest ranging from      |                      |                      |
| 0.484% to 3.532% – final maturity 2032      |                      |                      |
| Less: Current portion of bonds payable      | (5,950,000)          | (5,815,000)          |
| Noncurrent bonds payable                    | <u>\$ 80,355,000</u> | <u>\$ 86,305,000</u> |

Future debt service (including mandatory redemptions) for the Hospital as of June 30, 2020 for the bonds is as follows:

| Year ending |                      |                      |                       |
|-------------|----------------------|----------------------|-----------------------|
| June 30     | Principal            | Interest             | Total                 |
| 2021        | \$ 5,950,000         | \$ 2,818,446         | \$ 8,768,446          |
| 2022        | 6,105,000            | 2,676,657            | 8,781,657             |
| 2023        | 6,285,000            | 2,515,913            | 8,800,913             |
| 2024        | 6,480,000            | 2,334,779            | 8,814,779             |
| 2025        | 6,690,000            | 2,141,545            | 8,831,545             |
| 2026–2030   | 37,645,000           | 6,788,063            | 44,433,063            |
| 2031–2032   | 17,150,000           | 764,237              | 17,914,237            |
|             | <u>\$ 86,305,000</u> | <u>\$ 20,039,640</u> | <u>\$ 106,344,640</u> |

### (C) UNM Sandoval Regional Medical Center

In November 2010, SRMC issued \$133,425,000 in aggregate principal amount of its Taxable Revenue Build America Bonds (Direct Pay) (GNMA Collateralized – UNM Sandoval Regional Medical Center Project) Series 2010A with a maturity date of July 20, 2036 and \$10,000,000 in aggregate principal amount of its Taxable Revenue Recovery Zone Economic Development Bonds (Direct Pay) (GNMA Collateralized – UNM Sandoval Regional Medical Center Project) Series 2010B with a maturity date of July 20, 2037. The bonds were issued pursuant to a trust indenture, dated as of October 1, 2010, by and between the SRMC and Wells Fargo Bank, National Association, as Trustee for the purpose of financing the SRMC facility and to pay certain costs associated with the issuance of the bonds.

The bonds were issued as special limited obligations of SRMC and are secured primarily by fully modified mortgage-backed securities in the aggregate principal amount of \$143,425,000 (GNMA Securities), issued by Prudential Huntton Paige Associates, Ltd. (Lender), guaranteed as to principal and interest by GNMA, with respect to the mortgage note.

Under the GNMA Mortgage-Backed Securities Program, the GNMA Securities are a “fully modified pass-through” mortgage-backed security issued and serviced by the Lender. The face amount of the GNMA Securities is to be the same

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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amount as the outstanding principal balance of the mortgage note. The Lender is required to pass through to the Trustee, as the holder of the GNMA Securities, by the 15th day of each month, the monthly scheduled installments of principal and interest on the mortgage note (less the GNMA guarantee fee and the Lender's servicing fee), whether or not the Lender receives such payment from SRMC under the mortgage note, plus any unscheduled prepayments of principal of the mortgage note received by the Lender. The GNMA Securities are issued solely for the benefit of the Trustee on behalf of the bondholders and any and all payments received with respect to the GNMA Securities are solely for the benefit of the bondholders.

SRMC entered into a financing agreement with the Lender and the Trustee effective October 1, 2010, under which the Lender agreed to originate a mortgage note in favor of the Lender and secured by a leasehold mortgage on the SRMC facility. The mortgage note is insured by the FHA pursuant to Section 242 of the National Housing Act of 1934 and to provide security for the bonds, the Trustee used the proceeds of the bonds to purchase from the Lender the GNMA Securities. SRMC used the proceeds of the mortgage note to acquire, construct, and equip the SRMC facility.

Under the terms of the trust indenture, SRMC has granted to the Trustee all rights, title, and interests to all revenues, receipts, interest, income, investment earnings, and other monies received or to be received by the Trustee, including monies received or to be received from the GNMA Securities and all investment earnings from the GNMA Securities. Upon issuance of the bonds, the proceeds were placed in trust with the Trustee, and the proceeds are to be used to purchase from the Lender the GNMA Securities, or to redeem the bonds according to the various early, optional, and mandatory redemption provisions of the bonds.

As of June 30, 2020 and 2019, the balance of the mortgage note equaled the balance of the GNMA securities.

SRMC is eligible to receive cash subsidy payments from the United States Department of Treasury related to these bonds. The amount received is subject to periodic adjustment due to federal budget sequestration

At June 30, 2020 and 2019, bonds payable for SRMC consisted of the following:

|  | 2020           | 2019           |
|--|----------------|----------------|
| Taxable Revenue Build America Bonds                      | \$ 103,540,000 | \$ 107,615,000 |
| Series 2010A with fixed-interest rate of                 |                |                |
| 4.5% – final maturity 2036                               |                |                |
| Taxable Revenue Recovery Zone Economic Development Bonds | 9,740,000      | 9,740,000      |
| Series 2010B with fixed-interest rate of                 |                |                |
| 5.0% – final maturity 2037                               |                |                |
|  | \$ 113,280,000 | \$ 117,355,000 |
| Less: Current portion of bonds payable                   | (4,275,000)    | (4,075,000)    |
| Noncurrent bonds payable                                 | \$ 109,005,000 | \$ 113,280,000 |

The special and scheduled mandatory redemption requirements for the SRMC bonds as of June 30, 2020 are as follows:

| Year ending<br>June 30 | Principal      | Interest      | Total          |
|------------------------|----------------|---------------|----------------|
| 2021                   | \$ 4,275,000   | \$ 5,098,713  | \$ 9,373,713   |
| 2022                   | 4,475,000      | 4,904,200     | 9,379,200      |
| 2023                   | 4,695,000      | 4,700,350     | 9,395,350      |
| 2024                   | 4,920,000      | 4,486,600     | 9,406,600      |
| 2025                   | 5,155,000      | 4,262,612     | 9,417,612      |
| 2026–2030              | 29,740,000     | 17,558,150    | 47,298,150     |
| 2031–2035              | 37,615,000     | 10,103,675    | 47,718,675     |
| 2036–2039              | 22,405,000     | 1,644,550     | 24,049,550     |
|                        | \$ 113,280,000 | \$ 52,758,850 | \$ 166,038,850 |



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The bonds are subject to various redemption provisions as set forth in the trust indenture, including Special Mandatory Redemption, Scheduled Mandatory Redemption, and Optional Redemption. The Special Mandatory Redemption provisions are contingent on various events, including but not limited to circumstances that result in the trust estate receiving early payments on the GNMA Securities as a result of mandatory prepayments being made on the mortgage note.

The mortgage note bears interest at 4.61%. The mortgage note has a term of 299 months following the commencement of amortization and matures on July 1, 2037. Principal and interest are payable in equal monthly installments. A mortgage servicing fee of 12 basis points and a GNMA guarantee fee of 13 basis points are also included in the monthly payment, for a total of 4.86%. The mortgage note is subject to optional prepayment beginning on January 20, 2021 or thereafter, and mandatory prepayment at any time based on the occurrence of certain events, including default on scheduled payments or the receipt of any mortgage insurance proceeds.

### (D) Primary Institution

At June 30, 2020 and 2019, bonds payable for the primary institution consisted of the following:

|                                      | 2020                 |                       |                       | 2019                 |                       |                       |
|--------------------------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
|                                      | Current              | Noncurrent            | Total                 | Current              | Noncurrent            | Total                 |
| University                           | \$ 20,965,000        | \$ 373,463,433        | \$ 394,428,433        | \$ 19,930,000        | \$ 400,376,556        | \$ 420,306,556        |
| University of New Mexico Hospital    | 5,950,000            | 80,355,000            | 86,305,000            | 5,815,000            | 86,305,000            | 92,120,000            |
| UNM Sandoval Regional Medical Center | 4,275,000            | 109,005,000           | 113,280,000           | 4,075,000            | 113,280,000           | 117,355,000           |
| Total                                | <u>\$ 31,190,000</u> | <u>\$ 562,823,433</u> | <u>\$ 594,013,433</u> | <u>\$ 29,820,000</u> | <u>\$ 599,961,556</u> | <u>\$ 629,781,556</u> |

### (14) Patient Service Revenues

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

|                                 | 2020                    | 2019                    |
|---------------------------------|-------------------------|-------------------------|
| Primary Institution:            |                         |                         |
| Charges at established rates    | \$ 2,905,112,195        | \$ 2,893,516,419        |
| Charity care                    | (75,166,888)            | (95,150,243)            |
| Contractual adjustments         | (1,330,423,331)         | (1,383,002,157)         |
| Provision for doubtful accounts | (102,710,732)           | (121,802,185)           |
| Net patient service revenues    | <u>\$ 1,396,811,244</u> | <u>\$ 1,293,561,834</u> |

The Hospital is reimbursed by the Medicare and Medicaid programs on a prospective payment basis for hospital services, with certain items reimbursed at an interim rate with final settlement determined after submission of annual cost reports by the Hospital. The annual cost reports are subject to audit by the Medicare Administrative Contractor and the Medicaid audit agent. Cost reports through 2017 have been final settled for the Medicaid programs. Cost reports through 2013, except for 2005, 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.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (15) Leases

At June 30, 2020 and 2019, the University, the Hospital, and BHO had various lease arrangements summarized as follows:

#### (A) *University, Hospital, and BHO as Lessees*

##### (a) Capital Leases

Any existing capital leases are immaterial, and accordingly, there are no capital leases recorded at June 30, 2020 and 2019.

##### (b) Operating Leases

The University's rent expense for operating leases amounted to \$6,106,932 and \$6,849,883 for the years ended June 30, 2020 and 2019, respectively.

The Hospital and BHO 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 \$8,571,000 and \$8,610,000 in 2020 and 2019, respectively, and includes amounts paid to the University of \$39,254 and \$1,798,075 in 2020 and 2019, respectively, which are eliminated in these basic financial statements.

##### (c) Minimum Lease Payments

The following is a schedule of future minimum lease payments for primary institution operating leases at June 30, 2020:

| Year ending<br>June 30 | Lease<br>Payments    |
|------------------------|----------------------|
| 2021                   | \$ 5,054,749         |
| 2022                   | 4,747,125            |
| 2023                   | 3,545,248            |
| 2024                   | 2,850,336            |
| 2025                   | 1,784,823            |
| 2026–2030              | 9,893,633            |
| 2031–2035              | 1,068,522            |
| 2036–2040              | 25,400               |
| 2041–2045              | 24,840               |
| 2046 and thereafter    | 4,800                |
|                        | <u>\$ 28,999,476</u> |

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (B) *University as Lessor*

The University is lessor of various properties under operating lease agreements. For the years ended June 30, 2020 and 2019, respectively, total lease income, which includes annually renewable lease agreements, was \$6,366,012 and \$6,469,227.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2020:

| Year ending<br>June 30 | Lease<br>Income      |
|------------------------|----------------------|
| 2021                   | \$ 8,404,876         |
| 2022                   | 6,352,196            |
| 2023                   | 4,743,043            |
| 2024                   | 3,991,119            |
| 2025                   | 3,886,807            |
| 2026–2030              | 6,626,913            |
| 2031–2035              | 5,715,861            |
| 2036–2040              | 5,755,197            |
| 2041–2045              | 5,689,414            |
| 2046 and thereafter    | 9,821,350            |
|                        | <u>\$ 60,986,776</u> |

### (16) **Risk Management**

The University currently is a party to various litigation claims brought 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 either by direct payment or by the procurement of insurance coverage from a private carrier. The University paid Risk Management \$21,642,775 and \$18,879,283 in insurance premiums during fiscal years 2020 and 2019, respectively. The University's exposure is limited to \$2,500 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.

The Hospital, BHO, UNMMG, and SRMC (collectively referred to as Clinical Operations for the purposes of this footnote) have immunity from tort liability except as waived by the New Mexico Legislature. In this connection, under the New Mexico Tort Claims Act (NMTCA), the New Mexico Legislature waived the State's and the Clinical Operations' sovereign immunity for claims arising out of negligence out of the operation of the Clinical Operations, the treatment of the Clinical Operations' patients, and the healthcare services provided by Clinical Operations employees. In addition, the NMTCA limits, as an integral part of this waiver of sovereign immunity, the amount of damages that can be assessed against the Clinical Operations on any tort claim including medical malpractice, professional, or general liability claims.

The NMTCA provides that total liability for all claims that arise out of a single occurrence shall not exceed \$750,000 set forth as follows: (a) \$200,000 for real property; (b) up to \$300,000 for past and future medical and medically related expenses; and (c) up to \$400,000 for past and future noneconomic losses (such as pain and suffering) incurred or to be incurred by the claimant. While the language of the NMTCA does not expressly provide for third-party claims such as loss of consortium, the New Mexico appellate court decisions have allowed claimants to seek loss of consortium. As a result, if loss of consortium claims are presented, those claims cannot exceed \$350,000 in the aggregate. Thus, if a claim presents both direct claims and third-party claims, the maximum exposure of the Public Liability Fund, and, therefore,

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

the Clinical Operations, cannot exceed \$1,100,000. The NMTCA prohibits the award of punitive or exemplary damages against the Clinical Operations.

The NMTCA requires the State Risk Management Division to provide coverage to the Clinical Operations for those torts where the Legislature has waived the state's immunity from liability up to the damages limits of the NMTCA, as described above, 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 Clinical Operations.

Effective July 1, 2009, the University began self-insuring its health and dental benefits for employees, and effective July 1, 2016, the University began self-insuring its student health benefits. Under the plans, all eligible employees are provided access to the provider networks of Blue Cross Blue Shield, Presbyterian Health Plan, and UNM Team Health for health services and Delta Dental for dental services. Blue Cross Blue Shield of New Mexico, Presbyterian Health Plan, and UNM Team Health provide administrative claim payment services for the University's health plans and Delta Dental for the dental plan. Liabilities are based on an estimate of claims that have been incurred but not reported (IBNR), invoices received but not yet paid, and catastrophic claims not covered by the University's excess claims carriers. At June 30, 2020 and 2019, the estimated amount of the University's claims and accrued invoices was \$12.9 million and \$13.0 million, respectively, which is included in accrued payroll. The liability for claims incurred but not reported was based on the actuarial analysis performed by Aon Hewitt.

Changes in the reported self-insurance liability for health, dental, and life benefits for the University resulted from the following:

|      | Beginning<br>Balance | Claims and<br>Changes in<br>Estimates | Claim<br>Payments | Ending<br>Balance |
|------|----------------------|---------------------------------------|-------------------|-------------------|
| 2020 | \$ 12,971,415        | \$ 85,177,347                         | \$(85,271,656)    | \$ 12,877,106     |
| 2019 | 16,797,713           | 83,974,425                            | (87,800,723)      | 12,971,415        |

The Hospital sponsors a self-insured health plan in which BHO also participates, as all employees are under the centralized umbrella of the Hospital. Blue Cross Blue Shield of New Mexico and HMO New Mexico (BCBSNM and HMONM) provide administrative claim payment services for the Hospital's plan. Liabilities are based on an estimate of claims that have been incurred but not reported and claims received but not yet paid. At June 30, 2020 and 2019, the estimated amount of the Hospital's claims and accrued invoices was \$4.7 million and \$5.1 million, respectively, which is included in accrued payroll. As the Hospital receives all cash and pays all obligations of BHO, the estimated amount of BHO's IBNR and accrued invoices recorded in the Hospital's accrued payroll was approximately \$450,000 and \$488,000 at June 30, 2020 and 2019, respectively. The liability for IBNR was based on actuarial analysis calculated using information provided by BCBSNM.

Changes in the reported self-insurance liability for health, dental, and life benefits for the Hospital and BHO resulted from the following:

|      | Beginning<br>Balance | Claims and<br>Changes in<br>Estimates | Claim<br>Payments | Ending<br>Balance |
|------|----------------------|---------------------------------------|-------------------|-------------------|
| 2020 | \$ 5,633,318         | \$ 50,617,828                         | \$(51,060,202)    | \$ 5,190,944      |
| 2019 | 6,647,643            | 48,457,415                            | (49,471,740)      | 5,633,318         |

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (17) Retirement Plans and Postemployment Benefits

#### (A) University

##### General Information about the Pension Plan

*Plan description:* The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's comprehensive annual financial report. The report can be found on NMERB's website at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined in Section 22-11-2, NMSA 1978. Employees of public schools, universities, junior and community colleges, public technical and vocational institutions, state special schools, charter schools, regional education cooperatives, the New Mexico Activities Association, and certain employees at state agencies that provide an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded. Substantially all of the University's full-time employees and a small portion of the full-time employees of the Hospital and BHO (collectively referred to as Clinical Operations for the purposes of this footnote) participate in the Plan.

*Pension Benefit:* A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) a multiplier.

For members hired on or before June 30, 2019 (Tiers 1-3 members) the multiplier is 2.35%. For members hired after June 30, 2019 the multiplier accrues as follows:

| <b>Years of<br/>Service</b> | <b>Benefit Percentage<br/>Earned</b> |
|-----------------------------|--------------------------------------|
| 1-10                        | 1.35%                                |
| 11-20                       | 2.35%                                |
| 21-30                       | 3.35%                                |
| 31 plus                     | 2.40%                                |

FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater.

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

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*Summary of plan provisions for retirement eligibility by tier:*

### **Tier 1: Membership prior to July 1, 2010**

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least 65 years of age, and the member has five or more years of earned service credit, or
- The member has service credit totaling 25 years or more.

### **Tier 2: Membership on or after July 1, 2010, but prior to July 1, 2013**

Chapter 288, Laws of 2009 changed the eligibility requirements for new members who were first employed on, or after, July 1, 2010 but before July 1, 2013 — or before July 1, 2010, terminated employment, subsequently withdrew all contributions, and then becomes re-employed after July 1, 2010. These members must meet one of the following requirements:

- The member's age and earned service credit add up to the sum of 80 or more,
- The member is at least 67 years of age, and the member has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

### **Tier 3: Membership beginning on or after July 1, 2013**

Section 2-11-23.2, NMSA 1978, added eligibility requirements for new members who were first employed on or after July 1, 2013 — or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements:

- The member's minimum age is 55, and the member has earned 30 or more years of service credit. (Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55),
- The member's minimum age and earned service credit add up to the sum of 80 or more. (Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits), or
- The member's age is 67, and the member has earned five or more years of service credit.

### **Tier 4: Membership beginning on or after July 1, 2019**

Section 2-11-23.3, NMSA 1978, added eligibility requirements for new members who were first employed on or after July 1, 2019 — and had, before that date, been refunded all member contributions and had not restored all refunded contributions and interest before July 1, 2019. A member in this tier must meet one of the following requirements:

- The member's minimum age must be 58, and the member has earned 30 or more years of service credit. (A member who retires earlier than age 58, receives a reduction in benefits equal to the actuarial equivalent of retiring at age 58),
- The member's minimum age and earned service credit add up to the sum of 80 or more. (Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits), or
- The member's age is 67, and the member has earned five or more years of service credit.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

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*Form of payment:* The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary.

*Benefit options:* The Plan has three benefit options available.

- **Option A – Straight Life Benefit** – The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.
- **Option B – Joint 100% Survivor Benefit** – The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- **Option C – Joint 50% Survivor Benefit** – The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

*Disability benefit:* An NMERB member is eligible for disability benefits if they have acquired at least ten years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member's Final Average Salary (FAS) multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member's FAS or (b) 2% of the member's FAS multiplied by total years of service credit projected to age 60.

*Cost of living adjustment (COLA):* All retired members and beneficiaries receiving benefits may receive an adjustment in their benefit on July 1 following the year a member reaches the age below:

| <u>Membership</u> | <u>Age Eligible for COLA</u> |
|-------------------|------------------------------|
| Tier 1            | 65                           |
| Tier 2            | 65                           |
| Tier 3            | 67                           |
| Tier 4            | 67                           |

If a member is eligible for a COLA, the amount depends on the annual change in the Consumer Price Index (CPI) and whether the fund is fully funded (that is, the fund's funded ratio is 100%). Accordingly, if there is no increase in the CPI, or the CPI is negative, the amount of the COLA will be zero (if the CPI is negative, retirement benefits will not be decreased).

When CPI has increased and the fund is fully funded, the COLA will be the same amount as the increase in the CPI except as follows: If the increase in the CPI is 2% or greater, the COLA will be one-half of the CPI increase, not to exceed 4% or to be less than 2%.

However, while the fund is not fully funded, the COLA for retirees will be reduced based on the median annual retirement benefit, calculated after the end of each fiscal year:

- When the funded ratio is 90% or less, the COLA for retirees whose annuity is at or below the median and who have 25 or more years of service credit at retirement will be reduced by 10%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 20%.



# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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- When the funded ratio exceeds 90% but is less than 100%, the COLA for retirees whose annuity is at or below the median adjusted annuity and who had 25 or more years of service credit at retirement and will be reduced by 5%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

*Refund of contributions:* Members may withdraw their contributions only when they terminate covered employment in the State and their former employer(s) certification determination has been received by NMERB. Interest is paid to members when they withdraw their contributions following termination of employment at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or for contributions held for less than one year.

*Contributions:* For the fiscal year ended June 30, 2020 and 2019 educational employers contributed to the Plan based on the following rate schedule.

| <b>Fiscal Year</b> | <b>Date Range</b> | <b>Wage Category</b> | <b>Member Rate</b> | <b>Employer Rate</b> | <b>Combined Rate</b> | <b>Increase Over Prior Year</b> |
|--------------------|-------------------|----------------------|--------------------|----------------------|----------------------|---------------------------------|
| 2020               | 7-1-19 to 6-30-20 | Over \$24K           | 10.70%             | 14.15%               | 24.85%               | 0.25%                           |
| 2020               | 7-1-19 to 6-30-20 | \$24K or less        | 7.90%              | 14.15%               | 22.05%               | 0.25%                           |
| 2019               | 7-1-18 to 6-30-19 | Over \$20K           | 10.70%             | 13.90%               | 24.60%               | 0.00%                           |
| 2019               | 7-1-18 to 6-30-19 | \$20K or less        | 7.90%              | 13.90%               | 21.80%               | 0.00%                           |

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. The University's contributions to ERB for the fiscal years ended June 30, 2020, 2019, and 2018 were \$71,254,246, \$66,458,621, and \$65,726,332, respectively, which equal the amount of the required contributions for each fiscal year. The Clinical Operations' contributions to ERB for the fiscal years ended June 30, 2020, 2019, and 2018 were \$225,391, \$268,689, and \$286,486, respectively, which equal the amount of the required contributions for each fiscal year.

### Alternative Retirement Plan

Effective October 1991, the New Mexico legislature established an Alternative Retirement Plan (ARP) through the enactment of ERA Sections 22-11-47 through 52 NMSA 1978 to provide eligible employees an election to establish an alternative retirement investment plan. In contrast to the defined benefit plan administered by NMERB, the ARP is a defined contribution plan. NMERB is the trustee of the ARP which is administered by two third-party contractors for NMERB. The two administrators approved to offer ARP plans to eligible participants are Teachers Insurance and Annuity Association (TIAA) and Fidelity Investments.

These administrators have the authority to perform record keeping, enrollment education services, and other administrative duties for the ARP. The administrators are delegated any and all powers as may be necessary or advisable to discharge their duties under the ARP and have certain discretionary authority to decide matters under the ARP. As the ARP trustee, NMERB is responsible for selecting investment options that provide a prudent rate of return and ensuring that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan Document.

*Eligibility:* Certain eligible employees of the University are eligible to make an election to participate within ninety days of employment. Information about the ARP is distributed by the employer. Those who do not elect to participate in the ARP remain members of the regular defined benefit retirement plan.

Section 22-11-47(D) NMSA 1978 allows an ARP participant a one-time option to make an irrevocable switch to the defined benefit retirement plan after seven years of ARP participation.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

*Form of payment:* Retirement, death, and other benefits are based upon contributions made and earnings accumulated on those contributions, in accordance with the terms of the applicable vendor contracts and Internal Revenue Service Code. Retirement benefits shall, at the option of the employee, be paid in the form of:

- A lifetime income, if held in an annuity contract,
- Payments for a term of years, or
- A single-sum cash payment

ARP retirement, death, and other benefits, including disability benefits, cannot be paid from the funds administered by NMERB.

*ARP contributions:* For the year ended June 30, 2020, colleges and universities contributed 10.90% of participating employees' gross salary to the ARP vendor on behalf of the participant, and 3.25% of the employees' gross salary to NMERB, for a total of 14.15%. Employees participating in the ARP do not accrue rights to benefits in the defined benefit pension plan based on the 3.25% contributions to NMERB.

The colleges and universities are responsible for submitting employers' and employees' contributions directly to the ARP vendors and NMERB.

Employer contributions reported in the University's financial statements include amounts remitted on behalf of both the ARP defined contribution plan and the defined benefit plan. The University's 3.25% contribution remitted for the fiscal year ended June 30, 2020 and the 3.0% contributions remitted for the fiscal years ended June 30, 2019 and 2018 were \$4,984,407, \$4,296,036, and \$4,240,470, respectively.

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the University and Clinical Operations reported liabilities of \$1,239,345,111 and \$5,012,187, respectively, for their proportionate shares of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2019 using generally accepted actuarial principles.

House Bill 360 made several changes to benefit provisions, which were effective July 1, 2019. These changes have been reflected in the roll-forward and in the projection used to determine the single discount rate. These changes included:

- Increasing the employer contribution rate by 0.25%, from 13.9% to 14.15%;
- Increasing from \$20,000 to \$24,000, the member salary range subject to the lower 7.90% contribution rate (higher rate is 10.70%);
- Increasing the employer contribution to ERP on behalf of ARP members from 3.0% to 3.25%;
- Implementing anti-spiking measures to prevent artificially increasing benefits;
- Requiring all working retirees and their employers to contribute to ERP; and
- For members hired after June 30, 2019, using a tiered multiplier instead of a single multiplier to calculate retirement benefits upon retirement.

At June 30, 2019, the University and Clinical Operations reported liabilities of \$2,012,080,972 and \$8,771,605, respectively, for their proportionate shares of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the Board on April 21, 2017. There were no other significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2018. Therefore, the employer's portion was established as of the measurement date of June 30, 2018.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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The employer's proportion of the net pension liability is based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions at June 30, 2019, actuarially determined. At June 30, 2019, the University's proportion was 16.35602%, which was a decrease of 0.56455% from its proportion measured as of June 30, 2018. At June 30, 2018, the University's proportion was 16.92057%, which was an increase of 0.03598% from its proportion measured as of June 30, 2017. At June 30, 2019, the Clinical Operations' proportion was 0.06614%, which was a decrease of 0.00762% from its proportion measured as of June 30, 2018. At June 30, 2018, the Clinical Operations' proportion was 0.07376%, which was a decrease of 0.00702% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2020, the University and Clinical Operations recognized pension income of \$391,554,777 and \$2,068,140, respectively. For the year ended June 30, 2019, the University and Clinical Operations recognized pension expense of \$348,744,000 and \$896,626, respectively. At June 30, 2020 and 2019, the University and Clinical Operations reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Year Ended June 30, 2020       |                     |                       |                               |                     |                      |
|---|--------------------------------|---------------------|-----------------------|-------------------------------|---------------------|----------------------|
|   | Deferred Outflows of Resources |                     |                       | Deferred Inflows of Resources |                     |                      |
|   | University                     | Clinical Operations | Total                 | University                    | Clinical Operations | Total                |
| Differences between expected and actual experience  | \$ -                           | \$ -                | \$ -                  | \$ 32,481,574                 | \$ 131,348          | \$ 32,612,922        |
| Changes of assumptions  | 174,626,703                    | 706,150             | 175,332,853           | -                             | -                   | -                    |
| Net difference between projected and actual earnings on pension plan investments  | -                              | -                   | -                     | 26,393,898                    | 106,731             | 26,500,629           |
| Changes in proportion and differences between University and Clinical Operations contributions and proportionate share of contributions | 5,749,210                      | -                   | 5,749,210             | 39,081,637                    | 820,977             | 39,902,614           |
| University and Clinical Operations contributions subsequent to the measurement date   | 71,254,246                     | 225,391             | 71,479,637            | -                             | -                   | -                    |
| <b>Total</b>  | <b>\$ 251,630,159</b>          | <b>\$ 931,541</b>   | <b>\$ 252,561,700</b> | <b>\$ 97,957,109</b>          | <b>\$ 1,059,056</b> | <b>\$ 99,016,165</b> |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

|   | Year Ended June 30, 2019       |                     |                       |                               |                     |                      |
|---|--------------------------------|---------------------|-----------------------|-------------------------------|---------------------|----------------------|
|   | Deferred Outflows of Resources |                     |                       | Deferred Inflows of Resources |                     |                      |
|   | University                     | Clinical Operations | Total                 | University                    | Clinical Operations | Total                |
| Differences between expected and actual experience  | \$ 1,468,491                   | \$ 6,401            | \$ 1,474,892          | \$ 38,293,139                 | \$ 166,927          | \$ 38,460,066        |
| Changes of assumptions  | 414,680,378                    | 1,807,671           | 416,488,049           | -                             | -                   | -                    |
| Net difference between projected and actual earnings on pension plan investments  | 4,454,234                      | 19,417              | 4,473,651             | -                             | -                   | -                    |
| Changes in proportion and differences between University and Clinical Operations contributions and proportionate share of contributions | 14,825,615                     | -                   | 14,825,615            | -                             | 596,952             | 596,952              |
| University and Clinical Operations contributions subsequent to the measurement date   | 66,458,621                     | 268,689             | 66,727,310            | -                             | -                   | -                    |
| <b>Total</b>  | <b>\$ 501,887,339</b>          | <b>\$ 2,102,178</b> | <b>\$ 503,989,517</b> | <b>\$ 38,293,139</b>          | <b>\$ 763,879</b>   | <b>\$ 39,057,018</b> |

The \$71,479,637 reported as deferred outflows of resources related to pensions resulting from University and Clinical Operations contributions subsequent to the measurement date of June 30, 2019 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. The \$66,727,310 reported as deferred outflows of resources related to pensions resulting from University and Clinical Operations contributions subsequent to the measurement date of June 30, 2018 was recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending<br>June 30: | University           | Clinical Operations | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2021                    | \$ 126,708,961       | \$ 141,063          | \$ 126,850,024       |
| 2022                    | (26,181,617)         | (341,101)           | (26,522,718)         |
| 2023                    | (14,667,937)         | (138,955)           | (14,806,892)         |
| 2024                    | (3,440,603)          | (13,913)            | (3,454,516)          |
| <b>Total</b>            | <b>\$ 82,418,804</b> | <b>\$ (352,906)</b> | <b>\$ 82,065,898</b> |

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

*Actuarial assumptions:* The total pension liability in the June 30, 2017 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.50%  |
| Salary Increases          | 3.25% composed of 2.50% inflation, plus a 0.75% productivity increase rate, plus a step-rate promotional increase for members with less than 10 years of service.  |
| Investment Rate of Return | 7.25% compounded annually, net of expenses. This is made up of a 2.50% inflation rate and a 4.75% real rate of return.   |
| Mortality                 | <p><b>Healthy males:</b> Based on the RP-2000 Combined Healthy Mortality Table with White Collar adjustments, not set back. Generational mortality improvements with Scale BB from the table's base year of 2000.</p> <p><b>Healthy females:</b> Based on GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with Scale BB from the table's base year of 2012.</p> <p><b>Disabled males:</b> RP-2000 Disabled Mortality Table for males, set back three years, projected to 2016 with Scale BB.</p> <p><b>Disabled females:</b> RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.</p> <p><b>Active members:</b> Based on RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table's base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed for preretirement mortality.</p> |
| Retirement Age            | Experience-based table rates based on age and service, adopted by the Board on April 21, 2017 in conjunction with the six-year experience study for the period ending June 30, 2016.   |
| Cost-of-living increases  | 1.90% per year, compounded annually; increases deferred until July 1 following the year a member retires, or the year in which a member attains the age of 65 (67 for Tier 3 and Tier 4), whichever is later or, for disabled retirees, until July 1 of the third year following retirement.   |
| Payroll growth            | 3.00% per year (with no allowance for membership growth).  |
| Contribution accumulation | The accumulated member account balance with interest is estimated at the valuation date by assuming that member contributions increased 5.50% per year for all years prior to the valuation date. Contributions are credited with 4.00% interest, compounded annually, applicable to the account balances in the past as well as the future.   |
| Disability incidence      | Approved rates are applied to eligible members with at least 10 years of service.  |

The actuarial assumptions and methods are set by the Plan's Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted several economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

The long-term expected rate of return on pension plan investments was determined using a building-block approach that includes the following:

- Rate of return projections that are the sum of current yield plus projected changes in price (valuations, defaults, etc.)
- Application of key economic projections (inflation, real growth, dividends, etc.)
- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

The target allocation for each major asset class and the long-term expected rate of return are summarized in the following table:

| <b>Asset Class</b> | <b>Target<br/>Allocation</b> | <b>Long-Term<br/>Expected<br/>Rate of<br/>Return</b> |
|--------------------|------------------------------|--|
| Equities           | 31%                          |  |
| Fixed income       | 26%                          |  |
| Alternatives       | 42%                          |  |
| Cash               | 1%                           |  |
| <b>Total</b>       | <b>100%</b>                  | <b>7.25%</b>   |

*Discount rate:* A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2019. This is a 1.56% percent increase over the rate of 5.69% rate used in the prior measurement year. The 7.25% was based on a long-term expected rate of return on pension plan investments of 7.25%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

A single discount rate of 5.69% was used to measure the total pension liability as of June 30, 2018. This rate is 0.21% less than the 5.90% discount rate used for June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, and a municipal bond rate of 3.62%, net of expense. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2050. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2050 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

The projections of cash flows used to determine the single discount rates assumed that plan member and employer contributions will be made at the current statutory levels.

Additionally, contributions received through Alternative Retirement Plan (ARP) are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five-year contribution history.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

*Sensitivity of the University's and Clinical Operations' proportionate shares of the net pension liability to changes in the discount rate:*

The following presents the University's and Clinical Operations' net pension liability at June 30, 2020, which was measured using the discount rate of 7.25%, as well as what the net pension liability would have been if it were calculated using a discount rate that was one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current discount rate.

|   | Year Ended June 30, 2020 |                                  |                        |
|---|--------------------------|----------------------------------|------------------------|
|   | 1% Decrease<br>(6.25%)   | Current Discount<br>Rate (7.25%) | 1% Increase<br>(8.25%) |
| University's proportionate share of the net pension liability         | \$ 1,673,020,987         | \$ 1,239,345,111                 | \$ 880,653,935         |
| Clinical Operations' proportionate share of the net pension liability | 6,765,314                | 5,012,187                        | 3,561,163              |
| <b>Total</b>  | <b>\$ 1,679,786,301</b>  | <b>\$ 1,244,357,298</b>          | <b>\$ 884,215,098</b>  |

The following presents the University's and Clinical Operations' net pension liability at June 30, 2019, which was measured using the discount rate of 5.69%, as well as what the net pension liability would have been if it were calculated using a discount rate that was one percentage point lower (4.69%) or one percentage point higher (6.69%) than the current discount rate.

|   | Year Ended June 30, 2019 |                          |                         |
|---|--------------------------|--------------------------|-------------------------|
|   | 1% Decrease<br>(4.69%)   | Discount Rate<br>(5.69%) | 1% Increase<br>(6.69%)  |
| University's proportionate share of the net pension liability         | \$ 2,614,934,652         | \$ 2,012,080,972         | \$ 1,520,190,006        |
| Clinical Operations' proportionate share of the net pension liability | 11,399,000               | 8,771,605                | 6,626,799               |
| <b>Total</b>  | <b>\$ 2,626,333,652</b>  | <b>\$ 2,020,852,577</b>  | <b>\$ 1,526,816,805</b> |

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in separately issued NMERB'S financial reports. The reports can be found on NMERB's website at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

### (B) Clinical Operations

The Clinical Operations have 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 Clinical Operations contribute 5.5% or 7.5% of an employee's salary to the plan, depending on employment level. The plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. The plan is administered by the Hospital's Human Resources Department.

The expense for the defined-contribution plan was \$16,877,000 and \$17,011,000 in fiscal years 2020 and 2019, respectively. Total employee contributions under this plan were \$21,785,000 and \$20,723,000 in fiscal years 2020 and 2019, respectively. The Hospital also offers a Roth 403b defined-contribution plan option. Total employee contributions were approximately \$2,000,000 and \$1,800,000 in fiscal years 2020 and 2019, respectively.



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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

The Clinical Operations also have a deferred compensation plan, called the UNM Hospital 457(b) Deferred Compensation Plan, which provides employees with an additional retirement savings plan. The Clinical Operations do not contribute to this plan. Employees can make voluntary contributions to this plan. The plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. The plan is administered by the Hospital's Human Resources Department. There was no expense for the deferred compensation plan in 2020 and 2019, respectively, as the Clinical Operations do not contribute to this plan. Total employee contributions under this plan were \$3,750,000 and \$3,773,000 in fiscal years 2020 and 2019, respectively.

In addition, the Clinical Operations have a 401(a) defined-contribution plan, called the UNM Hospital 401(a) Plan, which was established for the purpose of providing retirement benefits for eligible participants and their beneficiaries. The 401(a) plan allows for tax-deferred employer contributions based on management's recommendation that is approved by the Board of Trustees on an annual basis. The plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. All assets of the plan are held in a trust fund, are not considered Clinical Operations assets, and are under the direction of a plan administrator. The expense for the 401(a) defined-contribution plan was \$541,000 and \$596,000 in fiscal years 2020 and 2019, respectively. Only the Clinical Operations contribute to this plan.

A small portion of the Clinical Operations' full-time employees participates in the ERB defined-benefit plan authorized under the Educational Retirement Act as described above.

### (18) Other Postemployment Benefits

#### General Information about the OPEB Plan

*Plan description:* The University of New Mexico Retiree Welfare Benefit Trust (VEBA Trust) administers the University of New Mexico Retiree Welfare Benefit Plan (VEBA Plan) – a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the University. The University is the fiduciary of the VEBA Trust, and the VEBA Trust's financial statements and required supplementary information are included in the University's financial report.

Management of the VEBA Plan is vested in the VEBA Trust's VEBA Committee, which consists of nine members:

- UNM Controller or Designee
- UNM Vice President of Human Resources or Designee
- Two Faculty Appointees (appointed by the UNM President)
- Two Staff Appointees (appointed by the UNM President)
- Member of the Debt Investment Advisory Committee (ex-officio, appointed by the UNM President)
- Two UNM Presidential Appointees

*Plan membership:* In order for a retiree of the University to be eligible for OPEB other than basic life insurance, the employee must have been hired prior to July 1, 2015 and contribute to the VEBA Trust for at least five continuous years immediately prior to retirement. If hired prior to July 1, 2013 and retiring prior to July 1, 2018, employees must continually contribute to the VEBA Trust. Employees were automatically enrolled into the VEBA Trust upon its establishment unless they requested to opt out. Opportunities to opt out will occur annually during the benefits open enrollment period. Employees hired on or after July 1, 2015 are not eligible for OPEB other than basic life insurance. Contributions to the VEBA Trust are not required for the basic life insurance benefit since these benefits are not funded through the VEBA Trust.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

At the valuation date of January 1, 2019, the VEBA Plan membership consisted of the following:

|   |               |
|---|---------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 4,048         |
| Inactive plan members entitled to but not yet receiving benefit payments    | -             |
| Active plan members   | 7,133         |
| Total plan members  | <u>11,181</u> |

Total active plan members include 2,535 members hired on or after July 1, 2015 who are not eligible to receive postretirement health benefits but may be eligible to receive postretirement life insurance benefits.

*Benefits provided:* The VEBA Plan provides health, dental, and life insurance coverage to eligible retirees and their covered dependents. Eligible retirees of the University receive healthcare coverage through a self-insured medical plan, including prescription drugs, available through UNM Health, Presbyterian Health Plan, and BCBS of New Mexico. Eligible Medicare retirees (for retirees 65 years of age and over) receive healthcare coverage through one of six fully insured medical/prescription plans: Blue Cross Blue Shield HMO I (Enhanced), Blue Cross Blue Shield HMO II (Standard), Blue Cross Blue Shield PPO, Presbyterian PPO UNM Select, Presbyterian PPO UNM Premier, and UHC AARP Indemnity. Eligible retirees are also offered one of two dental insurance benefit options: Premier High Option and PPO Low Option. Basic life insurance benefits are available to retirees of the University without the requirement to opt in to the VEBA Trust. The authority to establish and amend the benefit provisions rests with the Board of Regents.

*Contributions:* The contribution requirements of VEBA Plan members and the University are established and may be amended by the Board of Regents. Retiree contributions for medical and dental insurance are required for both retiree and dependent coverage. Retirees are required to pay the full premiums less a subsidy provided by the University. The contribution percentage to premiums for retirees 65 years of age and over is determined by service credits paid into the VEBA as follows:

| <b>65+ Retirees</b>                                    |            |                |
|--|------------|----------------|
| <b>Number of VEBA Service Credit Years Contributed</b> | <b>UNM</b> | <b>Retiree</b> |
| 5-9  | 10%        | 90%            |
| 10-14  | 15%        | 85%            |
| 15 - 19  | 20%        | 80%            |
| 20 - 24  | 25%        | 75%            |
| Grandfathered with 25+ Service Credits                 | 40%        | 60%            |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

The contribution percentage to premiums for retirees under the age of 65 is determined by service credits paid into the VEBA and their preretirement annual salary as follows:

| Number of VEBA Service Credit Years Contributed | Pre- 65 Retirees   |         |                     |         |                    |         |
|---|--------------------|---------|---------------------|---------|--------------------|---------|
|   | Less than \$25,000 |         | \$25,000 - \$34,999 |         | \$35,000 and above |         |
|   | UNM                | Retiree | UNM                 | Retiree | UNM                | Retiree |
| 5-9   | 25%                | 75%     | 20%                 | 80%     | 15%                | 85%     |
| 10-14   | 30%                | 70%     | 25%                 | 75%     | 20%                | 80%     |
| 15 - 19   | 35%                | 65%     | 30%                 | 70%     | 25%                | 75%     |
| 20 - 24   | 40%                | 60%     | 35%                 | 65%     | 30%                | 70%     |
| Grandfathered with 25+ Service Credits          | 60%                | 40%     | 50%                 | 50%     | 40%                | 60%     |

Benefits-eligible employees, who do not opt-out of the VEBA Trust, contribute 0.75% of their salary to the VEBA Trust in order to ensure that the health benefits continue into retirement. The University matches the 0.75% contribution made by the employee.

### Investments

*Investment policy:* The VEBA Trust's policy in regard to the allocation of invested assets was established and may be amended by the VEBA Committee. The long-term objective of the VEBA Trust is to earn a return sufficient to preserve the purchasing power of the VEBA Trust to fund retirement benefits for contributing employees. Ultimately, the goal is to achieve an annual total return, net of management and custodial fees that equals or exceeds the estimated annual benefit distributions, and inflation as measured by the U.S Department of Labor All Urban Consumer Price Index "CPI-U".

Given the current significant unfunded status of the VEBA Plan, an intermediate return objective is established to reflect the return goal during the accumulation phase. The accumulation phase is defined as the time to achieve a VEBA Trust balance sufficient to support 30% of the annual required contribution. During the accumulation phase, the VEBA Trust has the ability to pursue a higher return since distributions are not allowed and regular contributions are expected to be significant relative to the current VEBA Trust balance. As such, the intermediate return objective is 7-8% over a full market cycle.

The following was the adopted asset allocation policy as of June 30, 2020:

| Asset Class  | Allocation  |         |
|--------------|-------------|---------|
|              | Target      | Maximum |
| Equities     | 65%         | 65%     |
| Fixed income | 35%         | 45%     |
| Alternatives | 0%          | 15%     |
| <b>Total</b> | <b>100%</b> |         |

*Rate of return:* For the years ended June 30, 2020 and 2019, the annual money-weighted rate of return on investments, net of investment expense, were 4.55 percent and 6.18 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Net OPEB Liability of the University

The University's net OPEB liability was rolled forward on an actuarial basis from the valuation measured as of July 1, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 but adjusted for a change in the discount rate.

The components of the net OPEB liability of the University at June 30, 2020 and 2019 were as follows:

|   | <u>2020</u>          | <u>2019</u>           |
|---|----------------------|-----------------------|
| Total OPEB liability  | \$ 134,052,800       | \$ 156,289,200        |
| Plan fiduciary net position   | 37,341,100           | 30,805,300            |
| University's net OPEB liability   | <u>\$ 96,711,700</u> | <u>\$ 125,483,900</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 27.86%               | 19.71%                |

*Actuarial assumptions:* The total OPEB liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                             |   |
|-----------------------------|---|
| Salary increases            | 2.0%  |
| Investment rate of return   | 8.0%, net of OPEB plan investment expense, including inflation  |
| Healthcare cost trend rates | Pre-Medicare: 5.5% initially, reduced by decrements to a rate of 5.0% after nine years<br>Post-Medicare: 5.4% initially, reduced by decrements to a rate of 5.0% after nine years<br>Dental: 4.0% |

Mortality rates were based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2018.

*Discount rate:* The discount rate used to measure the total OPEB liability was 6.69%, which is a blended rate of the University's 8.0% long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index, which was 3.50% on the last Friday prior to the measurement date of June 30, 2019. A blended discount rate was calculated based on separating the projected future payments between those paid from the VEBA Trust and those paid from general assets. The VEBA Trust assets were projected using the expected employer and employee payroll contributions and the expected long-term rate of return. Payments from the VEBA Trust were assumed to begin when the projected asset amount is fully-funded and all future projected benefit payments will be paid from the VEBA Trust. The VEBA Trust is expected to be fully-funded in the year 2032. The discount rate used in the prior year was 6.78%, which is a blended rate of the University's 8.0% long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index, which was 3.87% on the last Friday prior to the measurement date of June 30, 2018.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Changes in the Net OPEB Liability

|  | Increase (Decrease)         |                                    |                                 |
|--|-----------------------------|------------------------------------|---------------------------------|
|  | Total OPEB<br>Liability (a) | Plan Fiduciary Net<br>Position (b) | Net OPEB Liability<br>(a) - (b) |
| <b>Balance at June 30, 2019 (based on July 1, 2018 measurement date)</b> | <b>\$ 156,289,100</b>       | <b>\$ 30,805,200</b>               | <b>\$ 125,483,900</b>           |
| <b>Changes for the year:</b>   |                             |                                    |                                 |
| Service cost   | 3,267,100                   | N/A                                | 3,267,100                       |
| Interest on the total OPEB liability                                     | 10,640,500                  | N/A                                | 10,640,500                      |
| Changes of benefit terms   | -                           | N/A                                | -                               |
| Differences between expected and actual experience                       | (38,575,300)                | N/A                                | (38,575,300)                    |
| Changes of assumptions*  | 7,729,900                   | N/A                                | 7,729,900                       |
| Benefit payments   | (5,298,600)                 | (5,298,600)                        | -                               |
| Contributions from employer  | N/A                         | 7,513,700                          | (7,513,700)                     |
| Contributions from employee  | N/A                         | 2,215,100                          | (2,215,100)                     |
| Net investment income  | N/A                         | 2,111,000                          | (2,111,000)                     |
| Administrative expense   | N/A                         | (5,400)                            | 5,400                           |
| <b>Net changes</b>   | <b>(22,236,400)</b>         | <b>6,535,800</b>                   | <b>(28,772,200)</b>             |
| <b>Balance at June 30, 2020 (based on July 1, 2019 measurement date)</b> | <b>\$ 134,052,700</b>       | <b>\$ 37,341,000</b>               | <b>\$ 96,711,700</b>            |

\* The assumed discount rate decreased from 6.78% at June 30, 2018 to 6.69% as of June 30, 2019.

|  | Increase (Decrease)         |                                    |                                 |
|--|-----------------------------|------------------------------------|---------------------------------|
|  | Total OPEB<br>Liability (a) | Plan Fiduciary Net<br>Position (b) | Net OPEB Liability<br>(a) - (b) |
| <b>Balance at June 30, 2018 (based on July 1, 2017 measurement date)</b> | <b>\$ 154,799,700</b>       | <b>\$ 23,912,200</b>               | <b>\$ 130,887,500</b>           |
| <b>Changes for the year:</b>   |                             |                                    |                                 |
| Service cost   | 3,501,200                   | N/A                                | 3,501,200                       |
| Interest on the total OPEB liability                                     | 10,007,600                  | N/A                                | 10,007,600                      |
| Changes of benefit terms   | -                           | N/A                                | -                               |
| Differences between expected and actual experience                       | -                           | N/A                                | -                               |
| Changes of assumptions**   | (7,105,700)                 | N/A                                | (7,105,700)                     |
| Benefit payments   | (4,913,700)                 | (4,913,700)                        | -                               |
| Contributions from employer  | N/A                         | 7,322,500                          | (7,322,500)                     |
| Contributions from employee  | N/A                         | 2,408,800                          | (2,408,800)                     |
| Net investment income  | N/A                         | 2,080,700                          | (2,080,700)                     |
| Administrative expense   | N/A                         | (5,300)                            | 5,300                           |
| <b>Net changes</b>   | <b>1,489,400</b>            | <b>6,893,000</b>                   | <b>(5,403,600)</b>              |
| <b>Balance at June 30, 2019 (based on July 1, 2018 measurement date)</b> | <b>\$ 156,289,100</b>       | <b>\$ 30,805,200</b>               | <b>\$ 125,483,900</b>           |

\*\* The assumed discount rate increased from 6.42% at June 30, 2017 to 6.78% as of June 30, 2018.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### *Sensitivity of the net OPEB liability to changes in the discount rate:*

The following presents the University's net OPEB liability at June 30, 2020, which was measured using the discount rate of 6.69%, as well as what the net OPEB liability would have been if it were calculated using a discount rate that was one percentage point lower (5.69%) or one percentage point higher (7.69%) than the current discount rate.

|                    | Year Ended June 30, 2020 |                                  |                        |
|--------------------|--------------------------|----------------------------------|------------------------|
|                    | 1% Decrease<br>(5.69%)   | Current Discount<br>Rate (6.69%) | 1% Increase<br>(7.69%) |
| Net OPEB liability | \$ 115,109,800           | \$ 96,711,700                    | \$ 81,416,200          |

The following presents the University's net OPEB liability at June 30, 2019, which was measured using the discount rate of 6.78%, as well as what the net OPEB liability would have been if it were calculated using a discount rate that was one percentage point lower (5.78%) or one percentage point higher (7.78%) than the current discount rate.

|                    | Year Ended June 30, 2019 |                          |                        |
|--------------------|--------------------------|--------------------------|------------------------|
|                    | 1% Decrease<br>(5.78%)   | Discount Rate<br>(6.78%) | 1% Increase<br>(7.78%) |
| Net OPEB liability | \$ 146,598,400           | \$ 125,483,900           | \$ 108,218,400         |

### *Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:*

The following presents the University's net OPEB liability at June 30, 2020 and 2019, which was measured using the current healthcare cost trend rates (Pre-Medicare: 5.5% decreasing to 5%, Post-Medicare: 5.4% decreasing to 5%, Dental: 4%), as well as what the net OPEB liability would have been if it were calculated using healthcare cost trend rates that were one percentage point lower (Pre-Medicare: 4.5% decreasing to 4%, Post-Medicare: 4.4% decreasing to 4%, Dental: 3%) or one percentage point higher (Pre-Medicare: 6.5% decreasing to 6%, Post-Medicare: 6.4% decreasing to 6%, Dental: 5%) than the current healthcare cost trend rates.

|                    | Year Ended June 30, 2020  |   |   |
|--------------------|---|---|---|
|                    | 1% Decrease<br>(Pre-Medicare: 4.5%<br>decreasing to 4%, Post-<br>Medicare: 4.4%<br>decreasing to 4%,<br>Dental: 3%) | Current Discount Rate<br>(Pre-Medicare: 5.5%<br>decreasing to 5%, Post-<br>Medicare: 5.4%<br>decreasing to 5%,<br>Dental: 4%) | 1% Increase<br>(Pre-Medicare: 6.5%<br>decreasing to 6%, Post-<br>Medicare: 6.4%<br>decreasing to 6%,<br>Dental: 5%) |
| Net OPEB liability | \$ 80,995,300   | \$ 96,711,700   | \$ 115,733,900  |

|                    | Year Ended June 30, 2019  |   |   |
|--------------------|---|---|---|
|                    | 1% Decrease<br>(Pre-Medicare: 5.5%<br>decreasing to 4%, Post-<br>Medicare: 7.5%<br>decreasing to 4%,<br>Dental: 3%) | Current Discount Rate<br>(Pre-Medicare: 6.5%<br>decreasing to 5%, Post-<br>Medicare: 8.5%<br>decreasing to 5%,<br>Dental: 4%) | 1% Increase<br>(Pre-Medicare: 7.5%<br>decreasing to 6%, Post-<br>Medicare: 9.5%<br>decreasing to 6%,<br>Dental: 5%) |
| Net OPEB liability | \$ 106,004,900  | \$ 125,483,900  | \$ 149,623,400  |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

*OPEB plan fiduciary net position:* The University is the fiduciary of the VEBA Trust, and detailed information about the VEBA Trust's fiduciary net position is included in this financial report.

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2020 and 2019, the University recognized OPEB expense of \$1,599,200 and \$6,985,200, respectively. At June 30, 2020 and 2019, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Year Ended June 30, 2020       |                               |
|---|--------------------------------|-------------------------------|
|   | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience                            | \$ -                           | \$ 31,637,300                 |
| Changes of assumptions  | 6,339,560                      | 8,565,960                     |
| Net difference between projected and actual earnings on OPEB plan investments | 415,800                        | -                             |
| University contributions subsequent to the measurement date                   | 7,459,600                      | -                             |
| <b>Total</b>  | <b>\$ 14,214,960</b>           | <b>\$ 40,203,260</b>          |

|   | Year Ended June 30, 2019       |                               |
|---|--------------------------------|-------------------------------|
|   | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Changes of assumptions  | \$ -                           | \$ 10,579,400                 |
| Net difference between projected and actual earnings on OPEB plan investments | -                              | 10,800                        |
| University contributions subsequent to the measurement date                   | 7,513,700                      | -                             |
| <b>Total</b>  | <b>\$ 7,513,700</b>            | <b>\$ 10,590,200</b>          |

The \$7,459,600 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2019 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. The \$7,513,700 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2018 was recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ending June 30: |                        |
|----------------------|------------------------|
| 2021                 | \$ (7,460,700)         |
| 2022                 | (7,460,700)            |
| 2023                 | (7,451,500)            |
| 2024                 | (7,197,200)            |
| 2025                 | (3,877,800)            |
| <b>Total</b>         | <b>\$ (33,447,900)</b> |



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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (19) Commitments and Contingencies

#### (A) Commitments

In addition to the lease commitments in note 15, the University had commitments totaling \$57,306,742 at June 30, 2020. These commitments consisted of the following:

|                        | <u>2020</u>          |
|------------------------|----------------------|
| Materials and services | \$ 37,810,182        |
| Construction projects  | 19,496,560           |
| Total commitments      | <u>\$ 57,306,742</u> |

#### (B) Contingencies

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

The University receives 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.

#### (C) Mortgage Reserve Fund

On November 15, 2004, the Hospital established a mortgage reserve fund in accordance with the requirements and conditions of the 2004 FHA Regulatory Agreement. On May 14, 2015, a new mortgage reserve fund was established for the 2015 series bonds. The mortgage reserve fund is fully funded.

The mortgage note bears interest at 3.29%. The mortgage note has a term of 205 months following the commencement of amortization and matures on June 1, 2032. Principal and interest are payable in equal monthly installments upon commencement of amortization. A mortgage servicing fee of 12 basis points and a GNMA guarantee fee of 13 basis points are also included in the monthly payment, for a total of 3.54%.

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (20) Unrestricted Net Position – Committed and Dedicated

Unrestricted net position is subject to contractual commitments and dedications to support the missions of the University in current and future years. The net position of unrestricted funds of the primary institution fall into one of three categories:

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

The following is a breakdown of the University's unrestricted net position as of June 30 (unaudited):

|   | <u>2020</u>                 | <u>2019</u>                 |
|---|-----------------------------|-----------------------------|
| Unrestricted net position                       | \$ (176,401,580)            | \$ (766,347,134)            |
| Less:   |                             |                             |
| Working capital – patient care operations       |                             |                             |
| Clinical operations – UNM Hospitals             | <u>310,536,822</u>          | <u>248,003,620</u>          |
| Total working capital – patient care operations | 310,536,822                 | 248,003,620                 |
| Net pension and OPEB obligations                |                             |                             |
| Pension   | (1,085,672,061)             | (1,548,486,772)             |
| OPEB  | <u>(122,700,000)</u>        | <u>(128,560,400)</u>        |
| Total net pension and OPEB obligations          | (1,208,372,061)             | (1,677,047,172)             |
| Committed                                       |                             |                             |
| HSC capital initiatives                         | 196,333,561                 | 196,811,094                 |
| Blended component units                         | 82,132,382                  | 86,937,489                  |
| Other   | <u>139,401,538</u>          | <u>121,067,103</u>          |
| Total committed                                 | 417,867,481                 | 404,815,686                 |
| Dedicated                                       |                             |                             |
| Plant funds – repair and replacement            | 88,804,154                  | 76,615,691                  |
| Quasi-endowment funds – Regents' scholarships   | 95,662,812                  | 100,843,559                 |
| Student loan funds                              | 895,618                     | 866,895                     |
| Other   | <u>59,607,066</u>           | <u>50,287,534</u>           |
| Total dedicated                                 | 244,969,650                 | 228,613,679                 |
| <b>Ending discretionary funds balance</b>       | <u><u>\$ 58,596,528</u></u> | <u><u>\$ 29,267,053</u></u> |

# THE UNIVERSITY OF NEW MEXICO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (21) Capital Initiatives

In fiscal year 2015, the Hospital and the UNM HSC entered into an MOU to collaborate on strategic capital projects. Per the agreement, funding is set aside and committed for the development of clinical facilities. Capital project disbursements from capital initiatives funds in fiscal years 2020 and 2019 and the ending balances for each year are reflected in the table below. As of June 30, 2020 and 2019, the ending balances were \$196,333,561 and \$196,811,094, respectively, and were comprised of cash.

The Regents granted the bond trustee in respect of the UNMH HUD-insured bonds a security interest in all of UNM Hospital's cash (with the exception of the proceeds of the UNM Hospital mill levy and state appropriations), accounts receivable, contract rights, and the proceeds of the same. In addition, in that certain regulatory agreement signed by the Regents in 2004, that is still in effect today, the University agreed and committed to HUD that it would not "assign, transfer, dispose of, or encumber any personal property of the project including revenues from any source..." Lastly, in accordance with the terms of the lease under which the University leases a portion of the UNM Hospital facility from Bernalillo County, all reserves of the UNM Hospital covered by the lease are restricted to use for operation and maintenance of the UNM Hospital.

| Fiscal Year | Beginning Balance | Contributions to Fund | Capital Project Disbursements from Fund | Ending Balance |
|-------------|-------------------|-----------------------|---|----------------|
| 2020        | \$ 196,811,094    | \$ -                  | \$ (477,533)                            | \$ 196,333,561 |
| 2019        | 201,348,776       | -                     | (4,537,682)                             | 196,811,094    |

### (22) Beneficial Interest in New Mexico Land Grant Permanent Fund

The New Mexico Land Grant Permanent Fund (LGPF) was originally established pursuant to the Enabling Act for New Mexico passed by the U.S. Congress on June 20, 1910 (which encompassed the Ferguson Act of 1898) and was made the law of New Mexico by its reference in the New Mexico Constitution. The Enabling Act (and its acceptance in the New Mexico Constitution) set forth certain parcels of land granted by the United States in trust to the State of New Mexico (State) for the purposes of establishing a permanent fund which could only be used for the purposes set out in the Enabling Act, namely, the funding of schools and state institutions throughout New Mexico. Highly restrictive criteria governing permitted uses of the assets of the LGPF are specifically prescribed in the New Mexico Constitution. The beneficiaries of the LGPF are also specifically prescribed in the New Mexico Constitution and in state statute. The University is one of the specific entities identified that has a beneficial interest in the LGPF.

On July 1, 2016, the State changed its policy regarding the presentation of the University's beneficial interest in the LGPF within the State's Comprehensive Annual Financial Report (CAFR). As a result of the State's change in policy, the University no longer presents its beneficial interest in the LGPF as an asset in its stand-alone Statement of Net Position (SNP). The distribution of income from the LGPF, as required by law, received by the University for its beneficial interest in the LGPF continues to be presented in its stand-alone Statement of Revenue, Expenses, and Changes in Net Position (SRECNP) as investment income.

The University's beneficial interest and income received from this beneficial interest for the years ending June 30, 2020 and 2019 are as follows:

|   | As of June 30               |                |
|---|-----------------------------|----------------|
|   | 2020                        | 2019           |
| Balance of the University's beneficial interest in the LGPF           | \$ 236,100,465              | \$ 241,319,565 |
|   | For the Years Ended June 30 |                |
|   | 2020                        | 2019           |
| Income received from the University's beneficial interest in the LGPF | \$ 9,963,924                | \$ 9,880,045   |

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# THE UNIVERSITY OF NEW MEXICO

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (23) Subsequent Events

Subsequent to June 30, 2020, the Hospital received additional CARES Act Funds in the amounts of \$48 million from the Safety Net Relief Fund and \$12 million from the High Impact Fund. These amounts have not been recognized within the financial statements as the Hospital determined the terms surrounding recognition of these funds was not met as of June 30, 2020. These funds will be recognized in subsequent periods as the terms surrounding recognition are met.

On September 19, 2020, the U.S. Department of Health and Human Services (HHS) released a notice to Provider Relief Fund recipients regarding post-payment reporting requirements for these grants received under the CARES Act. The notice provided substantive changes to the data elements that recipients must submit as part of the reporting process, including details regarding healthcare related expenses and lost revenues attributed to coronavirus. On October 22, 2020, HHS released further guidance, specifically revising the lost revenue calculation methodology. As of June 30, 2020, the clinical operations recognized amounts received to date and are currently evaluating the impact of the notice on reporting of grant receipts in subsequent periods. Management does not believe the application of the new guidance will have a material adverse effect on the consolidated financial statements.

In July 2020, HHS announced a second round of COVID-19 High-Impact Area Targeted Distributions for hospitals that had a high number of confirmed COVID-19 positive inpatient admissions. A hospital was eligible for a distribution under this round of funding if they had a COVID-19 admission count over 160 between January 1 and June 10, 2020, or if the facility experienced an above average intensity of COVID-19 admissions per bed (at least 0.54864). Hospitals were paid \$50,000 per eligible admission from January 1 through June 10. HHS also took into account previous High-Impact Area payments for those hospitals that received initial payments from this Targeted Distribution. SRMC received \$3.4 million from the second round of COVID-19 High-Impact Area Distributions.

In July, 2020, SRMC entered into an agreement and mortgage with KeyBank National Association to refinance SRMC's mortgage from an APR of 4.86% (3.33% net of BAB Subsidy) to an APR of 1.98%. In connection with the mortgage refinance, the Series 2010A and Series 2010B bonds will be defeased in January 2021, when they become callable. The proceeds from the Series 2010A and Series 2010B bonds, net of the original issue discount and amounts used to establish required reserve accounts, were placed in an irrevocable trust from which the remaining debt service payments for bond defeasance will be paid. In July 2020, SRMC was legally released from any future debt service on the defeased bonds. SRMC entered into this transaction to reduce mortgage interest.

Effective July 1, 2020, the name of STC.UNM, a blended component unit of the University, was changed to UNM Rainforest Innovations.

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# THE UNIVERSITY OF NEW MEXICO

## REQUIRED SUPPLEMENTAL INFORMATION – PENSION

### Schedule of Proportionate Share of Net Pension Liability and Employer Contributions

The schedule of proportionate share of net pension liability and the schedule of employer contributions present multiyear trend information for the last 10 fiscal years. Fiscal Year 2015 was the first year of implementation, therefore, only six years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

#### Schedule of Proportionate Share of Net Pension Liability - ERB Plan

|   | 2020             | 2019             |
|---|------------------|------------------|
| University's and Clinical Operations' proportion of the net pension liability (asset)   | 16.42216%        | 16.99433%        |
| University's and Clinical Operations' proportionate share of the net pension liability (asset)  | \$ 1,244,357,298 | \$ 2,020,852,577 |
| University's and Clinical Operations' covered payroll   | \$ 480,032,441   | \$ 474,922,764   |
| University's and Clinical Operations' proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 259.22%          | 425.51%          |
| Plan fiduciary net position as a percentage of the total pension liability  | 64.13%           | 52.17%           |

#### Schedule of Employer Contributions - ERB Plan

|  | 2020           | 2019           |
|--|----------------|----------------|
| Statutorily required employer contribution                         | \$ 71,479,637  | \$ 66,727,310  |
| Contributions in relation to the statutorily required contribution | \$ 71,479,637  | \$ 66,727,310  |
| Contribution deficiency (excess)                                   | \$ -           | \$ -           |
| University's and Clinical Operations' covered payroll              | \$ 505,156,445 | \$ 480,032,441 |
| Contributions as a percentage of covered payroll                   | 14.15%         | 13.90%         |

#### Notes to Schedules:

##### Changes in benefit provisions

There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

##### Changes in assumptions and methods

Actuarial assumptions and methods are set by the Board of Trustee, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, The Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

# SCHEDULE 1



| 2018             | 2017             | 2016             | 2015           |
|------------------|------------------|------------------|----------------|
| 16.96537%        | 16.58948%        | 16.49188%        | 16.43531%      |
| \$ 1,885,441,562 | \$ 1,193,850,905 | \$ 1,068,222,984 | \$ 937,754,765 |
| \$ 483,027,675   | \$ 470,690,396   | \$ 450,281,155   | \$ 446,728,272 |
| 390.34%          | 253.64%          | 237.23%          | 209.92%        |
| 52.95%           | 61.58%           | 63.97%           | 66.54%         |

| 2018           | 2017           | 2016           | 2015           |
|----------------|----------------|----------------|----------------|
| \$ 66,012,818  | \$ 67,140,847  | \$ 65,427,748  | \$ 64,832,820  |
| \$ 66,012,818  | \$ 67,140,847  | \$ 65,427,748  | \$ 64,832,820  |
| \$ -           | \$ -           | \$ -           | \$ -           |
| \$ 474,922,764 | \$ 483,027,675 | \$ 470,690,396 | \$ 450,281,155 |
| 13.90%         | 13.90%         | 13.90%         | 14.40%         |



**REQUIRED SUPPLEMENTAL INFORMATION – OTHER POSTEMPLOYMENT BENEFITS (OPEB)****Schedule of Changes in the University's Net OPEB Liability and Related Ratios**

The schedule of changes in the University's net OPEB liability and related ratios presents multiyear trend information for the last 10 fiscal years. Fiscal Year 2017 was the first year of implementation, therefore, only four years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

|  | 2020                   | 2019                  | 2018                  | 2017                  |
|--|------------------------|-----------------------|-----------------------|-----------------------|
| <b>Total OPEB liability</b>  |                        |                       |                       |                       |
| Service cost   | \$ 3,267,100           | \$ 3,501,200          | \$ 3,526,500          | \$ 3,019,400          |
| Interest   | 10,640,500             | 10,007,700            | 9,469,800             | 9,058,700             |
| Changes of benefit terms   | -                      | -                     | -                     | -                     |
| Differences between expected and actual experience                                 | (38,575,300)           | -                     | -                     | -                     |
| Changes of assumptions   | 7,729,900              | (7,105,700)           | (6,444,700)           | 7,114,000             |
| Benefit payments   | (5,298,600)            | (4,913,700)           | (4,841,600)           | (4,818,100)           |
| <b>Net change in total OPEB liability</b>  | <b>\$ (22,236,400)</b> | <b>\$ 1,489,500</b>   | <b>\$ 1,710,000</b>   | <b>\$ 14,374,000</b>  |
| <b>Total OPEB liability – beginning</b>  | <b>156,289,200</b>     | <b>154,799,700</b>    | <b>153,089,700</b>    | <b>138,715,700</b>    |
| <b>Total OPEB liability – ending (a)</b>   | <b>\$ 134,052,800</b>  | <b>\$ 156,289,200</b> | <b>\$ 154,799,700</b> | <b>\$ 153,089,700</b> |
| <b>Plan fiduciary net position</b>   |                        |                       |                       |                       |
| Contributions – employer   | \$ 7,513,700           | \$ 7,322,500          | \$ 7,467,800          | \$ 7,675,100          |
| Contributions – member   | 2,215,100              | 2,408,800             | 2,625,900             | 2,856,600             |
| Net investment income  | 2,111,000              | 2,080,800             | 1,615,600             | 895,000               |
| Benefit payments   | (5,298,600)            | (4,913,700)           | (4,841,600)           | (4,818,100)           |
| Administrative expense   | (5,400)                | (5,300)               | -                     | -                     |
| <b>Net change in plan fiduciary net position</b>                                   | <b>\$ 6,535,800</b>    | <b>\$ 6,893,100</b>   | <b>\$ 6,867,700</b>   | <b>\$ 6,608,600</b>   |
| <b>Plan fiduciary net position – beginning</b>                                     | <b>30,805,300</b>      | <b>23,912,200</b>     | <b>17,044,500</b>     | <b>10,435,900</b>     |
| <b>Plan fiduciary net position – ending (b)</b>                                    | <b>\$ 37,341,100</b>   | <b>\$ 30,805,300</b>  | <b>\$ 23,912,200</b>  | <b>\$ 17,044,500</b>  |
| <b>University's net OPEB liability – ending (a) - (b)</b>                          | <b>\$ 96,711,700</b>   | <b>\$ 125,483,900</b> | <b>\$ 130,887,500</b> | <b>\$ 136,045,200</b> |
| <b>Plan fiduciary net position as a percentage of the total OPEB liability</b>     | <b>27.86%</b>          | <b>19.71%</b>         | <b>15.45%</b>         | <b>11.13%</b>         |
| <b>Covered-employee payroll</b>  | <b>\$ 295,345,700</b>  | <b>\$ 321,166,700</b> | <b>\$ 350,452,500</b> | <b>\$ 383,432,900</b> |
| <b>University's net OPEB liability as a percentage of covered-employee payroll</b> | <b>32.75%</b>          | <b>39.07%</b>         | <b>37.35%</b>         | <b>35.48%</b>         |

**Notes to Schedule:**

Benefit changes: None

Differences between expected and actual experience: The \$38,575,300 decrease in the liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims, and premiums experience.

Changes of assumptions: The \$6,444,700 decrease in the liability from the fiscal year ending June 30, 2017 to the fiscal year ending June 30, 2018 is due to the increase in the assumed discount rate as of the measurement date. The \$7,105,700 decrease in the liability from the fiscal year ending June 30, 2018 to the fiscal year ending June 30, 2019 is due to the increase in the assumed discount rate as of the measurement date. The \$7,729,900 increase in the liability from June 30, 2019 to June 30, 2020 is due to the decrease in the assumed discount rate from 6.78% as of June 30, 2019 to 6.69% as of June 30, 2020, as well as updates to the trend, excise tax, and mortality assumptions.

**REQUIRED SUPPLEMENTAL INFORMATION – OTHER POSTEMPLOYMENT BENEFITS (OPEB)****Schedule of University Contributions**

The schedule of University contributions presents multiyear trend information for the last 10 fiscal years. Fiscal Year 2017 was the first year of implementation, therefore, only four years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

|  | <b>2020</b>    | <b>2019</b>    | <b>2018</b>    | <b>2017</b>    |
|--|----------------|----------------|----------------|----------------|
| Actuarially determined contribution                                  | \$ 7,459,600   | \$ 7,513,700   | \$ 7,322,500   | \$ 7,467,800   |
| Contributions in relation to the actuarially determined contribution | 7,459,600      | 7,513,700      | 7,322,500      | 7,467,800      |
| <b>Contribution deficiency (excess)</b>                              | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| Covered-employee payroll   | \$ 288,544,300 | \$ 295,345,700 | \$ 321,166,700 | \$ 350,452,500 |
| Contributions as a percentage of covered-employee payroll            | 2.59%          | 2.54%          | 2.28%          | 2.13%          |

**Notes to Schedule:**

|   |   |
|---|---|
| Valuation date  | January 1, 2019   |
| Methods and assumptions used to determine contribution rates: |   |
| Actuarial cost method   | Entry age normal - level % of salary  |
| Asset valuation method  | Market value of assets  |
| Healthcare cost trend rates                                   | Pre-Medicare: 5.5% initially, reduced by decrements to a rate of 5% after nine years<br>Post-Medicare: 5.4% initially, reduced by decrements to a rate of 5% after nine years<br>Dental: 4% |
| Salary increases  | 2%  |
| Investment rate of return                                     | 8%, net of OPEB plan investment expenses, including inflation.  |
| Retirement age  | 63  |
| Mortality   | PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2018.                   |

**REQUIRED SUPPLEMENTAL INFORMATION – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

## Schedule of Investment Returns

The schedule of investment returns presents multiyear trend information for the last 10 fiscal years. Fiscal Year 2017 was the first year of implementation, therefore, only four years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

|   | 2020  | 2019  | 2018  | 2017   |
|---|-------|-------|-------|--------|
| Annual money-weighted rate of return, net of investment expense | 4.55% | 6.18% | 6.77% | 11.26% |

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# THE UNIVERSITY OF NEW MEXICO

## Combining Statement of Net Position as of June 30, 2020 – Blended Component Units

|  | STC.UNM              | Innovate ABQ,<br>Inc. | Lobo<br>Development<br>Corporation |
|--|----------------------|-----------------------|------------------------------------|
| <b>ASSETS</b>                                  |                      |                       |                                    |
| <b>Current assets</b>                          |                      |                       |                                    |
| Cash and cash equivalents                      | \$ 6,864,189         | \$ -                  | \$ 3,373,745                       |
| Cash and cash equivalents – restricted         | -                    | -                     | -                                  |
| Short-term investments                         | 3,897,683            | -                     | -                                  |
| Accounts receivable, net                       | 404,843              | 116,734               | 18,750                             |
| Patient receivables, net                       | -                    | -                     | -                                  |
| Due from The University of New Mexico          | -                    | -                     | 87,937                             |
| Due from affiliates                            | 1,000                | -                     | -                                  |
| Estimated third-party payor settlements        | -                    | -                     | -                                  |
| Other receivables, net                         | -                    | -                     | -                                  |
| Inventories                                    | -                    | -                     | -                                  |
| Other current assets                           | -                    | 8,344                 | 3,494                              |
| <b>Total current assets</b>                    | <b>\$ 11,167,715</b> | <b>\$ 125,078</b>     | <b>\$ 3,483,926</b>                |
| <b>Noncurrent assets</b>                       |                      |                       |                                    |
| Cash and cash equivalents                      | \$ -                 | \$ -                  | \$ -                               |
| Investments                                    | 1,735                | -                     | -                                  |
| Due from The University of New Mexico          | -                    | -                     | 883,331                            |
| Other noncurrent assets                        | -                    | -                     | -                                  |
| Capital assets, net                            | 32,879               | 7,523,605             | 16,877,113                         |
| <b>Total noncurrent assets</b>                 | <b>\$ 34,614</b>     | <b>\$ 7,523,605</b>   | <b>\$ 17,760,444</b>               |
| <b>Total assets</b>                            | <b>\$ 11,202,329</b> | <b>\$ 7,648,683</b>   | <b>\$ 21,244,370</b>               |
| <b>LIABILITIES</b>                             |                      |                       |                                    |
| <b>Current liabilities</b>                     |                      |                       |                                    |
| Accounts payable and accrued expenses          | \$ 2,262,073         | \$ 25,420             | \$ 29,580                          |
| Bonds payable – current                        | -                    | -                     | -                                  |
| Long-term debt – current                       | -                    | -                     | 80,358                             |
| Due to The University of New Mexico            | 427,185              | -                     | 418,320                            |
| Due to affiliates                              | -                    | -                     | -                                  |
| Accrued compensated absences                   | -                    | -                     | -                                  |
| Estimated third-party payor settlements        | -                    | -                     | -                                  |
| Medicare accelerated and advance payment progr | -                    | -                     | -                                  |
| Other current liabilities                      | 890,126              | 141,701               | -                                  |
| <b>Total current liabilities</b>               | <b>\$ 3,579,384</b>  | <b>\$ 167,121</b>     | <b>\$ 528,258</b>                  |
| <b>Noncurrent liabilities</b>                  |                      |                       |                                    |
| Bonds payable – noncurrent                     | \$ -                 | \$ -                  | \$ -                               |
| Long-term debt – noncurrent                    | -                    | -                     | 516,996                            |
| Due to The University of New Mexico            | -                    | -                     | 13,088,472                         |
| <b>Total noncurrent liabilities</b>            | <b>\$ -</b>          | <b>\$ -</b>           | <b>\$ 13,605,468</b>               |
| <b>Total liabilities</b>                       | <b>\$ 3,579,384</b>  | <b>\$ 167,121</b>     | <b>\$ 14,133,726</b>               |
| <b>NET POSITION</b>                            |                      |                       |                                    |
| Net investment in capital assets               | \$ 32,879            | \$ 7,523,605          | \$ 2,772,967                       |
| Restricted expendable                          | -                    | -                     | -                                  |
| Unrestricted                                   | 7,590,066            | (42,043)              | 4,337,677                          |
| <b>Total net position</b>                      | <b>\$ 7,622,945</b>  | <b>\$ 7,481,562</b>   | <b>\$ 7,110,644</b>                |

See accompanying independent auditors' report.

# SCHEDULE 5

| Lobo Energy,<br>Inc. | UNM Medical<br>Group, Inc. | UNM Sandoval<br>Regional Medical<br>Center, Inc. | Total before<br>Eliminations | Eliminations           | Total                 |
|----------------------|----------------------------|--|------------------------------|------------------------|-----------------------|
| \$ 783,599           | \$ 20,440,060              | \$ 32,069,503                                    | \$ 63,531,096                | \$ -                   | \$ 63,531,096         |
| -                    | -                          | 6,313,272  | 6,313,272                    | -                      | 6,313,272             |
| -                    | -                          | -  | 3,897,683                    | -                      | 3,897,683             |
| 9,888                | -                          | -  | 550,215                      | -                      | 550,215               |
| -                    | 35,476,025                 | 6,940,108  | 42,416,133                   | -                      | 42,416,133            |
| -                    | 6,951,051                  | 389,799  | 7,428,787                    | (7,428,787)            | -                     |
| -                    | 527,266                    | 19,093   | 547,359                      | (542,844)              | 4,515                 |
| -                    | -                          | 427,806  | 427,806                      | -                      | 427,806               |
| -                    | -                          | 1,206,102  | 1,206,102                    | -                      | 1,206,102             |
| -                    | -                          | 2,265,744  | 2,265,744                    | -                      | 2,265,744             |
| -                    | 1,485,238                  | 1,021,035  | 2,518,111                    | (1,297,768)            | 1,220,343             |
| <b>\$ 793,487</b>    | <b>\$ 64,879,640</b>       | <b>\$ 50,652,462</b>                             | <b>\$ 131,102,308</b>        | <b>\$ (9,269,399)</b>  | <b>\$ 121,832,909</b> |
| \$ -                 | \$ 9,676,561               | \$ -   | \$ 9,676,561                 | \$ -                   | \$ 9,676,561          |
| -                    | 28,162,605                 | 15,083,228                                       | 43,247,568                   | -                      | 43,247,568            |
| -                    | -                          | -  | 883,331                      | (883,331)              | -                     |
| -                    | 15,565,183                 | -  | 15,565,183                   | -                      | 15,565,183            |
| 7,858,737            | 3,545,874                  | 95,475,016                                       | 131,313,224                  | -                      | 131,313,224           |
| <b>\$ 7,858,737</b>  | <b>\$ 56,950,223</b>       | <b>\$ 110,558,244</b>                            | <b>\$ 200,685,867</b>        | <b>\$ (883,331)</b>    | <b>\$ 199,802,536</b> |
| <b>\$ 8,652,224</b>  | <b>\$ 121,829,863</b>      | <b>\$ 161,210,706</b>                            | <b>\$ 331,788,175</b>        | <b>\$ (10,152,730)</b> | <b>\$ 321,635,445</b> |
| \$ 61,821            | \$ 12,049,278              | \$ 11,775,849                                    | \$ 26,204,021                | \$ -                   | \$ 26,204,021         |
| -                    | -                          | 4,275,000  | 4,275,000                    | -                      | 4,275,000             |
| 1,091,261            | -                          | -  | 1,171,619                    | -                      | 1,171,619             |
| -                    | 40,116,029                 | 1,047,759  | 42,009,293                   | (42,009,293)           | -                     |
| -                    | 15,638                     | 527,206  | 542,844                      | (542,844)              | -                     |
| -                    | -                          | 2,018,148  | 2,018,148                    | -                      | 2,018,148             |
| -                    | -                          | 1,001,630  | 1,001,630                    | -                      | 1,001,630             |
| -                    | -                          | 7,330,765  | 7,330,765                    | -                      | 7,330,765             |
| -                    | -                          | 3,617,914  | 4,649,741                    | -                      | 4,649,741             |
| <b>\$ 1,153,082</b>  | <b>\$ 52,180,945</b>       | <b>\$ 31,594,271</b>                             | <b>\$ 89,203,061</b>         | <b>\$ (42,552,137)</b> | <b>\$ 46,650,924</b>  |
| \$ -                 | \$ -                       | \$ 109,005,000                                   | \$ 109,005,000               | \$ -                   | \$ 109,005,000        |
| 1,215,169            | -                          | -  | 1,732,165                    | -                      | 1,732,165             |
| -                    | -                          | -  | 13,088,472                   | (13,088,472)           | -                     |
| <b>\$ 1,215,169</b>  | <b>\$ -</b>                | <b>\$ 109,005,000</b>                            | <b>\$ 123,825,637</b>        | <b>\$ (13,088,472)</b> | <b>\$ 110,737,165</b> |
| <b>\$ 2,368,251</b>  | <b>\$ 52,180,945</b>       | <b>\$ 140,599,271</b>                            | <b>\$ 213,028,698</b>        | <b>\$ (55,640,609)</b> | <b>\$ 157,388,089</b> |
| \$ 5,552,307         | \$ 3,545,874               | \$ (17,804,984)                                  | \$ 1,622,648                 | \$ 13,506,792          | \$ 15,129,440         |
| -                    | -                          | 21,497,655                                       | 21,497,655                   | -                      | 21,497,655            |
| 731,666              | 66,103,044                 | 16,918,764                                       | 95,639,174                   | (13,506,792)           | 82,132,382            |
| <b>\$ 6,283,973</b>  | <b>\$ 69,648,918</b>       | <b>\$ 20,611,435</b>                             | <b>\$ 118,759,477</b>        | <b>\$ -</b>            | <b>\$ 118,759,477</b> |

# THE UNIVERSITY OF NEW MEXICO

## Combining Statement of Net Position as of June 30, 2019 – Blended Component Units

|   | STC.UNM             | Innovate ABQ,<br>Inc. | Lobo<br>Development<br>Corporation |
|---|---------------------|-----------------------|------------------------------------|
| <b>ASSETS</b>                           |                     |                       |                                    |
| <b>Current assets</b>                   |                     |                       |                                    |
| Cash and cash equivalents               | \$ 1,052,063        | \$ 117,837            | \$ 5,518,717                       |
| Cash and cash equivalents – restricted  | -                   | -                     | -                                  |
| Short-term investments                  | 761,791             | -                     | -                                  |
| Accounts receivable, net                | 1,077,009           | 83,295                | 6,250                              |
| Patient receivables, net                | -                   | -                     | -                                  |
| Due from The University of New Mexico   | -                   | -                     | -                                  |
| Due from affiliates                     | -                   | -                     | -                                  |
| Estimated third-party payor settlements | -                   | -                     | -                                  |
| Other receivables, net                  | -                   | -                     | -                                  |
| Inventories                             | -                   | -                     | -                                  |
| Other current assets                    | -                   | 7,692                 | 3,227                              |
| <b>Total current assets</b>             | <b>\$ 2,890,863</b> | <b>\$ 208,824</b>     | <b>\$ 5,528,194</b>                |
| <b>Noncurrent assets</b>                |                     |                       |                                    |
| Cash and cash equivalents               | \$ -                | \$ -                  | \$ -                               |
| Investments                             | 1,519               | -                     | -                                  |
| Other noncurrent assets                 | -                   | -                     | -                                  |
| Capital assets, net                     | 33,040              | 7,390,930             | 15,941,759                         |
| <b>Total noncurrent assets</b>          | <b>\$ 34,559</b>    | <b>\$ 7,390,930</b>   | <b>\$ 15,941,759</b>               |
| <b>Total assets</b>                     | <b>\$ 2,925,422</b> | <b>\$ 7,599,754</b>   | <b>\$ 21,469,953</b>               |
| <b>LIABILITIES</b>                      |                     |                       |                                    |
| <b>Current liabilities</b>              |                     |                       |                                    |
| Accounts payable and accrued expenses   | \$ 409,001          | \$ 33,357             | \$ 25,854                          |
| Bonds payable – current                 | -                   | -                     | -                                  |
| Long-term debt – current                | -                   | -                     | 74,546                             |
| Due to The University of New Mexico     | 474,193             | -                     | 675,114                            |
| Due to affiliates                       | -                   | -                     | -                                  |
| Accrued compensated absences            | -                   | -                     | -                                  |
| Estimated third-party payor settlements | -                   | -                     | -                                  |
| Other current liabilities               | 1,036,260           | 93,408                | -                                  |
| <b>Total current liabilities</b>        | <b>\$ 1,919,454</b> | <b>\$ 126,765</b>     | <b>\$ 775,514</b>                  |
| <b>Noncurrent liabilities</b>           |                     |                       |                                    |
| Bonds payable – noncurrent              | \$ -                | \$ -                  | \$ -                               |
| Long-term debt – noncurrent             | -                   | -                     | 598,341                            |
| Due to The University of New Mexico     | -                   | -                     | 13,506,793                         |
| <b>Total noncurrent liabilities</b>     | <b>\$ -</b>         | <b>\$ -</b>           | <b>\$ 14,105,134</b>               |
| <b>Total liabilities</b>                | <b>\$ 1,919,454</b> | <b>\$ 126,765</b>     | <b>\$ 14,880,648</b>               |
| <b>NET POSITION</b>                     |                     |                       |                                    |
| Net investment in capital assets        | \$ 33,040           | \$ 7,390,930          | \$ 1,356,108                       |
| Restricted expendable                   | -                   | -                     | -                                  |
| Unrestricted                            | 972,928             | 82,059                | 5,233,197                          |
| <b>Total net position</b>               | <b>\$ 1,005,968</b> | <b>\$ 7,472,989</b>   | <b>\$ 6,589,305</b>                |

See accompanying independent auditors' report.



# SCHEDULE 6

| Lobo Energy,<br>Inc. | UNM Medical<br>Group, Inc. | UNM Sandoval<br>Regional<br>Medical Center,<br>Inc. | Total before<br>Eliminations | Eliminations           | Total                 |
|----------------------|----------------------------|---|------------------------------|------------------------|-----------------------|
| \$ 721,707           | \$ 30,194,183              | \$ 21,942,347                                       | \$ 59,546,854                | \$ -                   | \$ 59,546,854         |
| -                    | -                          | 7,124,841   | 7,124,841                    | -                      | 7,124,841             |
| -                    | -                          | -   | 761,791                      | -                      | 761,791               |
| 9,888                | -                          | -   | 1,176,442                    | -                      | 1,176,442             |
| -                    | 46,424,181                 | 8,800,479   | 55,224,660                   | -                      | 55,224,660            |
| -                    | 3,128,452                  | 46,276  | 3,174,728                    | (3,174,728)            | -                     |
| -                    | 63,667                     | 44,254  | 107,921                      | (107,921)              | -                     |
| -                    | -                          | 396,286   | 396,286                      | -                      | 396,286               |
| -                    | 317,032                    | 128,956   | 445,988                      | -                      | 445,988               |
| -                    | -                          | 2,088,272   | 2,088,272                    | -                      | 2,088,272             |
| 1,128                | -                          | 585,139   | 597,186                      | -                      | 597,186               |
| <b>\$ 732,723</b>    | <b>\$ 80,127,515</b>       | <b>\$ 41,156,850</b>                                | <b>\$ 130,644,969</b>        | <b>\$ (3,282,649)</b>  | <b>\$ 127,362,320</b> |
| \$ -                 | \$ 2,063,504               | \$ -  | \$ 2,063,504                 | \$ -                   | \$ 2,063,504          |
| -                    | 27,301,308                 | 13,206,575  | 40,509,402                   | -                      | 40,509,402            |
| -                    | 10,915,002                 | -   | 10,915,002                   | -                      | 10,915,002            |
| 8,292,488            | 2,476,680                  | 99,508,641  | 133,643,538                  | -                      | 133,643,538           |
| <b>\$ 8,292,488</b>  | <b>\$ 42,756,494</b>       | <b>\$ 112,715,216</b>                               | <b>\$ 187,131,446</b>        | <b>\$ -</b>            | <b>\$ 187,131,446</b> |
| <b>\$ 9,025,211</b>  | <b>\$ 122,884,009</b>      | <b>\$ 153,872,066</b>                               | <b>\$ 317,776,415</b>        | <b>\$ (3,282,649)</b>  | <b>\$ 314,493,766</b> |
| \$ 45,188            | \$ 8,357,720               | \$ 10,531,052                                       | \$ 19,402,172                | \$ -                   | \$ 19,402,172         |
| -                    | -                          | 4,075,000   | 4,075,000                    | -                      | 4,075,000             |
| 1,062,826            | -                          | -   | 1,137,372                    | -                      | 1,137,372             |
| -                    | 35,870,003                 | 613,647   | 37,632,957                   | (37,632,957)           | -                     |
| -                    | 44,254                     | 63,667  | 107,921                      | (107,921)              | -                     |
| -                    | -                          | 1,804,378   | 1,804,378                    | -                      | 1,804,378             |
| -                    | -                          | 3,190,535   | 3,190,535                    | -                      | 3,190,535             |
| -                    | -                          | -   | 1,129,668                    | -                      | 1,129,668             |
| <b>\$ 1,108,014</b>  | <b>\$ 44,271,977</b>       | <b>\$ 20,278,279</b>                                | <b>\$ 68,480,003</b>         | <b>\$ (37,740,878)</b> | <b>\$ 30,739,125</b>  |
| \$ -                 | \$ -                       | \$ 113,280,000                                      | \$ 113,280,000               | \$ -                   | \$ 113,280,000        |
| 2,306,430            | -                          | -   | 2,904,771                    | -                      | 2,904,771             |
| -                    | -                          | -   | 13,506,793                   | (13,506,793)           | -                     |
| <b>\$ 2,306,430</b>  | <b>\$ -</b>                | <b>\$ 113,280,000</b>                               | <b>\$ 129,691,564</b>        | <b>\$ (13,506,793)</b> | <b>\$ 116,184,771</b> |
| <b>\$ 3,414,444</b>  | <b>\$ 44,271,977</b>       | <b>\$ 133,558,279</b>                               | <b>\$ 198,171,567</b>        | <b>\$ (51,247,671)</b> | <b>\$ 146,923,896</b> |
| \$ 4,923,232         | \$ 2,476,680               | \$ (17,846,359)                                     | \$ (1,666,369)               | \$ 13,912,764          | \$ 12,246,395         |
| -                    | -                          | 20,420,964  | 20,420,964                   | -                      | 20,420,964            |
| 687,535              | 76,135,352                 | 17,739,182  | 100,850,253                  | (13,912,764)           | 86,937,489            |
| <b>\$ 5,610,767</b>  | <b>\$ 78,612,032</b>       | <b>\$ 20,313,787</b>                                | <b>\$ 119,604,848</b>        | <b>\$ -</b>            | <b>\$ 119,604,848</b> |

# THE UNIVERSITY OF NEW MEXICO

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2020 – Blended Component Units

|   | STC.UNM              | Innovate ABQ,<br>Inc. | Lobo<br>Development<br>Corporation |
|---|----------------------|-----------------------|------------------------------------|
| <b>REVENUES</b>                                     |                      |                       |                                    |
| <b>Operating revenues</b>                           |                      |                       |                                    |
| Net patient service                                 | \$ -                 | \$ -                  | \$ -                               |
| Nongovernmental grants, bequests, and contributions | -                    | 419,324               | -                                  |
| Sales and services                                  | -                    | -                     | 1,050,972                          |
| Operational support                                 | 2,034,000            | -                     | -                                  |
| Other operating revenues                            | 54,341,187           | 348,408               | 1,364,244                          |
| <b>Total operating revenues</b>                     | <b>\$ 56,375,187</b> | <b>\$ 767,732</b>     | <b>\$ 2,415,216</b>                |
| <b>EXPENSES</b>                                     |                      |                       |                                    |
| <b>Operating expenses</b>                           |                      |                       |                                    |
| General and administrative                          | \$ 25,310,588        | \$ 377,750            | \$ 287,167                         |
| Depreciation expense                                | 8,011                | 117,846               | 469,490                            |
| Program expenses                                    | 24,686,788           | 263,563               | -                                  |
| <b>Total operating expenses</b>                     | <b>\$ 50,005,387</b> | <b>\$ 759,159</b>     | <b>\$ 756,657</b>                  |
| <b>Net operating income (loss)</b>                  | <b>\$ 6,369,800</b>  | <b>\$ 8,573</b>       | <b>\$ 1,658,559</b>                |
| <b>NONOPERATING REVENUES (EXPENSES)</b>             |                      |                       |                                    |
| State appropriations                                | \$ -                 | \$ -                  | \$ -                               |
| Sandoval county mill levy                           | -                    | -                     | -                                  |
| Federal CARES Act grants                            | -                    | -                     | -                                  |
| Federal bond subsidy                                | -                    | -                     | -                                  |
| Investment income                                   | 247,177              | -                     | 82,423                             |
| Interest expense                                    | -                    | -                     | (444,643)                          |
| Distributions to the University of New Mexico       | -                    | -                     | (775,000)                          |
| Other nonoperating revenues and expenses, net       | -                    | -                     | -                                  |
| <b>Net nonoperating revenues (expenses)</b>         | <b>\$ 247,177</b>    | <b>\$ -</b>           | <b>\$ (1,137,220)</b>              |
| <b>Change in net position</b>                       | <b>\$ 6,616,977</b>  | <b>\$ 8,573</b>       | <b>\$ 521,339</b>                  |
| <b>Net position at beginning of year</b>            | <b>1,005,968</b>     | <b>7,472,989</b>      | <b>6,589,305</b>                   |
| <b>Net position at end of year</b>                  | <b>\$ 7,622,945</b>  | <b>\$ 7,481,562</b>   | <b>\$ 7,110,644</b>                |

See accompanying independent auditors' report.

# SCHEDULE 7

| Lobo Energy,<br>Inc. | UNM Medical<br>Group, Inc. | UNM Sandoval<br>Regional Medical<br>Center, Inc. | Total before<br>Eliminations | Eliminations            | Total                 |
|----------------------|----------------------------|--|------------------------------|-------------------------|-----------------------|
| \$ -                 | \$ 224,213,077             | \$ 76,453,989                                    | \$ 300,667,066               | \$ -                    | \$ 300,667,066        |
| -                    | -                          | -  | 419,324                      | (70,000)                | 349,324               |
| 2,171,065            | 34,192,316                 | -  | 37,414,353                   | (2,171,065)             | 35,243,288            |
| -                    | -                          | -  | 2,034,000                    | (2,034,000)             | -                     |
| -                    | 2,620,718                  | 1,749,999  | 60,424,556                   | (2,061,273)             | 58,363,283            |
| <b>\$ 2,171,065</b>  | <b>\$ 261,026,111</b>      | <b>\$ 78,203,988</b>                             | <b>\$ 400,959,299</b>        | <b>\$ (6,336,338)</b>   | <b>\$ 394,622,961</b> |
| \$ 230,839           | \$ 279,149,666             | \$ 77,176,128                                    | \$ 382,532,138               | \$ (202,766,767)        | \$ 179,765,371        |
| 433,751              | 1,145,806                  | 5,629,891  | 7,804,795                    | -                       | 7,804,795             |
| 763,269              | -                          | -  | 25,713,620                   | (4,199,335)             | 21,514,285            |
| <b>\$ 1,427,859</b>  | <b>\$ 280,295,472</b>      | <b>\$ 82,806,019</b>                             | <b>\$ 416,050,553</b>        | <b>\$ (206,966,102)</b> | <b>\$ 209,084,451</b> |
| <b>\$ 743,206</b>    | <b>\$ (19,269,361)</b>     | <b>\$ (4,602,031)</b>                            | <b>\$ (15,091,254)</b>       | <b>\$ 200,629,764</b>   | <b>\$ 185,538,510</b> |
| \$ -                 | \$ 1,160,200               | \$ -   | \$ 1,160,200                 | \$ -                    | \$ 1,160,200          |
| -                    | -                          | 6,465,723  | 6,465,723                    | -                       | 6,465,723             |
| -                    | 1,619,761                  | 3,070,405  | 4,690,166                    | -                       | 4,690,166             |
| -                    | -                          | 1,756,026  | 1,756,026                    | -                       | 1,756,026             |
| 6,241                | 1,431,174                  | 219,797  | 1,986,812                    | (9,892)                 | 1,976,920             |
| (76,241)             | -                          | (5,192,650)                                      | (5,713,534)                  | 411,831                 | (5,301,703)           |
| -                    | -                          | -  | (775,000)                    | 775,000                 | -                     |
| -                    | 6,095,112                  | (1,419,622)                                      | 4,675,490                    | -                       | 4,675,490             |
| <b>\$ (70,000)</b>   | <b>\$ 10,306,247</b>       | <b>\$ 4,899,679</b>                              | <b>\$ 14,245,883</b>         | <b>\$ 1,176,939</b>     | <b>\$ 15,422,822</b>  |
| \$ 673,206           | \$ (8,963,114)             | \$ 297,648                                       | \$ (845,371)                 | \$ 201,806,703          | \$ 200,961,332        |
| 5,610,767            | 78,612,032                 | 20,313,787                                       | 119,604,848                  | -                       | 119,604,848           |
| <b>\$ 6,283,973</b>  | <b>\$ 69,648,918</b>       | <b>\$ 20,611,435</b>                             | <b>\$ 118,759,477</b>        | <b>\$ 201,806,703</b>   | <b>\$ 320,566,180</b> |

# THE UNIVERSITY OF NEW MEXICO

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2019 – Blended Component Units

|   | STC.UNM             | Innovate ABQ,<br>Inc. | Lobo<br>Development<br>Corporation |
|---|---------------------|-----------------------|------------------------------------|
| <b>REVENUES</b>                                     |                     |                       |                                    |
| <b>Operating revenues</b>                           |                     |                       |                                    |
| Net patient service                                 | \$ -                | \$ -                  | \$ -                               |
| Nongovernmental grants, bequests, and contributions | -                   | 92,542                | -                                  |
| Sales and services                                  | -                   | -                     | 855,575                            |
| Operational support                                 | 2,034,000           | -                     | -                                  |
| Other operating revenues                            | 2,407,927           | 201,198               | 1,453,408                          |
| <b>Total operating revenues</b>                     | <b>\$ 4,441,927</b> | <b>\$ 293,740</b>     | <b>\$ 2,308,983</b>                |
| <b>EXPENSES</b>                                     |                     |                       |                                    |
| <b>Operating expenses</b>                           |                     |                       |                                    |
| General and administrative                          | \$ 1,898,260        | \$ 472,099            | \$ 394,990                         |
| Depreciation expense                                | 8,065               | 117,846               | 469,489                            |
| Program expenses                                    | 2,697,821           | 296,386               | 266                                |
| <b>Total operating expenses</b>                     | <b>\$ 4,604,146</b> | <b>\$ 886,331</b>     | <b>\$ 864,745</b>                  |
| <b>Net operating income (loss)</b>                  | <b>\$ (162,219)</b> | <b>\$ (592,591)</b>   | <b>\$ 1,444,238</b>                |
| <b>NONOPERATING REVENUES (EXPENSES)</b>             |                     |                       |                                    |
| State appropriations                                | \$ -                | \$ -                  | \$ -                               |
| Sandoval county mill levy                           | -                   | -                     | -                                  |
| Federal bond subsidy                                | -                   | -                     | -                                  |
| Investment income                                   | 38,376              | -                     | 85,014                             |
| Interest expense                                    | -                   | -                     | (456,595)                          |
| Distributions to the University of New Mexico       | -                   | -                     | (782,000)                          |
| Other nonoperating revenues and expenses, net       | -                   | -                     | -                                  |
| <b>Net nonoperating revenues (expenses)</b>         | <b>\$ 38,376</b>    | <b>\$ -</b>           | <b>\$ (1,153,581)</b>              |
| <b>Change in net position</b>                       | <b>\$ (123,843)</b> | <b>\$ (592,591)</b>   | <b>\$ 290,657</b>                  |
| <b>Net position at beginning of year</b>            | <b>1,129,811</b>    | <b>8,065,580</b>      | <b>6,298,648</b>                   |
| <b>Net position at end of year</b>                  | <b>\$ 1,005,968</b> | <b>\$ 7,472,989</b>   | <b>\$ 6,589,305</b>                |

See accompanying independent auditors' report.

# SCHEDULE 8

| Lobo Energy,<br>Inc. | UNM Medical<br>Group, Inc. | UNM Sandoval<br>Regional Medical<br>Center, Inc. | Total before<br>Eliminations | Eliminations            | Total                 |
|----------------------|----------------------------|--|------------------------------|-------------------------|-----------------------|
| \$ -                 | \$ 194,904,923             | \$ 82,965,371                                    | \$ 277,870,294               | \$ -                    | \$ 277,870,294        |
| -                    | -                          | -  | 92,542                       | -                       | 92,542                |
| 2,171,065            | 28,562,765                 | -  | 31,589,405                   | (2,171,065)             | 29,418,340            |
| -                    | -                          | -  | 2,034,000                    | (2,034,000)             | -                     |
| -                    | 2,120,912                  | 1,214,790  | 7,398,235                    | (1,958,645)             | 5,439,590             |
| <b>\$ 2,171,065</b>  | <b>\$ 225,588,600</b>      | <b>\$ 84,180,161</b>                             | <b>\$ 318,984,476</b>        | <b>\$ (6,163,710)</b>   | <b>\$ 312,820,766</b> |
| \$ 183,126           | \$ 214,249,121             | \$ 73,952,721                                    | \$ 291,150,317               | \$ (144,461,980)        | \$ 146,688,337        |
| 549,313              | 801,612                    | 6,084,684  | 8,031,009                    | -                       | 8,031,009             |
| 664,818              | -                          | -  | 3,659,291                    | (205,621)               | 3,453,670             |
| <b>\$ 1,397,257</b>  | <b>\$ 215,050,733</b>      | <b>\$ 80,037,405</b>                             | <b>\$ 302,840,617</b>        | <b>\$ (144,667,601)</b> | <b>\$ 158,173,016</b> |
| <b>\$ 773,808</b>    | <b>\$ 10,537,867</b>       | <b>\$ 4,142,756</b>                              | <b>\$ 16,143,859</b>         | <b>\$ 138,503,891</b>   | <b>\$ 154,647,750</b> |
| \$ -                 | \$ 1,160,200               | \$ -   | \$ 1,160,200                 | \$ -                    | \$ 1,160,200          |
| -                    | -                          | 84,996   | 84,996                       | -                       | 84,996                |
| -                    | -                          | 1,810,878  | 1,810,878                    | -                       | 1,810,878             |
| 4,264                | 1,043,523                  | 295,048  | 1,466,225                    | -                       | 1,466,225             |
| (103,933)            | -                          | (5,374,000)                                      | (5,934,528)                  | 423,815                 | (5,510,713)           |
| -                    | -                          | -  | (782,000)                    | 782,000                 | -                     |
| -                    | 3,861,612                  | (792,219)  | 3,069,393                    | -                       | 3,069,393             |
| <b>\$ (99,669)</b>   | <b>\$ 6,065,335</b>        | <b>\$ (3,975,297)</b>                            | <b>\$ 875,164</b>            | <b>\$ 1,205,815</b>     | <b>\$ 2,080,979</b>   |
| \$ 674,139           | \$ 16,603,202              | \$ 167,459                                       | \$ 17,019,023                | \$ 139,709,706          | \$ 156,728,729        |
| 4,936,628            | 62,008,830                 | 20,146,328                                       | 102,585,825                  | -                       | 102,585,825           |
| <b>\$ 5,610,767</b>  | <b>\$ 78,612,032</b>       | <b>\$ 20,313,787</b>                             | <b>\$ 119,604,848</b>        | <b>\$ 139,709,706</b>   | <b>\$ 259,314,554</b> |

# THE UNIVERSITY OF NEW MEXICO

## Combining Statement of Cash Flows as of June 30, 2020 – Blended Component Units

|   | STC.UNM               | Innovate ABQ,<br>Inc. | Lobo<br>Development<br>Corporation |
|---|-----------------------|-----------------------|------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |                       |                       |                                    |
| Cash received from insurance and patients                             | \$ -                  | \$ -                  | \$ -                               |
| Cash received from Medicare advance payment plan                      | -                     | -                     | -                                  |
| Cash payments to employees  | -                     | -                     | (135,288)                          |
| Cash payments for benefits  | -                     | -                     | -                                  |
| Cash payments to suppliers  | (23,898,873)          | (601,609)             | (148,420)                          |
| Other cash receipts (payments)  | 32,607,780            | 734,293               | 2,402,716                          |
| <b>Net cash provided by (used in) operating activities</b>            | <b>\$ 8,708,907</b>   | <b>\$ 132,684</b>     | <b>\$ 2,119,008</b>                |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                |                       |                       |                                    |
| Cash received from state appropriations                               | \$ -                  | \$ -                  | \$ -                               |
| Cash received from Sandoval County mill levy                          | -                     | -                     | -                                  |
| Cash received from federal CARES Act grants                           | -                     | -                     | -                                  |
| Other nonoperating cash receipts (payments)                           | -                     | -                     | (269,143)                          |
| <b>Net cash provided by (used in) noncapital financing activities</b> | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ (269,143)</b>                |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>       |                       |                       |                                    |
| Cash received from federal bond subsidy                               | \$ -                  | \$ -                  | \$ -                               |
| Principal payments of bonds   | -                     | -                     | -                                  |
| Interest payments on bonds  | -                     | -                     | -                                  |
| Cash payments for mortgage reserve fund                               | -                     | -                     | -                                  |
| Other cash payments   | (7,850)               | (250,521)             | (3,105,992)                        |
| <b>Net cash used in capital and related financing activities</b>      | <b>\$ (7,850)</b>     | <b>\$ (250,521)</b>   | <b>\$ (3,105,992)</b>              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                           |                       |                       |                                    |
| Proceeds from sales and maturities of investments                     | \$ -                  | \$ -                  | \$ -                               |
| Purchases of investments  | (3,384,591)           | -                     | -                                  |
| Investment income   | 495,660               | -                     | 82,423                             |
| Other cash receipts (payments)  | -                     | -                     | (971,268)                          |
| <b>Net cash provided by (used in) investing activities</b>            | <b>\$ (2,888,931)</b> | <b>\$ -</b>           | <b>\$ (888,845)</b>                |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>           | <b>\$ 5,812,126</b>   | <b>\$ (117,837)</b>   | <b>\$ (2,144,972)</b>              |
| Cash and cash equivalents – beginning of year                         | 1,052,063             | 117,837               | 5,518,717                          |
| <b>Cash and cash equivalents – end of year</b>                        | <b>\$ 6,864,189</b>   | <b>\$ -</b>           | <b>\$ 3,373,745</b>                |

See accompanying independent auditors' report.

# SCHEDULE 9

| Lobo Energy,<br>Inc.  | UNM Medical<br>Group, Inc. | UNM Sandoval<br>Regional<br>Medical Center,<br>Inc. | Total before<br>Eliminations | Eliminations          | Total                  |
|-----------------------|----------------------------|---|------------------------------|-----------------------|------------------------|
| \$ -                  | \$ 268,001,177             | \$ 75,806,628                                       | \$ 343,807,805               | \$ -                  | \$ 343,807,805         |
| -                     | -                          | 7,330,765   | 7,330,765                    | -                     | 7,330,765              |
| (550,326)             | (18,018,001)               | (31,369,119)  | (50,072,734)                 | -                     | (50,072,734)           |
| -                     | (2,499,045)                | -   | (2,499,045)                  | -                     | (2,499,045)            |
| (426,021)             | (29,177,814)               | (40,304,445)  | (94,557,182)                 | 233,332               | (94,323,850)           |
| 2,171,065             | (222,842,832)              | (2,380,207)   | (187,307,185)                | 165,306,916           | (22,000,269)           |
| <u>\$ 1,194,718</u>   | <u>\$ (4,536,515)</u>      | <u>\$ 9,083,622</u>                                 | <u>\$ 16,702,424</u>         | <u>\$ 165,540,248</u> | <u>\$ 182,242,672</u>  |
| \$ -                  | \$ 1,160,200               | \$ -  | \$ 1,160,200                 | \$ -                  | \$ 1,160,200           |
| -                     | -                          | 6,690,081   | 6,690,081                    | -                     | 6,690,081              |
| -                     | 1,619,761                  | 6,688,319   | 8,308,080                    | -                     | 8,308,080              |
| -                     | -                          | 14,960  | (254,183)                    | 269,143               | 14,960                 |
| <u>\$ -</u>           | <u>\$ 2,779,961</u>        | <u>\$ 13,393,360</u>                                | <u>\$ 15,904,178</u>         | <u>\$ 269,143</u>     | <u>\$ 16,173,321</u>   |
| \$ -                  | \$ -                       | \$ 885,646  | \$ 885,646                   | \$ -                  | \$ 885,646             |
| -                     | -                          | (4,075,000)   | (4,075,000)                  | -                     | (4,075,000)            |
| -                     | -                          | (5,284,337)   | (5,284,337)                  | -                     | (5,284,337)            |
| -                     | -                          | (1,876,653)   | (1,876,653)                  | -                     | (1,876,653)            |
| (1,139,067)           | (2,226,580)                | (3,030,848)   | (9,760,858)                  | 1,592,802             | (8,168,056)            |
| <u>\$ (1,139,067)</u> | <u>\$ (2,226,580)</u>      | <u>\$ (13,381,192)</u>                              | <u>\$ (20,111,202)</u>       | <u>\$ 1,592,802</u>   | <u>\$ (18,518,400)</u> |
| \$ -                  | \$ 1,431,174               | \$ -  | \$ 1,431,174                 | \$ -                  | \$ 1,431,174           |
| -                     | (861,297)                  | -   | (4,245,888)                  | -                     | (4,245,888)            |
| 6,241                 | -                          | 219,797   | 804,121                      | (9,892)               | 794,229                |
| -                     | 1,272,191                  | -   | 300,923                      | 971,268               | 1,272,191              |
| <u>\$ 6,241</u>       | <u>\$ 1,842,068</u>        | <u>\$ 219,797</u>                                   | <u>\$ (1,709,670)</u>        | <u>\$ 961,376</u>     | <u>\$ (748,294)</u>    |
| \$ 61,892             | \$ (2,141,066)             | \$ 9,315,587  | \$ 10,785,730                | \$ 168,363,569        | \$ 179,149,299         |
| 721,707               | 32,257,687                 | 29,067,188  | 68,735,199                   | -                     | 68,735,199             |
| <u>\$ 783,599</u>     | <u>\$ 30,116,621</u>       | <u>\$ 38,382,775</u>                                | <u>\$ 79,520,929</u>         | <u>\$ 168,363,569</u> | <u>\$ 247,884,498</u>  |



# THE UNIVERSITY OF NEW MEXICO

## Combining Statement of Cash Flows as of June 30, 2019 – Blended Component Units

|  | STC.UNM             | Innovate ABQ,<br>Inc. | Lobo<br>Development<br>Corporation |
|--|---------------------|-----------------------|------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                     |                       |                                    |
| Cash received from insurance and patients                        | \$ -                | \$ -                  | \$ -                               |
| Cash payments to employees                                       | -                   | -                     | (199,541)                          |
| Cash payments for benefits                                       | -                   | -                     | -                                  |
| Cash payments to suppliers                                       | (2,219,408)         | (760,271)             | (198,970)                          |
| Other cash receipts (payments)                                   | 2,103,173           | 448,322               | 2,302,733                          |
| <b>Net cash provided by (used in) operating activities</b>       | <b>\$ (116,235)</b> | <b>\$ (311,949)</b>   | <b>\$ 1,904,222</b>                |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>           |                     |                       |                                    |
| Cash received from state appropriations                          | \$ -                | \$ -                  | \$ -                               |
| Cash received from Sandoval County mill levy                     | -                   | -                     | -                                  |
| Other nonoperating cash receipts                                 | -                   | -                     | 269,143                            |
| <b>Net cash provided by noncapital financing activities</b>      | <b>\$ -</b>         | <b>\$ -</b>           | <b>\$ 269,143</b>                  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                     |                       |                                    |
| Cash received from federal bond subsidy                          | \$ -                | \$ -                  | \$ -                               |
| Principal payments of bonds                                      | -                   | -                     | -                                  |
| Interest payments on bonds                                       | -                   | -                     | -                                  |
| Cash payments for mortgage reserve fund                          | -                   | -                     | -                                  |
| Other cash payments  | (12,662)            | (55,297)              | (2,049,338)                        |
| <b>Net cash used in capital and related financing activities</b> | <b>\$ (12,662)</b>  | <b>\$ (55,297)</b>    | <b>\$ (2,049,338)</b>              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                     |                       |                                    |
| Proceeds from sales and maturities of investments                | \$ 355,990          | \$ -                  | \$ -                               |
| Purchases of investments   | (349,789)           | -                     | -                                  |
| Investment income  | -                   | -                     | 85,014                             |
| Other cash receipts  | -                   | -                     | -                                  |
| <b>Net cash provided by (used in) investing activities</b>       | <b>\$ 6,201</b>     | <b>\$ -</b>           | <b>\$ 85,014</b>                   |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>      | <b>\$ (122,696)</b> | <b>\$ (367,246)</b>   | <b>\$ 209,041</b>                  |
| Cash and cash equivalents – beginning of year                    | 1,174,759           | 485,083               | 5,309,676                          |
| <b>Cash and cash equivalents – end of year</b>                   | <b>\$ 1,052,063</b> | <b>\$ 117,837</b>     | <b>\$ 5,518,717</b>                |

See accompanying independent auditors' report.

# SCHEDULE 10

| Lobo Energy,<br>Inc.  | UNM Medical<br>Group, Inc. | UNM Sandoval<br>Regional<br>Medical Center,<br>Inc. | Total before<br>Eliminations | Eliminations          | Total                  |
|-----------------------|----------------------------|---|------------------------------|-----------------------|------------------------|
| \$ -                  | \$ 205,840,050             | \$ 79,677,551                                       | \$ 285,517,601               | \$ -                  | \$ 285,517,601         |
| (558,481)             | (17,559,480)               | (30,147,563)  | (48,465,065)                 | -                     | (48,465,065)           |
| -                     | (2,917,581)                | -   | (2,917,581)                  | -                     | (2,917,581)            |
| (310,944)             | (20,171,347)               | (38,793,493)  | (62,454,433)                 | 233,332               | (62,221,101)           |
| 2,171,065             | (162,669,439)              | (3,259,820)   | (158,903,966)                | 162,341,507           | 3,437,541              |
| <b>\$ 1,301,640</b>   | <b>\$ 2,522,203</b>        | <b>\$ 7,476,675</b>                                 | <b>\$ 12,776,556</b>         | <b>\$ 162,574,839</b> | <b>\$ 175,351,395</b>  |
| \$ -                  | \$ 1,160,200               | \$ -  | \$ 1,160,200                 | \$ -                  | \$ 1,160,200           |
| -                     | -                          | 84,996  | 84,996                       | -                     | 84,996                 |
| -                     | -                          | 20,626  | 289,769                      | -                     | 289,769                |
| <b>\$ -</b>           | <b>\$ 1,160,200</b>        | <b>\$ 105,622</b>                                   | <b>\$ 1,534,965</b>          | <b>\$ -</b>           | <b>\$ 1,534,965</b>    |
| \$ -                  | \$ -                       | \$ 2,631,025  | \$ 2,631,025                 | \$ -                  | \$ 2,631,025           |
| -                     | -                          | (3,890,000)   | (3,890,000)                  | -                     | (3,890,000)            |
| -                     | -                          | (5,461,525)   | (5,461,525)                  | -                     | (5,461,525)            |
| -                     | -                          | (1,876,920)   | (1,876,920)                  | -                     | (1,876,920)            |
| (1,139,064)           | (1,455,547)                | (3,290,466)   | (8,002,374)                  | 1,599,803             | (6,402,571)            |
| <b>\$ (1,139,064)</b> | <b>\$ (1,455,547)</b>      | <b>\$ (11,887,886)</b>                              | <b>\$ (16,599,794)</b>       | <b>\$ 1,599,803</b>   | <b>\$ (14,999,991)</b> |
| \$ -                  | \$ 1,043,523               | \$ -  | \$ 1,399,513                 | \$ -                  | \$ 1,399,513           |
| -                     | (4,005,938)                | -   | (4,355,727)                  | -                     | (4,355,727)            |
| 4,264                 | -                          | 295,048   | 384,326                      | -                     | 384,326                |
| -                     | 1,110,405                  | -   | 1,110,405                    | -                     | 1,110,405              |
| <b>\$ 4,264</b>       | <b>\$ (1,852,010)</b>      | <b>\$ 295,048</b>                                   | <b>\$ (1,461,483)</b>        | <b>\$ -</b>           | <b>\$ (1,461,483)</b>  |
| \$ 166,840            | \$ 374,846                 | \$ (4,010,541)                                      | \$ (3,749,756)               | \$ 164,174,642        | \$ 160,424,886         |
| 554,867               | 31,882,841                 | 33,077,729  | 72,484,955                   | -                     | 72,484,955             |
| <b>\$ 721,707</b>     | <b>\$ 32,257,687</b>       | <b>\$ 29,067,188</b>                                | <b>\$ 68,735,199</b>         | <b>\$ 164,174,642</b> | <b>\$ 232,909,841</b>  |

## Combining Statement of Net Position as of June 30, 2020 – Discretely Presented Component Units

|  | University of<br>New Mexico<br>Foundation, Inc. | The Robert O.<br>Anderson<br>Schools of<br>Management<br>Foundation | UNM Lobo<br>Club    | The University<br>of New Mexico<br>Alumni<br>Association | Total                 |
|--|---|---|---------------------|--|-----------------------|
| <b>ASSETS</b>  |   |   |                     |  |                       |
| <b>Current assets</b>  |   |   |                     |  |                       |
| Cash and cash equivalents                                    | \$ 12,164,356                                   | \$ 1,383,820  | \$ 3,688,090        | \$ 1,231,309   | \$ 18,467,575         |
| Short-term investments                                       | -   | 2,783,062   | -                   | 8,478,298  | 11,261,360            |
| Accounts receivable, net                                     | 850,277   | 380,510   | -                   | 1,727  | 1,232,514             |
| Due from The University of New Mexico                        | -   | 54,967  | -                   | -  | 54,967                |
| Other current assets   | 565,565   | -   | 18,655              | 27,770   | 611,990               |
| <b>Total current assets</b>                                  | <b>\$ 13,580,198</b>                            | <b>\$ 4,602,359</b>   | <b>\$ 3,706,745</b> | <b>\$ 9,739,104</b>                                      | <b>\$ 31,628,406</b>  |
| <b>Noncurrent assets</b>                                     |   |   |                     |  |                       |
| Investments  | \$ 231,979,096                                  | \$ -  | \$ -                | \$ -   | \$ 231,979,096        |
| Beneficial interest in irrevocable split interest agreements | 19,941,453                                      | -   | -                   | -  | 19,941,453            |
| Other noncurrent assets                                      | 4,641,288                                       | -   | -                   | -  | 4,641,288             |
| <b>Total noncurrent assets</b>                               | <b>\$ 256,561,837</b>                           | <b>\$ -</b>   | <b>\$ -</b>         | <b>\$ -</b>  | <b>\$ 256,561,837</b> |
| <b>Total assets</b>  | <b>\$ 270,142,035</b>                           | <b>\$ 4,602,359</b>   | <b>\$ 3,706,745</b> | <b>\$ 9,739,104</b>                                      | <b>\$ 288,190,243</b> |
| <b>LIABILITIES</b>   |   |   |                     |  |                       |
| <b>Current liabilities</b>                                   |   |   |                     |  |                       |
| Accounts payable and accrued expenses                        | \$ 2,010,724                                    | \$ 4,387  | \$ -                | \$ 35,293  | \$ 2,050,404          |
| Notes payable  | 658,912   | -   | -                   | -  | 658,912               |
| Advance funding received                                     | 361,929   | -   | -                   | -  | 361,929               |
| Due to The University of New Mexico                          | 8,281,728                                       | 305,793   | 2,119,669           | -  | 10,707,190            |
| Unearned revenue   | -   | 668,845   | -                   | -  | 668,845               |
| Annuities payable  | 367,299   | -   | -                   | -  | 367,299               |
| Other current liabilities                                    | 463,190   | -   | -                   | -  | 463,190               |
| <b>Total current liabilities</b>                             | <b>\$ 12,143,782</b>                            | <b>\$ 979,025</b>   | <b>\$ 2,119,669</b> | <b>\$ 35,293</b>   | <b>\$ 15,277,769</b>  |
| <b>Noncurrent liabilities</b>                                |   |   |                     |  |                       |
| Notes payable  | \$ 644,875                                      | \$ -  | \$ -                | \$ -   | \$ 644,875            |
| Due to The University of New Mexico                          | 3,087,067                                       | -   | -                   | -  | 3,087,067             |
| Annuities payable  | 2,060,973                                       | -   | -                   | -  | 2,060,973             |
| <b>Total noncurrent liabilities</b>                          | <b>\$ 5,792,915</b>                             | <b>\$ -</b>   | <b>\$ -</b>         | <b>\$ -</b>  | <b>\$ 5,792,915</b>   |
| <b>Total liabilities</b>                                     | <b>\$ 17,936,697</b>                            | <b>\$ 979,025</b>   | <b>\$ 2,119,669</b> | <b>\$ 35,293</b>   | <b>\$ 21,070,684</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |   |   |                     |  |                       |
| Beneficial interest in irrevocable split interest agreements | \$ 20,101,312                                   | \$ -  | \$ -                | \$ -   | \$ 20,101,312         |
| Unearned revenue   | -   | -   | 303,182             | -  | 303,182               |
| <b>Total deferred inflows of resources</b>                   | <b>\$ 20,101,312</b>                            | <b>\$ -</b>   | <b>\$ 303,182</b>   | <b>\$ -</b>  | <b>\$ 20,404,494</b>  |
| <b>NET POSITION</b>  |   |   |                     |  |                       |
| Restricted nonexpendable                                     | \$ 208,057,913                                  | \$ -  | \$ -                | \$ -   | \$ 208,057,913        |
| Restricted expendable  | 20,080,545                                      | 571,540   | -                   | -  | 20,652,085            |
| Unrestricted   | 3,965,568                                       | 3,051,794   | 1,283,894           | 9,703,811  | 18,005,067            |
| <b>Total net position</b>                                    | <b>\$ 232,104,026</b>                           | <b>\$ 3,623,334</b>   | <b>\$ 1,283,894</b> | <b>\$ 9,703,811</b>                                      | <b>\$ 246,715,065</b> |

See accompanying independent auditors' report.

Combining Statement of Net Position as of June 30, 2019 – Discretely Presented Component Units

|  | University of<br>New Mexico<br>Foundation, Inc. | The Robert O.<br>Anderson<br>Schools of<br>Management<br>Foundation | UNM Lobo<br>Club    | The University<br>of New Mexico<br>Alumni<br>Association | Total                 |
|--|---|---|---------------------|--|-----------------------|
| <b>ASSETS</b>  |   |   |                     |  |                       |
| <b>Current assets</b>  |   |   |                     |  |                       |
| Cash and cash equivalents                                    | \$ 6,879,068                                    | \$ 1,831,606  | \$ 4,454,079        | \$ 970,707   | \$ 14,135,460         |
| Short-term investments                                       | -   | 2,733,554   | -                   | 8,480,248  | 11,213,802            |
| Accounts receivable, net                                     | 1,015,354                                       | 655,187   | 15,166              | 24,748   | 1,710,455             |
| Due from The University of New Mexico                        | -   | 53,356  | -                   | -  | 53,356                |
| Inventories  | -   | 38,434  | -                   | -  | 38,434                |
| Other current assets   | 395,714   | 15,619  | 7,508               | 22,430   | 441,271               |
| <b>Total current assets</b>                                  | <b>\$ 8,290,136</b>                             | <b>\$ 5,327,756</b>   | <b>\$ 4,476,753</b> | <b>\$ 9,498,133</b>                                      | <b>\$ 27,592,778</b>  |
| <b>Noncurrent assets</b>                                     |   |   |                     |  |                       |
| Investments  | \$ 236,530,307                                  | \$ -  | \$ -                | \$ -   | \$ 236,530,307        |
| Beneficial interest in irrevocable split interest agreements | 20,998,761                                      | -   | -                   | -  | 20,998,761            |
| Other noncurrent assets                                      | 5,737,691                                       | -   | -                   | -  | 5,737,691             |
| <b>Total noncurrent assets</b>                               | <b>\$ 263,266,759</b>                           | <b>\$ -</b>   | <b>\$ -</b>         | <b>\$ -</b>  | <b>\$ 263,266,759</b> |
| <b>Total assets</b>  | <b>\$ 271,556,895</b>                           | <b>\$ 5,327,756</b>   | <b>\$ 4,476,753</b> | <b>\$ 9,498,133</b>                                      | <b>\$ 290,859,537</b> |
| <b>LIABILITIES</b>   |   |   |                     |  |                       |
| <b>Current liabilities</b>                                   |   |   |                     |  |                       |
| Accounts payable and accrued expenses                        | \$ 2,104,867                                    | \$ 11,522   | \$ -                | \$ 38,066  | \$ 2,154,455          |
| Advance funding received                                     | 22,487  | -   | -                   | -  | 22,487                |
| Due to The University of New Mexico                          | 4,466,473                                       | 974,457   | 2,622,932           | -  | 8,063,862             |
| Unearned revenue   | -   | 693,203   | -                   | -  | 693,203               |
| Annuities payable  | 335,441   | -   | -                   | -  | 335,441               |
| Other current liabilities                                    | 1,224,830                                       | -   | -                   | -  | 1,224,830             |
| <b>Total current liabilities</b>                             | <b>\$ 8,154,098</b>                             | <b>\$ 1,679,182</b>   | <b>\$ 2,622,932</b> | <b>\$ 38,066</b>   | <b>\$ 12,494,278</b>  |
| <b>Noncurrent liabilities</b>                                |   |   |                     |  |                       |
| Due to The University of New Mexico                          | \$ 4,052,661                                    | \$ -  | \$ -                | \$ -   | \$ 4,052,661          |
| Annuities payable  | 2,060,731                                       | -   | -                   | -  | 2,060,731             |
| <b>Total noncurrent liabilities</b>                          | <b>\$ 6,113,392</b>                             | <b>\$ -</b>   | <b>\$ -</b>         | <b>\$ -</b>  | <b>\$ 6,113,392</b>   |
| <b>Total liabilities</b>                                     | <b>\$ 14,267,490</b>                            | <b>\$ 1,679,182</b>   | <b>\$ 2,622,932</b> | <b>\$ 38,066</b>   | <b>\$ 18,607,670</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |   |   |                     |  |                       |
| Beneficial interest in irrevocable split interest agreements | \$ 21,311,638                                   | \$ -  | \$ -                | \$ -   | \$ 21,311,638         |
| Unearned revenue   | -   | -   | 606,087             | -  | 606,087               |
| <b>Total deferred inflows of resources</b>                   | <b>\$ 21,311,638</b>                            | <b>\$ -</b>   | <b>\$ 606,087</b>   | <b>\$ -</b>  | <b>\$ 21,917,725</b>  |
| <b>NET POSITION</b>  |   |   |                     |  |                       |
| Restricted nonexpendable                                     | \$ 211,794,373                                  | \$ -  | \$ -                | \$ -   | 211,794,373           |
| Restricted expendable  | 20,508,104                                      | 464,482   | -                   | -  | 20,972,586            |
| Unrestricted   | 3,675,290                                       | 3,184,092   | 1,247,734           | 9,460,067  | 17,567,183            |
| <b>Total net position</b>                                    | <b>\$ 235,977,767</b>                           | <b>\$ 3,648,574</b>   | <b>\$ 1,247,734</b> | <b>\$ 9,460,067</b>                                      | <b>\$ 250,334,142</b> |

See accompanying independent auditors' report.

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2020 –  
Discretely Presented Component Units

|   | University of<br>New Mexico<br>Foundation, Inc. | The Robert O.<br>Anderson Schools<br>of Management<br>Foundation | UNM Lobo Club       | The University of<br>New Mexico<br>Alumni<br>Association | Total                  |
|---|---|--|---------------------|--|------------------------|
| <b>REVENUES</b>                                     |   |  |                     |  |                        |
| Operating revenues                                  |   |  |                     |  |                        |
| Nongovernmental grants, bequests, and contributions | \$ 26,271,299                                   | \$ 255,886   | \$ 4,822,870        | \$ -   | \$ 31,350,055          |
| Sales and services                                  | -   | 2,447,373  | 224,225             | 3,465  | 2,675,063              |
| Operational support                                 | 7,971,146                                       | -  | -                   | -  | 7,971,146              |
| Other operating revenues                            | 174,309   | 17,415   | -                   | 722,843  | 914,567                |
| <b>Total operating revenues</b>                     | <b>\$ 34,416,754</b>                            | <b>\$ 2,720,674</b>  | <b>\$ 5,047,095</b> | <b>\$ 726,308</b>  | <b>\$ 42,910,831</b>   |
| <b>EXPENSES</b>                                     |   |  |                     |  |                        |
| Operating expenses                                  |   |  |                     |  |                        |
| General and administrative                          | \$ 12,891,134                                   | \$ 2,254,128   | \$ 246,607          | \$ 297,135   | \$ 15,689,004          |
| Program expenses                                    | -   | 430,060  | 4,785,954           | 391,759  | 5,607,773              |
| Distributions to the University of New Mexico       | 33,536,172                                      | -  | -                   | -  | 33,536,172             |
| <b>Total operating expenses</b>                     | <b>\$ 46,427,306</b>                            | <b>\$ 2,684,188</b>  | <b>\$ 5,032,561</b> | <b>\$ 688,894</b>  | <b>\$ 54,832,949</b>   |
| Net operating income (loss)                         | <b>\$ (12,010,552)</b>                          | <b>\$ 36,486</b>   | <b>\$ 14,534</b>    | <b>\$ 37,414</b>   | <b>\$ (11,922,118)</b> |
| <b>NONOPERATING REVENUES (EXPENSES)</b>             |   |  |                     |  |                        |
| Investment income                                   | \$ (1,541,275)                                  | \$ 75,774  | \$ 21,626           | \$ 275,191   | \$ (1,168,684)         |
| Other nonoperating revenues and expenses, net       | -   | (137,500)  | -                   | 6,139  | (131,361)              |
| Distributions to the University of New Mexico       | -   | -  | -                   | (75,000)   | (75,000)               |
| Net nonoperating revenues (expenses)                | <b>\$ (1,541,275)</b>                           | <b>\$ (61,726)</b>   | <b>\$ 21,626</b>    | <b>\$ 206,330</b>  | <b>\$ (1,375,045)</b>  |
| Income (loss) before other revenues                 | <b>\$ (13,551,827)</b>                          | <b>\$ (25,240)</b>   | <b>\$ 36,160</b>    | <b>\$ 243,744</b>  | <b>\$ (13,297,163)</b> |
| Contributions to permanent endowments               | \$ 9,678,086                                    | \$ -   | \$ -                | \$ -   | \$ 9,678,086           |
| <b>Total other revenues</b>                         | <b>\$ 9,678,086</b>                             | <b>\$ -</b>  | <b>\$ -</b>         | <b>\$ -</b>  | <b>\$ 9,678,086</b>    |
| Change in net position                              | <b>\$ (3,873,741)</b>                           | <b>\$ (25,240)</b>   | <b>\$ 36,160</b>    | <b>\$ 243,744</b>  | <b>\$ (3,619,077)</b>  |
| Net position at beginning of year                   | 235,977,767                                     | 3,648,574  | 1,247,734           | 9,460,067  | 250,334,142            |
| Net position at end of year                         | <b>\$ 232,104,026</b>                           | <b>\$ 3,623,334</b>  | <b>\$ 1,283,894</b> | <b>\$ 9,703,811</b>                                      | <b>\$ 246,715,065</b>  |

See accompanying independent auditors' report.

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2019 –  
Discretely Presented Component Units

|   | University of<br>New Mexico<br>Foundation, Inc. | The Robert O.<br>Anderson Schools<br>of Management<br>Foundation | UNM Lobo Club       | The University of<br>New Mexico<br>Alumni<br>Association | Total                  |
|---|---|--|---------------------|--|------------------------|
| <b>REVENUES</b>                                     |   |  |                     |  |                        |
| <b>Operating revenues</b>                           |   |  |                     |  |                        |
| Nongovernmental grants, bequests, and contributions | \$ 18,949,105                                   | \$ 263,975   | \$ 5,356,797        | \$ -   | \$ 24,569,877          |
| Sales and services                                  | -   | 2,857,484  | 173,922             | 3,855  | 3,035,261              |
| Operational support                                 | 8,317,349                                       | -  | -                   | -  | 8,317,349              |
| Other operating revenues                            | 246,711   | 13,172   | 750                 | 556,837  | 817,470                |
| <b>Total operating revenues</b>                     | <b>\$ 27,513,165</b>                            | <b>\$ 3,134,631</b>  | <b>\$ 5,531,469</b> | <b>\$ 560,692</b>  | <b>\$ 36,739,957</b>   |
| <b>EXPENSES</b>                                     |   |  |                     |  |                        |
| <b>Operating expenses</b>                           |   |  |                     |  |                        |
| General and administrative                          | \$ 13,435,670                                   | \$ 2,395,126   | \$ 257,348          | \$ 207,560   | \$ 16,295,704          |
| Program expenses                                    | -   | 596,309  | 5,056,119           | 431,276  | 6,083,704              |
| Distributions to the University of New Mexico       | 27,572,038                                      | -  | -                   | -  | 27,572,038             |
| <b>Total operating expenses</b>                     | <b>\$ 41,007,708</b>                            | <b>\$ 2,991,435</b>  | <b>\$ 5,313,467</b> | <b>\$ 638,836</b>  | <b>\$ 49,951,446</b>   |
| <b>Net operating income (loss)</b>                  | <b>\$ (13,494,543)</b>                          | <b>\$ 143,196</b>  | <b>\$ 218,002</b>   | <b>\$ (78,144)</b>                                       | <b>\$ (13,211,489)</b> |
| <b>NONOPERATING REVENUES (EXPENSES)</b>             |   |  |                     |  |                        |
| Investment income                                   | \$ 10,306,819                                   | \$ 139,355   | \$ 27,779           | \$ 733,185   | \$ 11,207,138          |
| Other nonoperating revenues and expenses, net       | -   | (210,469)  | -                   | 6,354  | (204,115)              |
| Distributions to the University of New Mexico       | -   | -  | -                   | (55,000)   | (55,000)               |
| <b>Net nonoperating revenues (expenses)</b>         | <b>\$ 10,306,819</b>                            | <b>\$ (71,114)</b>   | <b>\$ 27,779</b>    | <b>\$ 684,539</b>  | <b>\$ 10,948,023</b>   |
| <b>Income (loss) before other revenues</b>          | <b>\$ (3,187,724)</b>                           | <b>\$ 72,082</b>   | <b>\$ 245,781</b>   | <b>\$ 606,395</b>  | <b>\$ (2,263,466)</b>  |
| Contributions to permanent endowments               | \$ 9,606,123                                    | \$ -   | \$ -                | \$ -   | \$ 9,606,123           |
| <b>Total other revenues</b>                         | <b>\$ 9,606,123</b>                             | <b>\$ -</b>  | <b>\$ -</b>         | <b>\$ -</b>  | <b>\$ 9,606,123</b>    |
| <b>Change in net position</b>                       | <b>\$ 6,418,399</b>                             | <b>\$ 72,082</b>   | <b>\$ 245,781</b>   | <b>\$ 606,395</b>  | <b>\$ 7,342,657</b>    |
| Net position at beginning of year                   | 229,559,368                                     | 3,576,492  | 1,001,953           | 8,853,672  | 242,991,485            |
| Net position at end of year                         | <b>\$ 235,977,767</b>                           | <b>\$ 3,648,574</b>  | <b>\$ 1,247,734</b> | <b>\$ 9,460,067</b>                                      | <b>\$ 250,334,142</b>  |

See accompanying independent auditors' report.

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 15

Budget Comparison – Unrestricted and Restricted – All Operations  
Year Ended June 30, 2020

|  | Original<br>Budget | Final<br>Budget  | Actuals          | Final Budget<br>vs Actuals<br>Favorable<br>(Unfavorable) |
|--|--------------------|------------------|------------------|--|
| Unrestricted and Restricted Beginning Net Position | \$ 526,916,996     | \$ 574,947,386   | \$ 574,947,386   | \$ -   |
| Unrestricted and Restricted Revenues:              |                    |                  |                  |  |
| Tuition and Fees                                   | \$ 191,887,865     | \$ 189,950,362   | \$ 191,841,683   | \$ 1,891,321   |
| Federal Government Appropriations                  | 50,000             | 50,000           | 559,997          | 509,997  |
| State Government Appropriations                    | 334,078,392        | 335,449,831      | 334,693,244      | (756,587)  |
| Local Government Appropriations                    | 8,984,861          | 8,984,861        | 9,349,840        | 364,979  |
| Federal Government Contracts/Grants                | 266,295,362        | 276,721,328      | 225,078,220      | (51,643,108)   |
| State Government Contracts/Grants                  | 53,152,061         | 58,466,249       | 52,494,267       | (5,971,982)  |
| Local Government Contracts/Grants                  | 4,691,004          | 4,746,860        | 3,541,761        | (1,205,099)  |
| Private Contracts/Grants                           | 30,132,628         | 33,124,584       | 23,368,906       | (9,755,678)  |
| Endowments and Private Gifts                       | 21,872,387         | 26,128,599       | 31,049,278       | 4,920,679  |
| Land and Permanent Fund                            | 11,680,000         | 11,680,000       | 11,304,730       | (375,270)  |
| Sales and Services                                 | 474,311,994        | 515,927,610      | 488,755,457      | (27,172,153)   |
| Other  | 153,873,319        | 158,350,768      | 161,667,619      | 3,316,851  |
| Total Unrestricted and Restricted Revenues         | \$ 1,551,009,873   | \$ 1,619,581,052 | \$ 1,533,705,002 | \$ (85,876,050)  |
| Unrestricted and Restricted Expenditures:          |                    |                  |                  |  |
| Instruction  | \$ 290,747,940     | \$ 287,766,319   | \$ 272,814,745   | \$ 14,951,574  |
| Academic Support                                   | 58,331,932         | 58,513,906       | 55,790,368       | 2,723,538  |
| Student Services                                   | 32,863,622         | 34,359,990       | 32,158,784       | 2,201,206  |
| Institutional Support                              | 71,278,911         | 73,743,467       | 69,441,202       | 4,302,265  |
| Operations and Maintenance                         | 47,481,075         | 46,214,625       | 44,088,546       | 2,126,079  |
| Student Social and Cultural                        | 9,984,869          | 11,207,493       | 9,278,077        | 1,929,416  |
| Research   | 214,633,002        | 215,369,678      | 184,726,269      | 30,643,409   |
| Public Service                                     | 439,488,619        | 473,497,357      | 413,478,820      | 60,018,537   |
| Internal Services                                  | 2,576,299          | 7,324,566        | 2,819,746        | 4,504,820  |
| Student Aid, Grants, and Stipends                  | 129,981,883        | 142,019,917      | 112,602,349      | 29,417,568   |
| Auxiliary Services                                 | 48,432,808         | 48,472,808       | 42,322,067       | 6,150,741  |
| Intercollegiate Athletics                          | 32,362,107         | 31,750,803       | 30,121,363       | 1,629,440  |
| Independent Operations                             | 94,462,112         | 100,045,624      | 93,673,857       | 6,371,767  |
| Capital Outlay                                     | 148,063,972        | 131,824,204      | 109,711,833      | 22,112,371   |
| Building Renewal and Replacement                   | 10,000,000         | 9,000,000        | 7,943,558        | 1,056,442  |
| Retirement of Indebtedness                         | 37,790,213         | 64,457,404       | 59,255,082       | 5,202,322  |
| Total Unrestricted and Restricted Expenditures     | \$ 1,668,479,364   | \$ 1,735,568,161 | \$ 1,540,226,666 | \$ 195,341,495   |
| Net Transfers                                      | \$ 7,681,350       | \$ 7,865,996     | \$ 8,735,641     | \$ 869,645   |
| Change in Net Position (Budgetary Basis)           | \$ (109,788,141)   | \$ (108,121,113) | \$ 2,213,977     | \$ 110,335,090   |
| Ending Net Position                                | \$ 417,128,855     | \$ 466,826,273   | \$ 577,161,363   | \$ 110,335,090   |

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, and E. Each individual item of transfer between funds and/or functions.

See accompanying independent auditors' report.



# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 16

Budget Comparison - Unrestricted - Instruction & General  
Year Ended June 30, 2020

|  | Original<br>Budget | Final<br>Budget | Actuals         | Final Budget<br>vs Actuals<br>Favorable<br>(Unfavorable) |
|--|--------------------|-----------------|-----------------|--|
| Unrestricted Beginning Net Position      | \$ 52,108,045      | \$ 67,564,623   | \$ 67,564,623   | \$ -   |
| Unrestricted Revenues:                   |                    |                 |                 |  |
| Tuition and Fees                         | \$ 173,401,975     | \$ 170,924,034  | \$ 173,344,524  | \$ 2,420,490   |
| Federal Government Appropriations        | -                  | -               | 233,964         | 233,964  |
| State Government Appropriations          | 283,990,215        | 284,075,700     | 283,993,978     | (81,722)   |
| Local Government Appropriations          | 8,984,861          | 8,984,861       | 9,349,840       | 364,979  |
| Federal Government Contracts/Grants      | 180,000            | 180,000         | 2,433,566       | 2,253,566  |
| State Government Contracts/Grants        | -                  | 14,647          | 16,186          | 1,539  |
| Local Government Contracts/Grants        | -                  | -               | -               | -  |
| Private Contracts/Grants                 | -                  | -               | -               | -  |
| Endowments and Private Gifts             | -                  | -               | -               | -  |
| Land and Permanent Fund                  | 11,680,000         | 11,680,000      | 11,304,730      | (375,270)  |
| Sales and Services                       | 1,084,289          | 1,065,173       | (117,933)       | (1,183,106)  |
| Other                                    | 54,627,655         | 52,505,787      | 57,843,651      | 5,337,864  |
| Total Unrestricted Revenues              | \$ 533,948,995     | \$ 529,430,202  | \$ 538,402,506  | \$ 8,972,304   |
| Unrestricted Expenditures:               |                    |                 |                 |  |
| Instruction                              | \$ 281,150,822     | \$ 277,476,377  | \$ 267,737,283  | \$ 9,739,094   |
| Academic Support                         | 57,499,205         | 57,695,419      | 55,250,896      | 2,444,523  |
| Student Services                         | 32,235,206         | 33,732,319      | 31,830,739      | 1,901,580  |
| Institutional Support                    | 70,865,205         | 73,351,766      | 69,360,325      | 3,991,441  |
| Operations and Maintenance               | 47,423,610         | 46,184,291      | 44,088,546      | 2,095,745  |
| Total Unrestricted Expenditures          | \$ 489,174,048     | \$ 488,440,172  | \$ 468,267,789  | \$ 20,172,383  |
| Net Transfers                            | \$ (51,998,643)    | \$ (59,756,139) | \$ (63,626,351) | \$ (3,870,212)   |
| Change in Net Position (Budgetary Basis) | \$ (7,223,696)     | \$ (18,766,109) | \$ 6,508,366    | \$ 25,274,475  |
| Ending Net Position                      | \$ 44,884,349      | \$ 48,798,514   | \$ 74,072,989   | \$ 25,274,475  |

See accompanying independent auditors' report.

Budget Comparison - Restricted - Instruction & General  
Year Ended June 30, 2020

|  | Original<br>Budget | Final<br>Budget | Actuals      | Final Budget<br>vs Actuals<br>Favorable<br>(Unfavorable) |
|--|--------------------|-----------------|--------------|--|
| Restricted Beginning Net Position        | \$ -               | \$ -            | \$ -         | \$ -   |
| Restricted Revenues:                     |                    |                 |              |  |
| Tuition and Fees                         | \$ -               | \$ -            | \$ -         | \$ -   |
| Federal Government Appropriations        | -                  | -               | -            | -  |
| State Government Appropriations          | -                  | -               | -            | -  |
| Local Government Appropriations          | -                  | -               | -            | -  |
| Federal Government Contracts/Grants      | 7,619,101          | 8,598,716       | 4,221,451    | (4,377,265)  |
| State Government Contracts/Grants        | 1,818,604          | 2,100,371       | 1,568,490    | (531,881)  |
| Local Government Contracts/Grants        | 737,893            | 208,151         | 194,167      | (13,984)   |
| Private Contracts/Grants                 | 1,241,834          | 1,140,505       | 51,344       | (1,089,161)  |
| Endowments and Private Gifts             | -                  | -               | -            | -  |
| Land and Permanent Fund                  | -                  | -               | -            | -  |
| Sales and Services                       | -                  | -               | -            | -  |
| Other                                    | -                  | -               | -            | -  |
| Total Restricted Revenues                | \$ 11,417,432      | \$ 12,047,743   | \$ 6,035,452 | \$ (6,012,291)   |
| Restricted Expenditures:                 |                    |                 |              |  |
| Instruction                              | \$ 9,597,118       | \$ 10,289,942   | \$ 5,077,462 | \$ 5,212,480   |
| Academic Support                         | 832,727            | 818,487         | 539,472      | 279,015  |
| Student Services                         | 628,416            | 627,671         | 328,045      | 299,626  |
| Institutional Support                    | 413,706            | 391,701         | 80,877       | 310,824  |
| Operations and Maintenance               | 57,465             | 30,334          | -            | 30,334   |
| Total Restricted Expenditures            | \$ 11,529,432      | \$ 12,158,135   | \$ 6,025,856 | \$ 6,132,279   |
| Net Transfers                            | \$ 112,000         | \$ 110,392      | \$ (9,596)   | \$ (119,988)   |
| Change in Net Position (Budgetary Basis) | \$ -               | \$ -            | \$ -         | \$ -   |
| Ending Net Position                      | \$ -               | \$ -            | \$ -         | \$ -   |

See accompanying independent auditors' report.

# THE UNIVERSITY OF NEW MEXICO

## Reconciliation of Budgetary Basis to Financial Statement Basis Unrestricted and Restricted - All Operations Year Ended June 30, 2020

### Total Unrestricted and Restricted Revenues:

|   |                  |
|---|------------------|
| Budgetary Basis   | \$ 1,533,705,002 |
| Reconciling items:  |                  |
| University of New Mexico Hospital (amount not in budgetary basis)                     | 1,254,285,072    |
| University of New Mexico Behavioral Health Operations (amount not in budgetary basis) | 53,039,057       |
| Blended component units (amount not in budgetary basis)                               | 423,144,594      |
| Intercompany eliminations (amount not in budgetary basis)                             | (431,949,616)    |
| Scholarship allowance (amount not in budgetary basis)                                 | (87,397,871)     |
| Endowment fund items (amount not in budgetary basis)                                  | (1,816,557)      |
| Investment in plant items (amount not in budgetary basis)                             | (29,727)         |
| Institutional fund items (amount not in budgetary basis)                              | 21,195,450       |
| Bond proceeds (amount not in financial statements)                                    | (24,675,832)     |
| Revenue/expenditure classification differences  | (623,183)        |
| Other   | (109,733)        |
| Total reconciling items   | \$ 1,205,061,654 |
| Total reconciled unrestricted and restricted revenues per budgetary basis             | \$ 2,738,766,656 |
| Basic Financial Statements  |                  |
| Operating revenues  | \$ 2,050,379,503 |
| Nonoperating revenues   | 626,698,580      |
| Nonoperating revenues netted in other nonoperating revenues and expenses              | 9,970,953        |
| Capital contributions   | 51,717,620       |
| Total unrestricted and restricted revenues per financial statements                   | \$ 2,738,766,656 |
| Difference  | \$ -             |

### Total Unrestricted and Restricted Expenditures:

|   |                  |
|---|------------------|
| Budgetary Basis   | \$ 1,540,226,666 |
| Reconciling items:  |                  |
| University of New Mexico Hospital (amount not in budgetary basis)                     | 1,158,956,034    |
| University of New Mexico Behavioral Health Operations (amount not in budgetary basis) | 49,270,881       |
| Blended component units (amount not in budgetary basis)                               | 423,989,965      |
| Intercompany eliminations (amount not in budgetary basis)                             | (431,949,616)    |
| Scholarship allowance (amount not in budgetary basis)                                 | (87,397,871)     |
| Endowment fund items (amount not in budgetary basis)                                  | (199,113)        |
| Investment in plant items (amount not in financial statements)                        | (2,170,739)      |
| Depreciation expense (amount not in budgetary basis)                                  | 63,784,292       |
| Capitalized expenditures (amount not in financial statements)                         | (96,016,321)     |
| Bond principal payments (amount not in financial statements)                          | (46,528,980)     |
| GASB 68 pension expense (amount not in budgetary basis)                               | (462,814,711)    |
| GASB 75 other postemployment benefits expense (amount not in budgetary basis)         | (5,860,400)      |
| Revenue/expenditure classification differences  | (623,183)        |
| Other   | 7,085,443        |
| Total reconciling items   | \$ 569,525,681   |
| Total reconciled unrestricted and restricted expenditures per budgetary basis         | \$ 2,109,752,347 |
| Basic Financial Statements  |                  |
| Operating expenditures  | \$ 2,088,544,470 |
| Nonoperating expenditures   | 17,957,840       |
| Nonoperating expenditures netted in other nonoperating revenues and expenses          | 3,250,037        |
| Total unrestricted and restricted expenditures per financial statements               | \$ 2,109,752,347 |
| Difference  | \$ -             |

See accompanying independent auditors' report.

# THE UNIVERSITY OF NEW MEXICO

## Schedule of Pledged Collateral as of June 30, 2020 - Primary Institution

| Financial Institution  | Account Type | Account Name                          | Book Balance          | Bank Balance          |
|--|--------------|---------------------------------------|-----------------------|-----------------------|
| Compass Bank   | Checking     | *Lobo Development - Business Checking | \$ 252,276            | \$ 252,680            |
|  | Checking     | *Lobo Energy - Business Checking      | 474,524               | 491,483               |
|  |              |                                       | <b>\$ 726,800</b>     | <b>\$ 744,163</b>     |
|  |              | Less FDIC Insurance                   |                       | (500,000)             |
|  |              | Uninsured Public Funds                |                       | <b>\$ 244,163</b>     |
| Enterprise Bank  | Checking     | Los Alamos Campus Depository          | <b>\$ 570,680</b>     | <b>\$ 570,680</b>     |
|  |              | Less FDIC Insurance                   |                       | (250,000)             |
|  |              | Uninsured Public Funds                |                       | <b>\$ 320,680</b>     |
| U.S. Bank  | Checking     | General Depository                    | <b>\$ 24,209,767</b>  | <b>\$ 30,920,472</b>  |
|  |              |                                       | <b>\$ 24,209,767</b>  | <b>\$ 30,920,472</b>  |
|  |              | Less FDIC Insurance                   |                       | (250,000)             |
|  |              | Uninsured Public Funds                |                       | <b>\$ 30,670,472</b>  |
|  |              | Collateral Requirement (50%)          |                       | <b>\$ 15,335,236</b>  |
|  |              | Fair Value of Collateral              |                       | <b>\$ 65,000,000</b>  |
|  |              | Over (Under) Collateralized           |                       | <b>\$ 49,664,764</b>  |
|  |              |                                       |                       |                       |
| Wells Fargo  | Checking     | UNMH Operating Account                | \$ 21,489,641         | \$ 29,308,227         |
|  | Savings      | UNMH Operating Account                | 311,768,713           | 311,768,713           |
|  |              |                                       | <b>\$ 333,258,354</b> | <b>\$ 341,076,940</b> |
|  |              | Less FDIC Insurance                   |                       | (500,000)             |
|  |              | Uninsured Public Funds                |                       | <b>\$ 340,576,940</b> |
|  |              | Collateral Requirement (50%)          |                       | <b>\$ 170,288,470</b> |
|  |              | Fair Value of Collateral              |                       | <b>\$ 430,817,967</b> |
|  |              | Over (Under) Collateralized           |                       | <b>\$ 260,529,497</b> |
|  |              |                                       |                       |                       |
|  | Checking     | *UNMMG Operating Account              | \$ 29,717,115         | \$ 29,825,743         |
|  | Checking     | *UNMMG Cancer Center                  | 38,925                | 38,925                |
|  | Checking     | *UNMMG Truman RX                      | 75,000                | 75,000                |
|  |              |                                       | <b>\$ 29,831,040</b>  | <b>\$ 29,939,668</b>  |
|  |              | Less FDIC Insurance                   |                       | (250,000)             |
|  |              | Uninsured Public Funds                |                       | <b>\$ 29,689,668</b>  |
|  |              | Collateral Requirement (50%)          |                       | <b>\$ 14,844,834</b>  |
|  |              | Fair Value of Collateral              |                       | <b>\$ 32,725,161</b>  |
|  |              | Over (Under) Collateralized           |                       | <b>\$ 17,880,327</b>  |
|  |              |                                       |                       |                       |
| Other  |              | Commercial Paper                      | \$ 90,775,586         |                       |
|  |              | Interest-Bearing Cash Sweep (ICS)     | 70,734,751            |                       |
|  |              | Guaranteed Investment Contract        | 3,818,034             |                       |
|  |              | Money Markets                         | 6,352,669             |                       |
|  |              | VEBA Trust                            | 325,423               |                       |
|  |              | Petty Cash/Other                      | 165,295               |                       |
|  |              | Component Unit deposits held by UNM   | (1,183,547)           |                       |
|  |              | **STC.UNM                             | 6,824,692             | \$ 7,075,947          |
|  |              | **Innovate ABQ                        | -                     | 35,604                |
|  |              | **Sandoval Regional Medical Center    | 32,064,152            | 32,022,284            |
|  |              |                                       | <b>\$ 209,877,055</b> | <b>\$ 39,133,835</b>  |
|  |              |                                       |                       |                       |
| <b>Total Cash and Cash Equivalents – Primary Institution</b> |              |                                       | <b>\$ 598,473,696</b> | <b>\$ 442,385,758</b> |

\*Blended Component Units - Public Money Entities

\*\*Blended Component Units - Non-Public Money Entities

See accompanying independent auditors' report.

# SCHEDULE 18

| CUSIP<br>Identification         | Maturity<br>Date | Type of<br>Securities | Amount               |
|---------------------------------|------------------|-----------------------|----------------------|
| <b>Main Campus*</b>             |                  |                       |                      |
| 530016                          | 12/11/2020       | LOC                   | \$ 65,000,000        |
| <i>Total Pledged Collateral</i> |                  |                       | <b>\$ 65,000,000</b> |

\* - Pledged collateral is held by U.S. Bank in the University's name

|                                 |  |      |                      |
|---------------------------------|--|------|----------------------|
| <b>UNM Medical Group***</b>     |  |      |                      |
| 6/1/2047                        |  | FMAC | \$ 3,362,884         |
| 2/1/2032                        |  | FMAC | 8,392,895            |
| 6/1/2047                        |  | FMAC | 5,881,897            |
| 7/1/2047                        |  | FMAC | 2,758,603            |
| 11/1/2047                       |  | FMAC | 5,691,607            |
| 10/1/2049                       |  | FMAC | 2,303,167            |
| 7/1/2047                        |  | FNMA | 4,334,108            |
| <i>Total Pledged Collateral</i> |  |      | <b>\$ 32,725,161</b> |

\*\*\* - Pledged collateral is held by Wells Fargo's trust departments or their agent in UNMMG's name

| CUSIP<br>Identification       | Maturity<br>Date | Type of<br>Securities | Amount                |
|-------------------------------|------------------|-----------------------|-----------------------|
| <b>UNM Hospital**</b>         |                  |                       |                       |
| 3132A5D36                     | 7/1/2045         | FEPC                  | \$ 60,285,408         |
| 3132A5GQ2                     | 3/1/2047         | FEPC                  | 12,523,519            |
| 3132A5GW9                     | 4/1/2047         | FEPC                  | 63,455,960            |
| 3132A5HB4                     | 7/1/2047         | FEPC                  | 26,358,911            |
| 3133KGT3                      | 10/1/2049        | FEPC                  | 14,695,349            |
| 3140FCTG3                     | 2/1/2047         | FNMS                  | 31,174,025            |
| 3140K5JR9                     | 2/1/2050         | FNMS                  | 16,811,331            |
| 31418CND2                     | 8/1/2047         | FNMS                  | 75,963,934            |
| 31418CU77                     | 3/1/2048         | FNMS                  | 69,076,764            |
| 3148CUA0                      | 2/1/2048         | FNMS                  | 53,703,928            |
| 31418DGL0                     | 10/1/2049        | FNMS                  | 6,768,838             |
| <i>Total Bank Of New York</i> |                  |                       | <b>\$ 430,817,967</b> |

\*\* - Pledged collateral is held in safekeeping by the Bank of New York Mellon

# THE UNIVERSITY OF NEW MEXICO

## Schedule of Pledged Collateral as of June 30, 2020 - Discretely Presented Component Units

| Financial Institution  | Account Type            | Account Name                 | Book Balance             | Bank Balance  |              |
|--|-------------------------|------------------------------|--------------------------|---------------|--------------|
| *UNM Foundation  |                         |                              |                          |               |              |
| Nusenda Federal Credit Union   | Cash                    | General Fund                 | \$ 183,970               | \$ 183,970    |              |
|  |                         | Less NCUA Insurance          |                          | (183,970)     |              |
|  |                         | Uninsured Public Funds       |                          | \$ -          |              |
|  |                         |                              |                          |               |              |
| Wells Fargo Bank   | Cash                    | UNM Foundation Operating     | \$ 2,672,393             | \$ 2,677,943  |              |
|  | Cash                    | Development                  | 7,025,659                | 6,447,592     |              |
|  |                         |                              | \$ 9,698,052             | \$ 9,125,535  |              |
|  |                         | Less FDIC Insurance          |                          | (250,000)     |              |
|  |                         | Uninsured Public Funds       |                          | \$ 8,875,535  |              |
|  |                         | Collateral Requirement (50%) |                          | \$ 4,437,768  |              |
|  |                         | Fair Value of Collateral     |                          | \$ 8,433,029  |              |
|  |                         | Over (Under) Collateralized  |                          | \$ 3,995,262  |              |
|  |                         |                              |                          |               |              |
|  | Washington Federal      | Cash                         | UNM Foundation Operating | \$ 1,301,785  | \$ 1,301,785 |
|  |                         |                              | Less FDIC Insurance      |               | (250,000)    |
| Uninsured Public Funds   |                         |                              |                          | \$ 1,051,785  |              |
| Collateral Requirement (50%)   |                         |                              |                          | \$ 525,893    |              |
| Fair Value of Collateral   |                         |                              |                          | \$ -          |              |
| Over (Under) Collateralized  |                         |                              |                          | \$ (525,893)  |              |
|  |                         |                              |                          |               |              |
|  |                         |                              |                          |               |              |
| Other  | Foundation Money Market | \$ 980,549                   | \$ 980,549               |               |              |
| Total Cash and Cash Equivalents – UNM Foundation                       |                         |                              | \$ 12,164,356            | \$ 11,591,839 |              |
| **Anderson Schools of Management Foundation                            |                         |                              | \$ 1,383,820             | \$ 1,383,820  |              |
| **UNM Lobo Club  |                         |                              | 3,688,090                | 3,719,848     |              |
| **UNM Alumni Association   |                         |                              | 1,231,309                | 1,233,645     |              |
| Total Cash and Cash Equivalents – Discretely Presented Component Units |                         |                              | \$ 18,467,575            | \$ 17,929,152 |              |

\*Discretely Presented Component Units - Public Money Entities

\*\*Discretely Presented Component Units - Non-Public Money Entities

See accompanying independent auditors' report.

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## SCHEDULE 18

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| CUSIP<br>Identification | Maturity<br>Date | Type of<br>Securities           | Amount                     |
|-------------------------|------------------|---------------------------------|----------------------------|
| <b>UNM Foundation</b>   |                  |                                 |                            |
|                         |                  | FHG-3                           | \$ 2,424,102               |
|                         |                  | FHG-3                           | 6,008,927                  |
|                         |                  | <i>Total Pledged Collateral</i> | <b><u>\$ 8,433,029</u></b> |

Pledged collateral is held by Wells Fargo's trust departments in UNM Foundation's name.



# THE UNIVERSITY OF NEW MEXICO

## Schedule of Individual Deposit and Investment Accounts as of June 30, 2020 - Primary Institution

### Individual Deposit Accounts

| Name of Bank/Broker                                   | Account Type                          |                                    | Balance per Bank Statement | Reconciled Balance per Books |
|---|---------------------------------------|------------------------------------|----------------------------|------------------------------|
| Compass Bank  | *Lobo Development - Business Checking | Checking                           | \$ 252,680                 | \$ 252,276                   |
|   | *Lobo Energy - Business Checking      | Checking                           | 491,483                    | 474,524                      |
| Enterprise Bank                                       | Los Alamos Campus Depository          | Checking                           | 570,680                    | 570,680                      |
| U.S. Bank   | General Depository                    | Checking                           | 30,920,472                 | 24,209,767                   |
| Wells Fargo   | UNMH Operating Account                | Checking                           | 29,308,227                 | 21,489,641                   |
|   | UNMH Operating Account                | Savings                            | 311,768,713                | 311,768,713                  |
|   | *UNMMG Operating Accounting           | Checking                           | 29,825,743                 | 29,717,115                   |
|   | *UNMMG Cancer Center                  | Checking                           | 38,925                     | 38,925                       |
|   | *UNMMG Truman RX                      | Checking                           | 75,000                     | 75,000                       |
| Other   | Commercial Paper                      | Sweep                              |                            | 90,775,586                   |
|   | Interest-Bearing Cash Sweep (ICS)     | Sweep                              |                            | 70,734,751                   |
|   | UNM Project Funding from Bond Issue   | Guaranteed Investment Contract     |                            | 3,818,034                    |
|   | Money Markets                         | Money Market                       |                            | 6,352,669                    |
|   | VEBA Trust                            | Trust                              |                            | 325,423                      |
|   | Petty Cash/Other                      | Cash on Hand                       |                            | 165,295                      |
|   | Component Unit deposits held by UNM   |                                    |                            | (1,183,547)                  |
|   |                                       | **STC.UNM                          | 7,075,947                  | 6,824,692                    |
|   |                                       | **Innovate ABQ                     | 35,604                     | -                            |
|   |                                       | **Sandoval Regional Medical Center | 32,022,284                 | 32,064,152                   |
| Total Cash and Cash Equivalents - Primary Institution |                                       |                                    | <u>\$ 442,385,758</u>      | <u>\$ 598,473,696</u>        |

\*Blended Component Units - Public Money Entities

\*\*Blended Component Units - Non-Public Money Entities

See accompanying independent auditors' report.

# SCHEDULE 19

## Individual Investment Accounts

| Name of Bank/Broker                     | Account Type                         | Balance per Bank Statement     | Reconciled Balance per Books |
|---|--------------------------------------|--------------------------------|------------------------------|
| Bank of Oklahoma                        | Retirement of Indebtedness           | Money Market                   | \$ 6,236                     |
|   |                                      | U.S. Government Agencies       | 1,639,576                    |
|   |                                      | Certificate of Deposit         | 1,340,554                    |
|   | VEBA Trust                           | Money Market                   | 534,388                      |
|   |                                      | Mutual Funds - Equity          | 28,359,816                   |
|   |                                      | Mutual Funds - Fixed Income    | 14,543,855                   |
| Bayern LB                               | UNM Project Funding from Bond Issue  | Guaranteed Investment Contract | 3,818,034                    |
| Fidelity Investments                    | ASM Student Portfolio Account        | Money Market                   | 13,133                       |
|   |                                      | Equity                         | 1,738,196                    |
|   |                                      | Exchange-Traded Funds          | 1,783,008                    |
| Morgan Stanley                          | Operating Investment Account         | Money Market                   | 10,691,059                   |
|   |                                      | U.S. Treasury Securities       | 222,040,368                  |
|   |                                      | U.S. Government Agencies       | 12,468,019                   |
|   |                                      | Corporate Bonds                | 159,808,947                  |
|   |                                      | Municipal Bonds                | 5,972,334                    |
|   |                                      |                                |                              |
|   | UNMH Short-Term Investment Accounts  | Money Market                   | 834,313                      |
|   |                                      | U.S. Treasury Securities       | 35,894,468                   |
|   |                                      | U.S. Government Agencies       | 251,607                      |
|   | *UNMMG Investment Account            | U.S. Treasury Securities       | 18,854,069                   |
|   |                                      | U.S. Government Agencies       | 301,989                      |
|   |                                      | Corporate Bonds                | 8,520,440                    |
|   |                                      | Municipal Bonds                | 486,107                      |
|   |                                      |                                |                              |
| Northern Trust                          | Consolidated Investment Fund         | Money Market                   | 14,447,412                   |
|   |                                      | Mutual Funds - Fixed           | 54,705,448                   |
|   |                                      | Mutual Funds - Equity          | 207,726,136                  |
|   |                                      | Exchange-Traded Funds          | 3,017,379                    |
|   |                                      | Illiquid Real Assests          | 16,349,024                   |
|   |                                      | Private Equity                 | 65,269,460                   |
|   |                                      | Marketable Alternatives        | 83,115,950                   |
|   |                                      |                                |                              |
| Wells Fargo                             | Bldg, Renewal & Replacement          | Money Market                   | 39,355                       |
|   |                                      | U.S. Government Agencies       | 7,674,103                    |
|   | Retirement of Indebtedness           | Money Market                   | 1,968,342                    |
|   |                                      | U.S. Treasury Securities       | 1,804,428                    |
|   |                                      | Corporate Bonds                | 2,527,786                    |
|   |                                      | Certificate of Deposit         | 584,373                      |
|   | UNMH Trust Accounts (Short term)     | Money Market                   | 206,644                      |
|   | UNMH Trust Accounts (Long term)      | Money Market                   | 17,961,660                   |
| Investment in TLSC                      | UNMH Other Investments               | Equity                         | 3,718,460                    |
| Investment in TriWest                   | UNMH Other Investments               | Equity                         | 5,000,000                    |
| Investment in TRL (TriCore)             | UNMH Other Investments               | Equity                         | 15,929,359                   |
|   | Less: Guaranteed Investment Contract |                                | (3,818,034)                  |
|   | Less: Foundation Interest in CIF     |                                | (226,060,000)                |
|   | **STC.UNM                            | 3,897,683                      | 3,897,683                    |
|   | **Sandoval Regional Medical Center   | 15,083,228                     | 15,083,228                   |
| Total Investments - Primary Institution |                                      | \$ 821,048,712                 | \$ 821,048,712               |

\*Blended Component Units - Public Money Entities

\*\*Blended Component Units - Non-Public Money Entities

See accompanying independent auditors' report.

# THE UNIVERSITY OF NEW MEXICO

Schedule of Individual Deposit and Investment Accounts as of June 30, 2020 - Discretely Presented Component Units

## Individual Deposit Accounts

| Name of Bank/Broker   |                       | Account Type | Balance per Bank Statement | Reconciled Balance per Books |
|---|-----------------------|--------------|----------------------------|------------------------------|
| <b>Component Units – Public Money Entities</b>                                |                       |              |                            |                              |
| <b>*UNM Foundation, Inc.</b>  |                       |              |                            |                              |
| Fidelity  | Restricted Fund       | Money Market | \$ 276,664                 | \$ 276,664                   |
| Hilltop Securities  | Charitable Trust Fund | Money Market | 18,576                     | 18,576                       |
| Morgan Stanley  | Security donation     | Money Market | 24                         | 24                           |
| Nusenda Credit Union  | General Fund          | Cash         | 183,970                    | 183,970                      |
| UBS Financial Services  | Endowed Chair         | Money Market | 584,863                    | 584,863                      |
|   | Endowed Professorship | Money Market | 93,263                     | 93,263                       |
| Wells Fargo   | Operating             | Cash         | 2,677,943                  | 2,672,393                    |
|   | Development           | Cash         | 6,447,592                  | 7,025,659                    |
| Vanguard Investments  | Operating             | Money Market | 7,159                      | 7,159                        |
| Washington Federal  | Operating             | Cash         | 1,301,785                  | 1,301,785                    |
| <b>Total Cash and Cash Equivalents - UNM Foundation, Inc.</b>                 |                       |              | <b>\$ 11,591,839</b>       | <b>\$ 12,164,356</b>         |
| <b>**Anderson Schools of Management Foundation</b>                            |                       |              | 1,383,820                  | 1,383,820                    |
| <b>**UNM Lobo Club</b>  |                       |              | 3,719,848                  | 3,688,090                    |
| <b>**UNM Alumni Association</b>   |                       |              | 1,233,645                  | 1,231,309                    |
| <b>Total Cash and Cash Equivalents - Discretely Presented Component Units</b> |                       |              | <b>\$ 17,929,152</b>       | <b>\$ 18,467,575</b>         |

\*Discretely Presented Component Units - Public Money Entities

\*\*Discretely Presented Component Units - Non-Public Money Entities

See accompanying independent auditors' report.

# SCHEDULE 19

## Individual Investment Accounts

| Name of Bank/Broker                                      |                       | Account Type                 | Balance per Bank Statement | Reconciled Balance per Books |
|--|-----------------------|------------------------------|----------------------------|------------------------------|
| Component Units – Public Money Entities                  |                       |                              |                            |                              |
| *UNM Foundation, Inc.                                    |                       |                              |                            |                              |
| Fidelity   | Operating Fund        | Mutual Funds-Equity          | \$ 140,037                 | \$ 140,037                   |
| Southwest Securities                                     | Charitable Trust Fund | Domestic Corporate Stock     | 125,231                    | 125,231                      |
|  |                       | Mutual Funds-Fixed           | 198,700                    | 198,700                      |
| UBS Financial Services                                   | Endowed Chair         | Municipal Bonds              | 2,756,451                  | 2,756,451                    |
|  |                       | Other                        | 23,273                     | 23,273                       |
|  | Endowed Professorship | Municipal Bonds              | 356,008                    | 356,008                      |
| Morgan Stanley Smith Barney                              | UNM Foundation Inc.   | Domestic Corporate Stock     | 72                         | 72                           |
| Vanguard Investment                                      | Operating Fund        | US Treasury Notes            | 2,318,256                  | 2,318,256                    |
|  | Operating Fund        | Other                        | 1,068                      | 1,068                        |
| CIF  | Endowments            | Consolidated Investment Fund | 226,060,000                | 226,060,000                  |
| Total Investments - UNM Foundation, Inc.                 |                       |                              | \$ 231,979,096             | \$ 231,979,096               |
| **Anderson Schools of Management Foundation              |                       |                              | 2,783,062                  | 2,783,062                    |
| **UNM Alumni Association                                 |                       |                              | 8,478,298                  | 8,478,298                    |
| Total Investments - Discretely Presented Component Units |                       |                              | \$ 243,240,456             | \$ 243,240,456               |

\*Discretely Presented Component Units - Public Money Entities

\*\*Discretely Presented Component Units - Non-Public Money Entities

See accompanying independent auditors' report.

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program   | CFDA<br>Number | Pass-Through Entity                                       | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|---|----------------|---|-----------------|------------------------------|-----------------------|
| <b>MAJOR PROGRAMS</b>   |                |   |                 |                              |                       |
| <b>STUDENT FINANCIAL ASSISTANCE CLUSTER</b>   |                |   |                 |                              |                       |
| <b>Department of Education</b>  |                |   |                 |                              |                       |
| Direct Awards   |                |   |                 |                              |                       |
| Federal Supplemental Educational Opportunity Grants                                 | 84.007         |   |                 | \$ -                         | \$ 1,293,908          |
| Federal Work-Study Program  | 84.033         |   |                 | -                            | 1,761,759             |
| Federal Perkins Loans   | 84.038         |   |                 | -                            | 6,982,003             |
| Federal Pell Grant Program  | 84.063         |   |                 | -                            | 38,300,579            |
| Federal Direct Student Loans  | 84.268         |   |                 | -                            | 87,400,434            |
| Teacher Education Assistance for College and Higher Education Grants (TEACH Grants) | 84.379         |   |                 | -                            | 119,529               |
|   |                | Total Department of Education Direct Awards               |                 | -                            | 135,858,212           |
|   |                | <b>Total Department of Education</b>                      |                 | -                            | <b>135,858,212</b>    |
| <b>Department of Health &amp; Human Services</b>                                    |                |   |                 |                              |                       |
| Direct Awards   |                |   |                 |                              |                       |
| Nurse Faculty Loan Program  | 93.264         |   |                 | -                            | 672,117               |
| Health Professions Student Loans  | 93.342         |   |                 | -                            | 593,677               |
| Scholarships for Health Professions Students from Disadvantaged Backgrounds         | 93.925         |   |                 | -                            | 650,000               |
|   |                | Total Department of Health & Human Services Direct Awards |                 | -                            | 1,915,794             |
|   |                | <b>Total Department of Health &amp; Human Services</b>    |                 | -                            | <b>1,915,794</b>      |
| <b>TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER</b>                                   |                |   |                 | -                            | <b>137,774,006</b>    |
| <b>TRIO CLUSTER</b>   |                |   |                 |                              |                       |
| <b>Department of Education</b>  |                |   |                 |                              |                       |
| Direct Awards   |                |   |                 |                              |                       |
| TRIO Student Support Services   | 84.042         |   |                 | -                            | 787,673               |
| TRIO Upward Bound   | 84.047         |   |                 | -                            | 1,713,819             |
| Educational Opportunity Centers, TRIO_Educational Opportunity Centers               | 84.066         |   |                 | -                            | 262,543               |
| TRIO McNair Post-Baccalaureate Achievement  | 84.217         |   |                 | -                            | 281,653               |
|   |                | Total Department of Education Direct Awards               |                 | -                            | 3,045,688             |
|   |                | <b>Total Department of Education</b>                      |                 | -                            | <b>3,045,688</b>      |
| <b>TOTAL TRIO CLUSTER</b>   |                |   |                 | -                            | <b>3,045,688</b>      |
| <b>OTHER MAJOR PROGRAM</b>  |                |   |                 |                              |                       |
| <b>Department of Education</b>  |                |   |                 |                              |                       |
| Direct Awards   |                |   |                 |                              |                       |
| Covid-19 Education Stabilization Fund   | 84.425 E,F     |   |                 | -                            | 18,526,867            |
|   |                | Total Department of Education Direct Awards               |                 | -                            | 18,526,867            |
| <b>TOTAL OTHER MAJOR PROGRAM</b>  |                |   |                 | -                            | <b>18,526,867</b>     |
| <b>TOTAL MAJOR PROGRAMS</b>   |                |   |                 | \$ -                         | \$ <b>159,346,561</b> |

## THE UNIVERSITY OF NEW MEXICO

## SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program  | CFDA<br>Number | Pass-Through Entity                           | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|--|----------------|---|-----------------|------------------------------|-----------------------|
| <b>NONMAJOR PROGRAMS</b>   |                |   |                 |                              |                       |
| <b>RESEARCH AND DEVELOPMENT CLUSTER</b>                          |                |   |                 |                              |                       |
| <b>Department of Agriculture</b>                                 |                |   |                 |                              |                       |
| Direct Awards  |                |   |                 |                              |                       |
| Department of Agriculture  | 10.RD          |   |                 | \$ -                         | \$ 111,464            |
| Agricultural Research Basic and Applied Research                 | 10.001         |   |                 | -                            | 15,648                |
| Hispanic Serving Institutions Education Grants                   | 10.223         |   |                 | 632                          | 27,525                |
| Agriculture and Food Research Initiative (AFRI)                  | 10.310         |   |                 | 16,974                       | 263,809               |
| Rural Community Development Initiative                           | 10.446         |   |                 | -                            | 56,909                |
| Cooperative Extension Service                                    | 10.500         |   |                 | -                            | 19,892                |
| Forestry Research  | 10.652         |   |                 | -                            | (4,083)               |
| Total Department of Agriculture Direct Awards                    |                |   |                 | 17,606                       | 491,164               |
| Pass-Through Awards  |                |   |                 |                              |                       |
| Hispanic Serving Institutions Education Grants                   | 10.223         | The University of Texas Rio Grande Valley     | 2RGK2           | -                            | 34,974                |
| Agriculture and Food Research Initiative (AFRI)                  | 10.310         | University of Texas at El Paso                | 2RDY3           | -                            | 48,624                |
| Good Neighbor Authority  | 10.691         | Nature Conservancy                            | 2RPN7           | -                            | 12,479                |
| Total Department of Agriculture Pass-Through Awards              |                |   |                 | -                            | 96,077                |
| <b>Total Department of Agriculture</b>                           |                |   |                 | <b>17,606</b>                | <b>587,241</b>        |
| <b>Department of Commerce</b>                                    |                |   |                 |                              |                       |
| Direct Awards  |                |   |                 |                              |                       |
| Department of Commerce   | 11.RD          |   |                 | -                            | 13,743                |
| Climate and Atmospheric Research                                 | 11.431         |   |                 | -                            | 13,428                |
| Total Department of Commerce Direct Awards                       |                |   |                 | -                            | 27,171                |
| <b>Total Department of Commerce</b>                              |                |   |                 | <b>-</b>                     | <b>27,171</b>         |
| <b>Department of Defense</b>                                     |                |   |                 |                              |                       |
| Direct Awards  |                |   |                 |                              |                       |
| Department of Defense  | 12.RD          |   |                 | 984,202                      | 3,140,525             |
| Aquatic Plant Control  | 12.100         |   |                 | -                            | 18,269                |
| Collaborative Research and Development                           | 12.114         |   |                 | -                            | 968,571               |
| Basic and Applied Scientific Research                            | 12.300         |   |                 | 239,012                      | 2,377,727             |
| Science, Technology, Engineering & Mathematics (STEM)            |                |   |                 |                              |                       |
| Education, Outreach and Workforce Program                        | 12.330         |   |                 | -                            | 125,616               |
| Scientific Research - Combating Weapons of Mass Destruction      | 12.351         |   |                 | 310,414                      | 1,095,006             |
| Military Medical Research and Development                        | 12.420         |   |                 | 161,963                      | 1,300,109             |
| Basic Scientific Research  | 12.431         |   |                 | 1,593                        | 959,849               |
| Centers for Academic Excellence                                  | 12.598         |   |                 | 83,205                       | 840,592               |
| Research and Technical Assistance                                | 12.615         |   |                 | -                            | 736,074               |
| Basic, Applied, and Advanced Research in Science and Engineering | 12.630         |   |                 | -                            | 117,610               |
| Air Force Defense Research Sciences Program                      | 12.800         |   |                 | 1,055,277                    | 3,885,940             |
| Research and Technology Development                              | 12.910         |   |                 | 560,546                      | 916,573               |
| Total Department of Defense Direct Awards                        |                |   |                 | 3,396,212                    | 16,482,461            |
| Pass-Through Awards  |                |   |                 |                              |                       |
| Department of Defense  | 12.RD          | Amethyst Research, Inc                        | 2RPQ1           | -                            | 38,451                |
| Department of Defense  | 12.RD          | Applied Technology Associates                 | 2RMF5           | -                            | 69,744                |
| Department of Defense  | 12.RD          | Applied Technology Associates                 | 2RNH4           | -                            | 64,631                |
| Department of Defense  | 12.RD          | ATA Aerospace                                 | 2RMQ0           | -                            | 218,823               |
| Department of Defense  | 12.RD          | ATA Aerospace                                 | 2RNA7           | -                            | 130,691               |
| Department of Defense  | 12.RD          | Charles River Analytics, Inc.                 | 2RNR7           | -                            | 104,039               |
| Department of Defense  | 12.RD          | Crystalline Mirror Solutions LLC              | 2RNF3           | -                            | 125,927               |
| Department of Defense  | 12.RD          | Engility Corporation                          | 2RPK6           | -                            | 113,407               |
| Department of Defense  | 12.RD          | IRflex Corporation                            | 2RMU3           | -                            | 462                   |
| Department of Defense  | 12.RD          | Leidos Inc                                    | 2RKQ6           | -                            | 60,084                |
| Department of Defense  | 12.RD          | Leidos Inc                                    | 2RMR4           | -                            | 144,250               |
| Department of Defense  | 12.RD          | Lockheed Martin Corporation                   | 2RMB7           | -                            | 313                   |
| Department of Defense  | 12.RD          | Metamagnetics                                 | 2RPJ8           | -                            | 44,098                |
| Department of Defense  | 12.RD          | New Mexico Institute of Mining and Technology | 2RMN3           | -                            | 4,384                 |
| Department of Defense  | 12.RD          | Northrop Grumman Corporation                  | 2RFR2           | -                            | 183,147               |
| Department of Defense  | 12.RD          | Physical Sciences, Inc.                       | 2RPF4           | -                            | 109,208               |
| Department of Defense  | 12.RD          | Tau Technologies LLC                          | 2RPB4           | -                            | 42,063                |
| Department of Defense  | 12.RD          | The Optical Sciences Company (TOSC)           | 2RNK5           | -                            | 247,453               |
| Department of Defense  | 12.RD          | Utah State University Space Dynamics          |                 |                              |                       |
| Department of Defense  | 12.RD          | Laboratory                                    | 2RMT9           | -                            | 79,444                |
| Department of Defense  | 12.RD          | Verus Research                                | 2RNG6           | -                            | 33,408                |
| Department of Defense  | 12.RD          | Verus Research                                | 2RPC4           | -                            | 28,380                |
| Department of Defense  | 12.RD          | Verus Research                                | 2RQH1           | -                            | 6,164                 |
| 12.RD Subtotal   |                |   |                 | -                            | 1,848,571             |

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program  | CFDA<br>Number  | Pass-Through Entity                            | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|--|-----------------|--|-----------------|------------------------------|-----------------------|
| Basic and Applied Scientific Research                            | 12.300          | ASR Corporation                                | 2RLK0           | -                            | 102,278               |
| Basic and Applied Scientific Research                            | 12.300          | Carnegie Mellon University                     | 2RLS0           | -                            | 119,654               |
| Basic and Applied Scientific Research                            | 12.300          | Clemson University                             | 2RLF2           | -                            | 52,720                |
| Basic and Applied Scientific Research                            | 12.300          | University of Texas Arlington                  | 2RLG6           | -                            | 131,029               |
|  | 12.300 Subtotal |  |                 | -                            | 405,681               |
| Scientific Research - Combating Weapons of Mass Destruction      | 12.351          | Pennsylvania State University                  | 2RLB1           | -                            | 100,998               |
| Military Medical Research and Development                        | 12.420          | University of Texas HSC San Antonio            | 2RMD3           | -                            | 11,973                |
| Basic Scientific Research  | 12.431          | University of Missouri                         | 2RNQ0           | -                            | 102,464               |
| Basic Scientific Research  | 12.431          | University of Southern California              | 2RNN9           | -                            | 96,718                |
|  | 12.431 Subtotal |  |                 | -                            | 199,182               |
| Basic, Applied, and Advanced Research in Science and Engineering | 12.630          | Army Educational Outreach Program              | 2RLD1           | -                            | 2,000                 |
| Basic, Applied, and Advanced Research in Science and Engineering | 12.630          | Technology Student Association                 | 2RLX9           | -                            | 5,788                 |
| Basic, Applied, and Advanced Research in Science and Engineering | 12.630          | Technology Student Association                 | 2RPR4           | -                            | 4,743                 |
|  | 12.630 Subtotal |  |                 | -                            | 12,531                |
| Air Force Defense Research Sciences Program                      | 12.800          | ATA Aerospace                                  | 2RMB5           | -                            | 5,913                 |
| Air Force Defense Research Sciences Program                      | 12.800          | Bluecom Systems and Consulting LLC             | 2RNC6           | -                            | 190,127               |
| Air Force Defense Research Sciences Program                      | 12.800          | Board of Trustees of Michigan State University | 2RLM4           | -                            | 320,349               |
|  |                 | Millennium Engineering and Integration         |                 |                              |                       |
| Air Force Defense Research Sciences Program                      | 12.800          | Company  | 2RQA6           | -                            | 115,873               |
| Air Force Defense Research Sciences Program                      | 12.800          | New Mexico Institute of Mining and Technology  | 2RMB4           | -                            | 42,332                |
| Air Force Defense Research Sciences Program                      | 12.800          | Ohio State University                          | 2RNB7           | -                            | 12,962                |
| Air Force Defense Research Sciences Program                      | 12.800          | University of California Irvine                | 2RNP6           | -                            | 65,311                |
| Air Force Defense Research Sciences Program                      | 12.800          | University of Texas Arlington                  | 2RHY0           | -                            | 130,203               |
|  | 12.800 Subtotal |  |                 | -                            | 883,070               |
| Research and Technology Development                              | 12.910          | Thermo Dynamic Films                           | 2RLZ3           | -                            | 87,746                |
| Research and Technology Development                              | 12.910          | Thermo Dynamic Films                           | 2RMX7           | -                            | 24,220                |
|  | 12.910 Subtotal |  |                 | -                            | 111,966               |
| Total Department of Defense Pass-Through Awards                  |                 |  |                 | -                            | 3,573,972             |
| <b>Total Department of Defense</b>                               |                 |  |                 | <b>3,396,212</b>             | <b>20,056,433</b>     |
| <b>Department of the Interior</b>                                |                 |  |                 |                              |                       |
| Direct Awards  |                 |  |                 |                              |                       |
| Education Enhancements   | 15.151          |  |                 | -                            | 142,374               |
| Cultural Resources Management                                    | 15.159          |  |                 | -                            | 18,816                |
| Cultural and Paleontological Resources Management                | 15.224          |  |                 | -                            | 18,169                |
| Fish, Wildlife and Plant Conservation Resource Management        | 15.231          |  |                 | 20,154                       | 66,502                |
| Wildland Fire Research and Studies                               | 15.232          |  |                 | -                            | 103,592               |
| Wildlife Resource Management                                     | 15.247          |  |                 | -                            | 3,011                 |
| Fish and Wildlife Coordination Act                               | 15.517          |  |                 | -                            | 562,484               |
| Upper Colorado and San Juan River Basins Endangered Fish         |                 |  |                 |                              |                       |
| Recovery   | 15.529          |  |                 | 5,733                        | 24,522                |
| SECURE Water Act Research Agreements                             | 15.560          |  |                 | -                            | 257,692               |
| Endangered Species Conservation Recovery Implementation Funds    | 15.657          |  |                 | -                            | 11,837                |
| Youth Engagement, Education, and Employment                      | 15.676          |  |                 | -                            | 36,505                |
| Cooperative Ecosystem Studies Units                              | 15.678          |  |                 | -                            | 35,718                |
| U.S. Geological Survey Research and Data Collection              | 15.808          |  |                 | -                            | 80,399                |
| Native American Graves Protection and Repatriation Act           | 15.922          |  |                 | -                            | 22,583                |
| National Center for Preservation Technology and Training         | 15.923          |  |                 | -                            | 19,347                |
| American Battlefield Protection                                  | 15.926          |  |                 | -                            | 40,122                |
| Cooperative Research and Training Programs Resources of the      |                 |  |                 |                              |                       |
| National Park System   | 15.945          |  |                 | -                            | 995,050               |
| Total Department of the Interior Direct Awards                   |                 |  |                 | 25,887                       | 2,438,723             |
| Pass-Through Awards  |                 |  |                 |                              |                       |
| Fish and Wildlife Coordination Act                               | 15.517          | National Audubon Society Inc                   | 2RPS1           | -                            | 27,185                |
| Upper Colorado and San Juan River Basins Endangered Fish         |                 |  |                 |                              |                       |
| Recovery   | 15.529          | Colorado State University                      | 2RLH6           | -                            | 97,762                |
| National and Regional Climate Adaptation Science Centers         | 15.820          | University of Oklahoma                         | 2RHA5           | -                            | 20,456                |
| National and Regional Climate Adaptation Science Centers         | 15.820          | University of Oklahoma                         | 2RPB9           | -                            | 95,748                |
|  | 15.820 Subtotal |  |                 | -                            | 116,204               |
| Total Department of the Interior Pass-Through Awards             |                 |  |                 | -                            | 241,151               |
| <b>Total Department of the Interior</b>                          |                 |  |                 | <b>25,887</b>                | <b>2,679,874</b>      |

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program   | CFDA Number | Pass-Through Entity   | Grant Number | Subrecipient Expenditures | Total Expenditures |
|---|-------------|---|--------------|---------------------------|--------------------|
| <b>Department of Justice</b>  |             |   |              |                           |                    |
| Direct Awards   |             |   |              |                           |                    |
| Department of Justice   | 16.RD       |   |              | -                         | 120,575            |
| State Justice Statistics Program for Statistical Analysis Centers   | 16.550      |   |              | -                         | 150,579            |
| National Institute of Justice Research, Evaluation, and Development |             |   |              |                           |                    |
| Project Grants  | 16.560      |   |              | -                         | 493,946            |
| Paul Coverdell Forensic Sciences Improvement Grant Program          | 16.742      |   |              | -                         | 61,586             |
|   |             | Total Department of Justice Direct Awards                       |              | -                         | 826,686            |
| Pass-Through Awards   |             |   |              |                           |                    |
| Criminal and Juvenile Justice and Mental Health Collaboration       |             |   |              |                           |                    |
| Program   | 16.745      | Bernalillo County   | 2RPJ2        | -                         | 5,224              |
| Innovations in Community-Based Crime Reduction                      | 16.817      | Second Judicial District Court                                  | 2RNJ3        | -                         | 41,976             |
|   |             | Total Department of Justice Pass-Through Awards                 |              | -                         | 47,200             |
|   |             | <b>Total Department of Justice</b>                              |              | -                         | <b>873,886</b>     |
| <b>Department of State</b>  |             |   |              |                           |                    |
| Pass-Through Awards   |             |   |              |                           |                    |
| Public Diplomacy Programs   | 19.040      | Partners of the Americas Inc                                    | 2RMU4        | -                         | 48                 |
| Public Diplomacy Programs   | 19.040      | Partners of the Americas Inc                                    | 2RNJ8        | -                         | 15,572             |
|   | 19.040      | Subtotal  |              | -                         | 15,620             |
|   |             | Total Department of State Pass-Through Awards                   |              | -                         | 15,620             |
|   |             | <b>Total Department of State</b>                                |              | -                         | <b>15,620</b>      |
| <b>Department of Transportation</b>                                 |             |   |              |                           |                    |
| Direct Awards   |             |   |              |                           |                    |
| Highway Training and Education                                      | 20.215      |   |              | -                         | 38,085             |
|   |             | Total Department of Transportation Direct Awards                |              | -                         | 38,085             |
| Pass-Through Awards   |             |   |              |                           |                    |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RGK0        | -                         | 119,372            |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RJG6        | -                         | 56,174             |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RLL3        | -                         | 6,085              |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RLY9        | -                         | 113,239            |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RMM3        | -                         | 525,560            |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RMS8        | -                         | 31,879             |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RNS1        | -                         | 45,065             |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RNT0        | -                         | 3,002              |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RNT1        | -                         | 63,157             |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RPH8        | -                         | 158,980            |
| Department of Transportation  | 20.RD       | New Mexico Department of Transportation                         | 2RPY0        | -                         | 4,431              |
|   | 20.RD       | Subtotal  |              | -                         | 1,126,944          |
| Highway Planning and Construction                                   | 20.205      | Alpine Archaeological Consultants, Inc.                         | 2RLZ4        | -                         | 19,538             |
| Highway Planning and Construction                                   | 20.205      | New Mexico Department of Transportation                         | 2RGB1        | -                         | (246)              |
|   | 20.205      | Subtotal  |              | -                         | 19,292             |
| Railroad Research and Development                                   | 20.313      | National Academy of Sciences                                    | 2RMU9        | -                         | 62,773             |
| University Transportation Centers Program                           | 20.701      | Louisiana State University                                      | 2RKR3        | -                         | 195,834            |
| University Transportation Centers Program                           | 20.701      | University of Oklahoma  | 2RDV2        | -                         | 6,132              |
|   | 20.701      | Subtotal  |              | -                         | 201,966            |
|   |             | Total Department of Transportation Pass-Through Awards          |              | -                         | 1,410,975          |
|   |             | <b>Total Department of Transportation</b>                       |              | -                         | <b>1,449,060</b>   |
| <b>Department of the Treasury</b>                                   |             |   |              |                           |                    |
| Pass-Through Awards   |             |   |              |                           |                    |
| Resources and Ecosystems Sustainability, Tourist Opportunities, and |             |   |              |                           |                    |
| Revived Economies of the Gulf Coast States                          | 21.015      | University of New Orleans                                       | 2RLW5        | -                         | 4,566              |
|   |             | Total Department of the Treasury Pass-Through Awards            |              | -                         | 4,566              |
|   |             | <b>Total Department of the Treasury</b>                         |              | -                         | <b>4,566</b>       |
| <b>National Aeronautics &amp; Space Administration</b>              |             |   |              |                           |                    |
| Direct Awards   |             |   |              |                           |                    |
| Science   | 43.001      |   |              | 89,912                    | 879,430            |
| Aeronautics   | 43.002      |   |              | -                         | 48,022             |
| Education   | 43.008      |   |              | -                         | 35,052             |
| Space Technology  | 43.012      |   |              | -                         | 51,765             |
|   |             | Total National Aeronautics & Space Administration Direct Awards |              | 89,912                    | 1,014,269          |
| Pass-Through Awards   |             |   |              |                           |                    |
| National Aeronautics and Space Administration                       | 43.RD       | Bluecom Systems and Consulting LLC                              | 2RPS6        | -                         | 18,189             |
| National Aeronautics and Space Administration                       | 43.RD       | Jet Propulsion Lab  | 2RJ72        | -                         | 208,689            |
| National Aeronautics and Space Administration                       | 43.RD       | Lenzner Research LLC  | 2RPD0        | -                         | 41,250             |
| National Aeronautics and Space Administration                       | 43.RD       | New Mexico State University                                     | 2RLD5        | -                         | 49,180             |
| National Aeronautics and Space Administration                       | 43.RD       | Wyle Laboratories, Inc.   | 2RGJ9        | -                         | 188,869            |
| National Aeronautics and Space Administration                       | 43.RD       | Wyle Laboratories, Inc.   | 2RJL1        | -                         | 103,778            |
| National Aeronautics and Space Administration                       | 43.RD       | Wyle Laboratories, Inc.   | 2RLF9        | -                         | 147,766            |
| National Aeronautics and Space Administration                       | 43.RD       | Wyle Laboratories, Inc.   | 2RNC9        | -                         | 151,224            |



# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program  | CFDA Number     | Pass-Through Entity                    | Grant Number | Subrecipient Expenditures | Total Expenditures |
|--|-----------------|--|--------------|---------------------------|--------------------|
| National Aeronautics and Space Administration                          | 43.RD           | Wyle Laboratories, Inc.                | 2RNG8        | -                         | 198,500            |
| National Aeronautics and Space Administration                          | 43.RD           | XL Scientific, LLC                     | 2RKM8        | -                         | 7,366              |
|  | 43.RD Subtotal  |  |              | -                         | 1,114,811          |
| Science  | 43.001          | Blue Marble Space Institute of Science | 2RKW5        | -                         | 58,199             |
| Science  | 43.001          | Colorado State University              | 2RMQ5        | -                         | 34,744             |
| Science  | 43.001          | Georgetown University                  | 2RNC1        | -                         | 33,485             |
| Science  | 43.001          | Jet Propulsion Lab                     | 2RKN9        | -                         | 30,000             |
| Science  | 43.001          | Northern Arizona University            | 2RMX3        | -                         | 19,689             |
| Science  | 43.001          | Ohio State University                  | 2RPR9        | -                         | 35,846             |
| Science  | 43.001          | University of Chicago                  | 2RMA7        | -                         | 30,428             |
|  | 43.001 Subtotal |  |              | -                         | 242,391            |
| Exploration  | 43.003          | Georgia Institute of Technology        | 2RLQ7        | -                         | (17,905)           |
| Exploration  | 43.003          | University of Central Florida          | 2RPQ6        | -                         | 38,204             |
| Exploration  | 43.003          | Wyle Laboratories, Inc.                | 2RQB0        | -                         | 18,269             |
|  | 43.003 Subtotal |  |              | -                         | 38,568             |
| Space Operations   | 43.007          | Washington University                  | 2RKG6        | -                         | 98,345             |
| Education  | 43.008          | New Mexico Space Grant Consortium      | 2RQF2        | -                         | 268                |
| Education  | 43.008          | New Mexico State University            | 2RGM2        | -                         | 95,000             |
| Education  | 43.008          | New Mexico State University            | 2RNS7        | -                         | 1,796              |
|  | 43.008 Subtotal |  |              | -                         | 97,064             |
| Total National Aeronautics & Space Administration Pass-Through Awards  |                 |  |              | -                         | 1,591,179          |
| Total National Aeronautics & Space Administration                      |                 |  |              | 89,912                    | 2,605,448          |
| <b>National Foundation on the Arts &amp; Humanities</b>                |                 |  |              |                           |                    |
| Pass-Through Awards  |                 |  |              |                           |                    |
| Promotion of the Arts Grants to Organizations and Individuals          | 45.024          | Village of Los Lunas                   | 2RMZ9        | -                         | 18,359             |
| Total National Foundation on the Arts & Humanities Pass-Through Awards |                 |  |              | -                         | 18,359             |
| Total National Foundation on the Arts & Humanities                     |                 |  |              | -                         | 18,359             |
| <b>National Science Foundation</b>                                     |                 |  |              |                           |                    |
| Direct Awards  |                 |  |              |                           |                    |
| National Science Foundation  | 47.RD           |  |              | -                         | 110,916            |
| Engineering Grants   | 47.041          |  |              | 27,452                    | 1,830,460          |
| Mathematical and Physical Sciences                                     | 47.049          |  |              | 53,160                    | 4,579,977          |
| Geosciences  | 47.050          |  |              | 1,605,018                 | 3,956,053          |
| Computer and Information Science and Engineering                       | 47.070          |  |              | 1,138,187                 | 3,715,568          |
| Biological Sciences  | 47.074          |  |              | 159,292                   | 3,579,011          |
| Social, Behavioral, and Economic Sciences                              | 47.075          |  |              | 2,661                     | 268,242            |
| Education and Human Resources  | 47.076          |  |              | 121,645                   | 4,772,266          |
| Office of International Science and Engineering                        | 47.079          |  |              | -                         | 11,948             |
| Office of Integrative Activities                                       | 47.083          |  |              | 1,856,646                 | 3,929,232          |
| Total National Science Foundation Direct Awards                        |                 |  |              | 4,964,061                 | 26,753,673         |
| Pass-Through Awards  |                 |  |              |                           |                    |
| Engineering Grants   | 47.041          | Arizona State University               | 2RJP1        | -                         | 96,639             |
| Engineering Grants   | 47.041          | Trustees of Purdue University          | 2RKKW0       | -                         | 450,283            |
| Engineering Grants   | 47.041          | Trustees of Purdue University          | 2RPG2        | -                         | 79,017             |
| Engineering Grants   | 47.041          | University of Texas Austin             | 2R913        | -                         | 649,103            |
|  | 47.041 Subtotal |  |              | -                         | 1,275,042          |
| Mathematical and Physical Sciences                                     | 47.049          | Associated Universities Inc            | 2RKJ7        | -                         | 7,884              |
| Mathematical and Physical Sciences                                     | 47.049          | Associated Universities Inc            | 2RMM5        | -                         | 6,552              |
| Mathematical and Physical Sciences                                     | 47.049          | Associated Universities Inc            | 2RMU6        | -                         | 29,242             |
| Mathematical and Physical Sciences                                     | 47.049          | Duke University                        | 2RMK1        | -                         | 128,718            |
| Mathematical and Physical Sciences                                     | 47.049          | Explora                                | 2RLR4        | -                         | 24,192             |
| Mathematical and Physical Sciences                                     | 47.049          | University of Notre Dame               | 2RND4        | -                         | 113                |
| Mathematical and Physical Sciences                                     | 47.049          | University of Wisconsin                | 2RMC5        | -                         | 27,695             |
|  | 47.049 Subtotal |  |              | -                         | 224,396            |
| Geosciences  | 47.050          | Columbia University                    | 2RNU4        | -                         | 4,020              |
| Geosciences  | 47.050          | Cornell University                     | 2RKX8        | -                         | 74,769             |
| Geosciences  | 47.050          | Denison University                     | 4R205        | -                         | 4,880              |
| Geosciences  | 47.050          | LUMCON                                 | 2RKV4        | -                         | 165,038            |
| Geosciences  | 47.050          | University of Arizona                  | 2RBT5        | -                         | 9,880              |
| Geosciences  | 47.050          | University of Colorado                 | 2RKP4        | -                         | 230,760            |
|  | 47.050 Subtotal |  |              | -                         | 489,347            |
| Computer and Information Science and Engineering                       | 47.070          | University of Tennessee                | 2RMP6        | -                         | 40,259             |
| Biological Sciences  | 47.074          | University of Puerto Rico              | 2RHG1        | -                         | 4,382              |
| Biological Sciences  | 47.074          | University of Washington               | 2RPK7        | -                         | 3,053              |
| Biological Sciences  | 47.074          | Washington State University            | 2RMT5        | -                         | 36,883             |
|  | 47.074 Subtotal |  |              | -                         | 44,318             |

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program   | CFDA<br>Number  | Pass-Through Entity  | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|---|-----------------|--|-----------------|------------------------------|-----------------------|
| Education and Human Resources   | 47.076          | Arizona State University                                   | 2RHY8           | -                            | 162,774               |
| Education and Human Resources   | 47.076          | Arizona State University                                   | 2RHZ2           | -                            | 81,928                |
| Education and Human Resources   | 47.076          | Central New Mexico Community College                       | 2RPL1           | -                            | 851                   |
| Education and Human Resources   | 47.076          | Educational Testing Services                               | 2RMR8           | -                            | 7,012                 |
| Education and Human Resources   | 47.076          | New Mexico State University                                | 2RBK8           | -                            | 41,897                |
| Education and Human Resources   | 47.076          | New Mexico State University                                | 2RMQ3           | -                            | 48,108                |
| Education and Human Resources   | 47.076          | Twin Cities Public Television, Inc                         | 2RJV3           | -                            | 715                   |
|   | 47.076 Subtotal |  |                 | -                            | 343,285               |
| Office of International Science and Engineering   | 47.079          | Institute for Learning Innovation                          | 2RPN0           | -                            | 95                    |
|   |                 | Total National Science Foundation Pass-Through Awards      |                 | -                            | 2,416,742             |
|   |                 | <b>Total National Science Foundation</b>                   |                 | <b>4,964,061</b>             | <b>29,170,415</b>     |
| <b>Department of Veterans Affairs</b>   |                 |  |                 |                              |                       |
| Direct Awards   |                 |  |                 |                              |                       |
| Department of Veterans Affairs  | 64.RD           |  |                 | -                            | 83,748                |
| Research and Development  | 64.054          |  |                 | -                            | 8,000                 |
|   |                 | Total Department of Veterans Affairs Direct Awards         |                 | -                            | 91,748                |
|   |                 | <b>Total Department of Veterans Affairs</b>                |                 | -                            | <b>91,748</b>         |
| <b>Environmental Protection Agency</b>  |                 |  |                 |                              |                       |
| Direct Awards   |                 |  |                 |                              |                       |
| Science To Achieve Results (STAR) Research Program  | 66.509          |  |                 | 20,776                       | 279,598               |
| P3 Award: National Student Design Competition for Sustainability                              | 66.516          |  |                 | -                            | 427                   |
| Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements | 66.802          |  |                 | -                            | 89,257                |
|   |                 | Total Environmental Protection Agency Direct Awards        |                 | 20,776                       | 369,282               |
| Pass-Through Awards   |                 |  |                 |                              |                       |
| Surveys, Studies, Investigations, Demonstrations, and Training                                |                 |  |                 |                              |                       |
| Grants - Section 1442 of the Safe Drinking Water Act  | 66.424          | University of North Carolina at Chapel Hill                | 2RMT2           | -                            | 363,935               |
| Long Island Sound Program   | 66.437          | New Mexico Environment Department                          | 2RJM9           | -                            | 95,137                |
| Regional Wetland Program Development Grants   | 66.461          | New Mexico Environment Department                          | 2RPX2           | -                            | 1,802                 |
| Regional Wetland Program Development Grants   | 66.461          | New Mexico Environment Department                          | 2RQC6           | -                            | 3,318                 |
|   | 66.461 Subtotal |  |                 | -                            | 5,120                 |
|   |                 | Total Environmental Protection Agency Pass-Through Awards  |                 | -                            | 464,192               |
|   |                 | <b>Total Environmental Protection Agency</b>               |                 | <b>20,776</b>                | <b>833,474</b>        |
| <b>Nuclear Regulatory Commission</b>  |                 |  |                 |                              |                       |
| Direct Awards   |                 |  |                 |                              |                       |
| U. S. Nuclear Regulatory Commission Nuclear Education Grant Program                           | 77.006          |  |                 | -                            | 174,376               |
|   |                 | Total Nuclear Regulatory Commission Direct Awards          |                 | -                            | 174,376               |
|   |                 | <b>Total Nuclear Regulatory Commission</b>                 |                 | -                            | <b>174,376</b>        |
| <b>Department of Energy</b>   |                 |  |                 |                              |                       |
| Direct Awards   |                 |  |                 |                              |                       |
| Department of Energy  | 81.RD           |  |                 | -                            | 80,381                |
| Priorities and Allocations for Energy Programs and  | 81.048          |  |                 | -                            | 306,592               |
| Office of Science Financial Assistance Program  | 81.049          |  |                 | 516,394                      | 1,703,902             |
| Fossil Energy Research and Development  | 81.089          |  |                 | -                            | 60,393                |
| Epidemiology and Other Health Studies Financial Assistance Program                            | 81.108          |  |                 | -                            | 3,356                 |
| Stewardship Science Grant Program   | 81.112          |  |                 | -                            | 237,240               |
| Nuclear Energy Research, Development and Demonstration  | 81.121          |  |                 | 337,241                      | 1,346,275             |
| Advanced Research Projects Agency - Energy  | 81.135          |  |                 | 220,477                      | 450,146               |
| Minority Economic Impact  | 81.137          |  |                 | -                            | 4,601                 |
|   |                 | Total Department of Energy Direct Awards                   |                 | 1,074,112                    | 4,192,886             |
| Pass-Through Awards   |                 |  |                 |                              |                       |
| Department of Energy  | 81.RD           | AEgis Technologies Group                                   | 2RNM7           | -                            | 9,885                 |
| Department of Energy  | 81.RD           | AEgis Technologies Group                                   | 2RQH2           | -                            | 16,198                |
| Department of Energy  | 81.RD           | Battelle Memorial Institute                                | 2RDM2           | -                            | 105,757               |
| Department of Energy  | 81.RD           | Battelle Memorial Institute                                | 2RLV2           | -                            | 45,421                |
| Department of Energy  | 81.RD           | Battelle Memorial Institute                                | 2RLV3           | -                            | 146,765               |
| Department of Energy  | 81.RD           | Battelle Memorial Institute                                | 2RMT1           | -                            | 338,061               |
| Department of Energy  | 81.RD           | Board of Trustees of the Leland Stanford Junior University | 2RNC8           | -                            | 99,162                |
| Department of Energy  | 81.RD           | Brookhaven Science Associates LLC                          | 2RPP9           | -                            | 18,309                |
| Department of Energy  | 81.RD           | Honeywell Corporation                                      | 2RMX6           | -                            | 71,128                |
| Department of Energy  | 81.RD           | Honeywell Corporation                                      | 2RMZ0           | -                            | 59,701                |
| Department of Energy  | 81.RD           | Honeywell Corporation                                      | 2RPA0           | -                            | 50,000                |
| Department of Energy  | 81.RD           | Honeywell Corporation                                      | 2RQD0           | -                            | 1,486                 |
| Department of Energy  | 81.RD           | Idaho National Laboratory                                  | 2RPL9           | -                            | 14,865                |
| Department of Energy  | 81.RD           | Idaho National Laboratory                                  | 2RPX5           | -                            | 33,533                |
| Department of Energy  | 81.RD           | Krell Institute  | 2RLB4           | -                            | 2,803                 |
| Department of Energy  | 81.RD           | Krell Institute  | 2RNS3           | -                            | 4,709                 |
| Department of Energy  | 81.RD           | Lawrence Berkeley National Laboratory                      | 2RJU2           | -                            | 3,168                 |

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program      | CFDA<br>Number | Pass-Through Entity                    | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|----------------------|----------------|--|-----------------|------------------------------|-----------------------|
| Department of Energy | 81.RD          | Lawrence Livermore National Laboratory | 2RLU1           | -                            | 7,820                 |
| Department of Energy | 81.RD          | Lawrence Livermore National Laboratory | 2RNA1           | -                            | 32,075                |
| Department of Energy | 81.RD          | Lawrence Livermore National Laboratory | 2RNS6           | -                            | 28,823                |
| Department of Energy | 81.RD          | Lawrence Livermore National Laboratory | 2RPN1           | -                            | 38,063                |
| Department of Energy | 81.RD          | Lawrence Livermore National Laboratory | 2RQD5           | -                            | 17,082                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RCZ4           | -                            | 4,116                 |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RFG7           | -                            | 23,841                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RGL5           | -                            | (2)                   |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RJU4           | -                            | 292,377               |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RJU8           | -                            | 23,284                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RJY7           | -                            | 306                   |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RKQ2           | -                            | 113,272               |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RKV3           | -                            | 86,623                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RLK7           | -                            | (3,649)               |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RLP8           | -                            | 51,264                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RLS1           | -                            | 37,405                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RLS8           | -                            | 11,431                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RLT7           | -                            | 117,777               |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RMP0           | -                            | 10,178                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RMS4           | -                            | 54,775                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RMW3           | -                            | 111,331               |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RND1           | -                            | 3,723                 |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RNG0           | -                            | 84,602                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RNG1           | -                            | 47,422                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RNU9           | -                            | 22,262                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RPL6           | -                            | 63,624                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RPP0           | -                            | 26,193                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RPY3           | -                            | 14,643                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RPZ0           | -                            | 25,766                |
| Department of Energy | 81.RD          | Los Alamos National Laboratory         | 2RQC7           | -                            | 8,960                 |
| Department of Energy | 81.RD          | MIND Research Network                  | 2RH75           | -                            | 102,184               |
|                      |                | New Mexico Energy Minerals and Natural |                 |                              |                       |
| Department of Energy | 81.RD          | Resources Dept                         | 2RPZ2           | -                            | 3,241                 |
| Department of Energy | 81.RD          | NMC Inc                                | 2RLJ4           | -                            | 16,635                |
| Department of Energy | 81.RD          | NMC Inc                                | 2RMU1           | -                            | 59,821                |
| Department of Energy | 81.RD          | NMC Inc                                | 2RNA6           | -                            | 18,498                |
| Department of Energy | 81.RD          | NMC Inc                                | 2RPH7           | -                            | 32,972                |
| Department of Energy | 81.RD          | NMC Inc                                | 2RPM1           | -                            | 19,864                |
| Department of Energy | 81.RD          | Osazda Energy, Inc.                    | 2RNM8           | -                            | 95,090                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RDH9           | -                            | 4,326                 |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RDX7           | -                            | (154)                 |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RFH5           | -                            | 17,188                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RGQ4           | -                            | (6,154)               |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RHB6           | -                            | 12,009                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RHD5           | -                            | 123,180               |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RJB3           | -                            | 21,563                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RJB5           | -                            | 55,544                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RJH3           | -                            | 25,651                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RJN0           | -                            | (3,897)               |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RKG9           | -                            | 4,291                 |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RKH7           | -                            | (2,756)               |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RKW9           | -                            | 24,949                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RKZ9           | -                            | 95,315                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RLA0           | -                            | 95,793                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RLD8           | -                            | 51,352                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RLF3           | -                            | 42,177                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RLS5           | -                            | 53,759                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RLM1           | -                            | 271                   |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RLQ1           | -                            | 182,615               |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RLQ6           | -                            | (839)                 |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RLU0           | -                            | 130,514               |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RLW3           | -                            | 92,697                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMK0           | -                            | 20,417                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMT8           | -                            | 47,887                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMU2           | -                            | 16,989                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMV0           | -                            | 26,842                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMV3           | -                            | 29,793                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMV4           | -                            | 131,056               |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMV6           | -                            | 23,247                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMV7           | -                            | 42,177                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMX2           | -                            | 96,736                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMX5           | -                            | 20,432                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMY9           | -                            | 11,940                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RMZ5           | -                            | 67,145                |
| Department of Energy | 81.RD          | Sandia National Laboratories           | 2RNA3           | -                            | 115,318               |

## THE UNIVERSITY OF NEW MEXICO

## SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program   | CFDA<br>Number  | Pass-Through Entity                            | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|---|-----------------|--|-----------------|------------------------------|-----------------------|
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNC7           | -                            | 19,369                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RND6           | -                            | 26,650                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNH0           | -                            | 69,723                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNH2           | -                            | 41,239                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNM6           | -                            | 38,295                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNM4           | -                            | 79,073                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNN1           | -                            | 22,142                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNQ6           | -                            | 25,989                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNR5           | -                            | 69,651                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNR9           | -                            | 57,178                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNV3           | -                            | 30,000                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNW5           | -                            | 27,157                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RNX8           | -                            | 57,389                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPC1           | -                            | 6,300                 |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPC7           | -                            | 38,281                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPD8           | -                            | 75,582                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPDZ           | -                            | 117,556               |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPF5           | -                            | 7,726                 |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPJ1           | -                            | 57,208                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPJ5           | -                            | 78,233                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPK0           | -                            | 81,743                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPK3           | -                            | 7,099                 |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPK4           | -                            | 39,838                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPK5           | -                            | 18,264                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPL0           | -                            | 50,337                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPN6           | -                            | 57,431                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPP3           | -                            | 4,020                 |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPP4           | -                            | 18,481                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPQ2           | -                            | 26,599                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPQ3           | -                            | 30,323                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPT2           | -                            | 39,920                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPV7           | -                            | 105,313               |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPV8           | -                            | 23,518                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPV9           | -                            | 4,976                 |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPW1           | -                            | 12,674                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPX4           | -                            | 37,322                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RPY2           | -                            | 15,363                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RQB5           | -                            | 16,999                |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RQD6           | -                            | 9,592                 |
| Department of Energy  | 81.RD           | Sandia National Laboratories                   | 2RQF5           | -                            | 3,320                 |
| Department of Energy  | 81.RD           | UT-Battelle LLC                                | 2RLM7           | -                            | (3,260)               |
|   | 81.RD Subtotal  |  |                 | -                            | 5,938,629             |
| Office of Science Financial Assistance Program  | 81.049          | Arizona State University                       | 2RHX6           | -                            | 4,158                 |
| Office of Science Financial Assistance Program  | 81.049          | Lawrence Berkeley National Laboratory          | 2RBD9           | -                            | 208,637               |
| Office of Science Financial Assistance Program  | 81.049          | Lenzner Research LLC                           | 2RNV8           | -                            | 124,684               |
| Office of Science Financial Assistance Program  | 81.049          | North Carolina State University                | 2RPN5           | -                            | 31,132                |
| Office of Science Financial Assistance Program  | 81.049          | Southwest Sciences                             | 2RBX9           | -                            | 39,225                |
| Office of Science Financial Assistance Program  | 81.049          | Star Cryoelectronics LLC                       | 2RKX3           | -                            | 10,505                |
| Office of Science Financial Assistance Program  | 81.049          | Star Cryoelectronics LLC                       | 2RML8           | -                            | 115,312               |
| Office of Science Financial Assistance Program  | 81.049          | Washington University                          | 2RZ37           | -                            | 1                     |
| Office of Science Financial Assistance Program  | 81.049          | XUV Lasers, Inc.                               | 2RPG3           | -                            | 24,790                |
|   | 81.049 Subtotal |  |                 | -                            | 558,444               |
| Stewardship Science Grant Program   | 81.112          | Cornell University                             | 2RLK8           | -                            | 58,936                |
| Stewardship Science Grant Program   | 81.112          | University of Rochester                        | 2RNN6           | -                            | 24,055                |
|   | 81.112 Subtotal |  |                 | -                            | 82,991                |
| Defense Nuclear Nonproliferation Research   | 81.113          | Regents of the University of Michigan          | 2RPC9           | -                            | 145,474               |
| Nuclear Energy Research, Development and Demonstration                                      | 81.121          | Colorado School of Mines                       | 2RLD2           | -                            | 141,220               |
| Nuclear Energy Research, Development and Demonstration                                      | 81.121          | Utah State University                          | 2RJQ8           | -                            | 43,455                |
|   | 81.121 Subtotal |  |                 | -                            | 184,675               |
| National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program | 81.123          | Universidad Del Turabo                         | 2RJF1           | -                            | 119,115               |
| Advanced Research Projects Agency - Energy  | 81.135          | Rensselaer Polytechnic Institute               | 2RMM2           | -                            | 192,621               |
| Advanced Research Projects Agency - Energy  | 81.135          | Rensselaer Polytechnic Institute               | 2RPH6           | -                            | 38,328                |
|   | 81.135 Subtotal |  |                 | -                            | 230,949               |
|   |                 | Total Department of Energy Pass-Through Awards |                 | -                            | 7,260,277             |
|   |                 | <b>Total Department of Energy</b>              |                 | <b>1,074,112</b>             | <b>11,453,163</b>     |

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program   | CFDA<br>Number | Pass-Through Entity  | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|---|----------------|--|-----------------|------------------------------|-----------------------|
| <b>Department of Education</b>  |                |  |                 |                              |                       |
| Direct Awards   |                |  |                 |                              |                       |
| Graduate Assistance in Areas of National Need   | 84.200         |  |                 | -                            | 9,423                 |
|   |                | Total Department of Education Direct Awards                      |                 | -                            | 9,423                 |
| Pass-Through Awards   |                |  |                 |                              |                       |
| Research in Special Education   | 84.324         | University of Kansas Center for Research                         | 2RMG1           | -                            | 63,262                |
|   |                | Total Department of Education Pass-Through Awards                |                 | -                            | 63,262                |
|   |                | <b>Total Department of Education</b>                             |                 | -                            | <b>72,685</b>         |
| <b>National Archives and Records Administration</b>   |                |  |                 |                              |                       |
| Direct Awards   |                |  |                 |                              |                       |
| National Historical Publications and Records Grants   | 89.003         |  |                 | -                            | 115,534               |
|   |                | Total National Archives and Records Administration Direct Awards |                 | -                            | 115,534               |
|   |                | <b>Total National Archives and Records Administration</b>        |                 | -                            | <b>115,534</b>        |
| <b>Department of Health &amp; Human Services</b>  |                |  |                 |                              |                       |
| Direct Awards   |                |  |                 |                              |                       |
| Department of Health & Human Services   | 93.RD          |  |                 | 820,713                      | 3,963,366             |
| Training in General, Pediatric, and Public Health Dentistry   | 93.059         |  |                 | -                            | 500,240               |
| Global AIDS   | 93.067         |  |                 | -                            | 201,910               |
| Environmental Public Health and Emergency Response  | 93.070         |  |                 | -                            | 14,974                |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements            | 93.074         |  |                 | -                            | 22                    |
| Family Smoking Prevention and Tobacco Control Act Regulatory Research   | 93.077         |  |                 | -                            | 176,793               |
| Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance     | 93.079         |  |                 | -                            | 69,845                |
| Blood Disorder Program: Prevention, Surveillance, and Research  | 93.080         |  |                 | -                            | 22,675                |
| Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)                         | 93.104         |  |                 | -                            | 151,393               |
| Maternal and Child Health Federal Consolidated Programs   | 93.110         |  |                 | -                            | 1,032,402             |
| Environmental Health  | 93.113         |  |                 | 807,580                      | 3,338,481             |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs   | 93.116         |  |                 | -                            | (629)                 |
| Oral Diseases and Disorders Research  | 93.121         |  |                 | 95,679                       | 762,168               |
| Emergency Medical Services for Children   | 93.127         |  |                 | -                            | 162,747               |
| Centers for Research and Demonstration for Health Promotion and Disease Prevention  | 93.135         |  |                 | -                            | 761,234               |
| Injury Prevention and Control Research and State and Community Based Programs   | 93.136         |  |                 | -                            | 376,779               |
| NIEHS Superfund Hazardous Substances_Basic Research and Education   | 93.143         |  |                 | 223,013                      | 1,605,799             |
| HIV-Related Training and Technical Assistance   | 93.145         |  |                 | 987,432                      | 1,988,982             |
| Coordinated Services and Access to Research for Women, Infants, Children, and Youth   | 93.153         |  |                 | -                            | 780,607               |
| Research Related to Deafness and Communication Disorders  | 93.173         |  |                 | 287,371                      | 561,107               |
| Telehealth Programs   | 93.211         |  |                 | 15,000                       | 314,578               |
| Research on Healthcare Costs, Quality and Outcomes  | 93.226         |  |                 | -                            | 563,924               |
| National Center on Sleep Disorders Research   | 93.233         |  |                 | -                            | 5,545                 |
| Mental Health Research Grants   | 93.242         |  |                 | 220,981                      | 2,612,236             |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance                                     | 93.243         |  |                 | -                            | 1,379,956             |
| Advanced Nursing Education Workforce Grant Program  | 93.247         |  |                 | -                            | 631,452               |
| Universal Newborn Hearing Screening   | 93.251         |  |                 | -                            | 1,089                 |
| Grants for Education, Prevention, and Early Detection of Radiogenic Cancers and Diseases                                      | 93.257         |  |                 | -                            | 261,177               |
| Occupational Safety and Health Program  | 93.262         |  |                 | 202,763                      | 422,411               |
| Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief | 93.266         |  |                 | -                            | 135,035               |
| Alcohol Research Programs   | 93.273         |  |                 | 535,820                      | 5,725,583             |
| Drug Abuse and Addiction Research Programs  | 93.279         |  |                 | 396,799                      | 2,399,836             |
| Discovery and Applied Research for Technological Innovations to Improve Human Health  | 93.286         |  |                 | -                            | 306,924               |
| Teenage Pregnancy Prevention Program  | 93.297         |  |                 | 37,805                       | 922,983               |
| Minority Health and Health Disparities Research   | 93.307         |  |                 | 310,720                      | 2,341,541             |
| Trans-NIH Research Support  | 93.310         |  |                 | 1,273,761                    | 5,264,347             |
| Emerging Infections Programs  | 93.317         |  |                 | -                            | 81,894                |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  | 93.323         |  |                 | -                            | 38,708                |
| National Center for Advancing Translational Sciences  | 93.350         |  |                 | 34,210                       | 4,292,552             |
| 21st Century Cures Act - Beau Biden Cancer Moonshot   | 93.353         |  |                 | 25,815                       | 428,824               |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response                 | 93.354         |  |                 | -                            | 186,789               |
| Nursing Research  | 93.361         |  |                 | 76,878                       | 370,493               |

## THE UNIVERSITY OF NEW MEXICO

## SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program  | CFDA<br>Number | Pass-Through Entity                         | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|--|----------------|---|-----------------|------------------------------|-----------------------|
| Activities to Support State, Tribal, Local and Territorial (STLT)  |                |   |                 |                              |                       |
| Health Department Response to Public Health or Healthcare Crises   | 93.391         |   |                 | -                            | 482,974               |
| Cancer Cause and Prevention Research   | 93.393         |   |                 | 1,369,254                    | 2,801,239             |
| Cancer Detection and Diagnosis Research  | 93.394         |   |                 | 26,147                       | 414,005               |
| Cancer Treatment Research  | 93.395         |   |                 | 42,070                       | 1,172,560             |
| Cancer Biology Research  | 93.396         |   |                 | -                            | 926,127               |
| Cancer Centers Support Grants  | 93.397         |   |                 | 161,339                      | 2,804,031             |
| Cancer Research Manpower   | 93.398         |   |                 | -                            | 248,420               |
| Cancer Control   | 93.399         |   |                 | 14,894                       | 1,488,180             |
| Preventing Maternal Deaths: Supporting Maternal Mortality Review<br>Committees   | 93.478         |   |                 | -                            | 25,871                |
| Child Care and Development Block Grant   | 93.575         |   |                 | -                            | 172,919               |
| Health Care Innovation Awards (HCIA)   | 93.610         |   |                 | -                            | 1                     |
| University Centers for Excellence in Developmental Disabilities<br>Education, Research, and Service  | 93.632         |   |                 | -                            | 563,554               |
| Accountable Health Communities   | 93.650         |   |                 | -                            | 146,498               |
| Substance Use-Disorder Prevention that Promotes Opioid Recovery<br>and Treatment (SUPPORT) for Patients and Communities Act                      | 93.664         |   |                 | -                            | 216,210               |
| PPHF: Racial and Ethnic Approaches to Community Health Program<br>financed solely by Public Prevention and Health Funds                          | 93.738         |   |                 | -                            | 54,423                |
| Medical Assistance Program   | 93.778         |   |                 | -                            | 1,347,168             |
| Opioid STR   | 93.788         |   |                 | -                            | 923,575               |
| Cardiovascular Diseases Research   | 93.837         |   |                 | 72,960                       | 1,305,292             |
| Lung Diseases Research   | 93.838         |   |                 | -                            | 684,660               |
| Blood Diseases and Resources Research  | 93.839         |   |                 | (1,774)                      | 413,449               |
| Diabetes, Digestive, and Kidney Diseases Extramural Research   | 93.847         |   |                 | 106,719                      | 2,408,709             |
| Extramural Research Programs in the Neurosciences and<br>Neurological Disorders  | 93.853         |   |                 | 479,554                      | 3,567,581             |
| Allergy and Infectious Diseases Research   | 93.855         |   |                 | 693,934                      | 6,855,204             |
| Biomedical Research and Research Training  | 93.859         |   |                 | 799,691                      | 9,349,140             |
| Emerging Infections Sentinel Networks  | 93.860         |   |                 | -                            | 8,213                 |
| Child Health and Human Development Extramural Research   | 93.865         |   |                 | 77,770                       | 1,455,484             |
| Aging Research   | 93.866         |   |                 | 767,935                      | 1,463,799             |
| Vision Research  | 93.867         |   |                 | 267,472                      | 602,778               |
| Medical Library Assistance   | 93.879         |   |                 | -                            | (2,967)               |
| Grants for Primary Care Training and Enhancement   | 93.884         |   |                 | 6,966                        | 243,033               |
| Cancer Prevention and Control Programs for State, Territorial and<br>Tribal Organizations  | 93.898         |   |                 | -                            | 49,076                |
| Rural Health Care Services Outreach, Rural Health Network<br>Development and Small Health Care Provider Quality Improvement<br>Program           | 93.912         |   |                 | -                            | 39,635                |
| Improving Student Health and Academic Achievement through<br>Nutrition, Physical Activity and the Management of Chronic<br>Conditions in Schools | 93.981         |   |                 | -                            | 65,391                |
| International Research and Research Training   | 93.989         |   |                 | 199,852                      | 263,797               |
| Maternal and Child Health Services Block Grant to the States   | 93.994         |   |                 | -                            | 14,180                |
| Total Department of Health & Human Services Direct Awards  |                |   |                 | 11,437,123                   | 87,732,981            |
| Pass-Through Awards  |                |   |                 |                              |                       |
| Environmental Health   | 93.113         | University of Iowa                          | 2RJV2           | -                            | 49,983                |
| Injury Prevention and Control Research and State and Community<br>Based Programs   | 93.136         | New Mexico Department of Health             | 2RND3           | -                            | 63                    |
| Human Genome Research  | 93.172         | Harvard University                          | 2RMC3           | -                            | 120,181               |
| Research and Training in Complementary and Integrative Health  | 93.213         | H Lee Moffitt Cancer Center                 | 2RMG8           | -                            | 23,307                |
| Research and Training in Complementary and Integrative Health  | 93.213         | Pacific University                          | 2RNG2           | -                            | 213,371               |
| 93.213 Subtotal  |                |   |                 | -                            | 236,678               |
| Substance Abuse and Mental Health Services Projects of Regional<br>and National Significance   | 93.243         | Falling Colors Corporation                  | 2RNJ4           | -                            | (1,653)               |
| Substance Abuse and Mental Health Services Projects of Regional<br>and National Significance   | 93.243         | Falling Colors Corporation                  | 2RNX1           | -                            | 301,058               |
| Substance Abuse and Mental Health Services Projects of Regional<br>and National Significance   | 93.243         | New Mexico Human Services Department        | 2RGK5           | -                            | (835)                 |
| 93.243 Subtotal  |                |   |                 | -                            | 298,570               |
| Alcohol Research Programs  | 93.273         | Klein Buendel Inc                           | 2RMV1           | -                            | 65,921                |
| Alcohol Research Programs  | 93.273         | Medical University of South Carolina        | 2RNF7           | -                            | 52,359                |
| Alcohol Research Programs  | 93.273         | MIND Research Network                       | 2RGC2           | -                            | 132,155               |
| Alcohol Research Programs  | 93.273         | Old Dominion University                     | 2RGL8           | -                            | 24,091                |
| Alcohol Research Programs  | 93.273         | Rand Corp                                   | 2RMP4           | -                            | 486                   |
| Alcohol Research Programs  | 93.273         | University of Arkansas                      | 2RMT4           | -                            | 134,308               |
| Alcohol Research Programs  | 93.273         | University of North Carolina at Chapel Hill | 2RHZ6           | -                            | 23,832                |
| Alcohol Research Programs  | 93.273         | University of North Carolina at Chapel Hill | 2RPF0           | -                            | 50,375                |
| 93.273 Subtotal  |                |   |                 | -                            | 483,527               |



# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program  | CFDA Number     | Pass-Through Entity   | Grant Number | Subrecipient Expenditures | Total Expenditures |
|--|-----------------|---|--------------|---------------------------|--------------------|
| Drug-Free Communities Support Program Grants   | 93.276          | Montclair State University                                    | 2RMU5        | -                         | 7,995              |
| Drug Abuse and Addiction Research Programs   | 93.279          | New York University School of Medicine                        | 2RNP1        | -                         | 146,268            |
| Drug Abuse and Addiction Research Programs   | 93.279          | Research Foundation for Mental Hygiene                        | 2RLK4        | -                         | 5,441              |
| Drug Abuse and Addiction Research Programs   | 93.279          | Texas Christian University                                    | 2RPC8        | -                         | 103,661            |
| Drug Abuse and Addiction Research Programs   | 93.279          | University of Utah  | 2RPM9        | -                         | 118,660            |
|  | 93.279 Subtotal |   |              | -                         | 374,030            |
| Discovery and Applied Research for Technological Innovations to Improve Human Health                         | 93.286          | NMC Inc   | 2RLD6        | -                         | 67,754             |
| Minority Health and Health Disparities Research  | 93.307          | Klein Buendel Inc   | 2RHW4        | -                         | (1,300)            |
| Minority Health and Health Disparities Research  | 93.307          | MIND Research Network   | 2RQH6        | -                         | 11,862             |
|  | 93.307 Subtotal |   |              | -                         | 10,562             |
| Emerging Infections Programs   | 93.317          | New Mexico Department of Health                               | 2RND3        | -                         | 65                 |
| Nursing Research   | 93.361          | Southcentral Foundation                                       | 2RMN2        | -                         | 38,670             |
| Cancer Detection and Diagnosis Research  | 93.394          | SRI International   | 2RPS5        | -                         | 45,374             |
| Cancer Treatment Research  | 93.395          | Rutgers the State University                                  | 2RMR9        | -                         | 245,711            |
| Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke | 93.426          | New Mexico Department of Health                               | 2RND3        | -                         | 63                 |
| Cardiovascular Diseases Research   | 93.837          | University of Oklahoma  | 2RJS2        | -                         | 18,298             |
| Diabetes, Digestive, and Kidney Diseases Extramural Research   | 93.847          | University of Colorado at Denver                              | 2RLL1        | -                         | 6,971              |
| Biomedical Research and Research Training  | 93.859          | Colorado State University                                     | 2RHS3        | -                         | (23)               |
| Biomedical Research and Research Training  | 93.859          | Louisiana State University                                    | 2RJA6        | -                         | 53,962             |
| Biomedical Research and Research Training  | 93.859          | New Mexico State University                                   | 2RNU6        | -                         | 53,093             |
| Biomedical Research and Research Training  | 93.859          | New Mexico State University                                   | 2RPD5        | -                         | 175,425            |
| Biomedical Research and Research Training  | 93.859          | New Mexico State University                                   | 4R198        | -                         | 1,542              |
| Biomedical Research and Research Training  | 93.859          | ODMR Technologies, Inc  | 2RMJ5        | -                         | 17,288             |
| Biomedical Research and Research Training  | 93.859          | San Diego State University Foundation                         | 2RNI1        | -                         | 128,306            |
| Biomedical Research and Research Training  | 93.859          | Trustees of the University of Pennsylvania                    | 2RPA7        | -                         | 124,123            |
| Biomedical Research and Research Training  | 93.859          | University of Alaska  | 2RGQ0        | -                         | 74,599             |
|  | 93.859 Subtotal |   |              | -                         | 628,315            |
| Aging Research   | 93.866          | Chapman University  | 2RLH0        | -                         | 71,775             |
| Aging Research   | 93.866          | University of Florida   | 2RGQ9        | -                         | 24,265             |
| Aging Research   | 93.866          | University of Washington                                      | 2RJM4        | -                         | 10,155             |
|  | 93.866 Subtotal |   |              | -                         | 106,195            |
| Maternal, Infant and Early Childhood Home Visiting Grant Program   | 93.870          | New Mexico Children Youth and Families Department             | 2RHU5        | -                         | 276,079            |
| Block Grants for Prevention and Treatment of Substance Abuse   | 93.959          | Falling Colors Corporation                                    | 2RNX1        | -                         | 2,265              |
| Assisted Outpatient Treatment  | 93.997          | City of Albuquerque   | 2RPF7        | -                         | 86,693             |
| Total Department of Health & Human Services Pass-Through Awards  |                 |   |              | -                         | 3,104,042          |
| <b>Total Department of Health &amp; Human Services</b>   |                 |   |              | <b>11,437,123</b>         | <b>90,837,023</b>  |
| <b>Social Security Administration</b>  |                 |   |              |                           |                    |
| Pass-Through Awards  |                 |   |              |                           |                    |
| Social Security Research and Demonstration   | 96.007          | University of Wisconsin                                       | 2RPH5        | -                         | 35,936             |
| Total Social Security Administration Pass-Through Awards   |                 |   |              | -                         | 35,936             |
| <b>Total Social Security Administration</b>  |                 |   |              | -                         | 35,936             |
| <b>Department of Homeland Security</b>   |                 |   |              |                           |                    |
| Direct Awards  |                 |   |              |                           |                    |
| Cooperating Technical Partners   | 97.045          |   |              | -                         | 282,855            |
| Total Department of Homeland Security Direct Awards  |                 |   |              | -                         | 282,855            |
| Pass-Through Awards  |                 |   |              |                           |                    |
| Hazard Mitigation Grant  | 97.039          | New Mexico Department of Homeland Security                    | 2RJM8        | -                         | 34,273             |
| Total Department of Homeland Security Pass-Through Awards  |                 |   |              | -                         | 34,273             |
| <b>Total Department of Homeland Security</b>   |                 |   |              | -                         | 317,128            |
| <b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER</b>  |                 |   |              | <b>21,025,689</b>         | <b>161,419,140</b> |
| <b>CCDF CLUSTER</b>  |                 |   |              |                           |                    |
| <b>Department of Health &amp; Human Services</b>   |                 |   |              |                           |                    |
| Pass-Through Awards  |                 |   |              |                           |                    |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund                               | 93.596          | New Mexico Children Youth and Families Department             | 2RKW6        | -                         | 322,148            |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund                               | 93.596          | New Mexico Children Youth and Families Department             | 2RKY3        | -                         | 1,951,363          |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund                               | 93.596          | State of New Mexico Early Childhood Education and Care Depart | 2RDV7        | -                         | 477,276            |
|  | 93.596 Subtotal |   |              | -                         | 2,750,787          |
| Total Department of Health & Human Services Pass-Through Awards  |                 |   |              | -                         | 2,750,787          |
| <b>Total Department of Health &amp; Human Services</b>   |                 |   |              | -                         | 2,750,787          |
| <b>TOTAL CCDF CLUSTER</b>  |                 |   |              | -                         | 2,750,787          |

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program  | CFDA<br>Number | Pass-Through Entity                                    | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|--|----------------|--|-----------------|------------------------------|-----------------------|
| <b>CLEAN WATER STATE REVOLVING FUND CLUSTER</b>  |                |  |                 |                              |                       |
| <b>Environmental Protection Agency</b>   |                |  |                 |                              |                       |
| Pass-Through Awards  |                |  |                 |                              |                       |
| Capitalization Grants for Clean Water State Revolving Funds                            | 66.458         | Tennessee Department of Environment and Conservation   | 2RPN2           | -                            | 27,584                |
| Total Environmental Protection Agency Pass-Through Awards                              |                |  |                 | -                            | 27,584                |
|  |                | <b>Total Environmental Protection Agency</b>           |                 | -                            | <b>27,584</b>         |
| <b>TOTAL CLEAN WATER STATE REVOLVING FUND CLUSTER</b>                                  |                |  |                 | -                            | <b>27,584</b>         |
| <b>DRINKING WATER STATE REVOLVING FUND CLUSTER</b>                                     |                |  |                 |                              |                       |
| <b>Environmental Protection Agency</b>   |                |  |                 |                              |                       |
| Pass-Through Awards  |                |  |                 |                              |                       |
| Capitalization Grants for Drinking Water State Revolving Funds                         | 66.468         | Vermont Department of Environmental Conservation       | 2RPN2           | -                            | 35,107                |
| Capitalization Grants for Drinking Water State Revolving Funds                         | 66.468         | Vermont Department of Environmental Conservation       | 2RPX3           | -                            | 598                   |
| 66.468 Subtotal  |                |  |                 | -                            | 35,705                |
| Total Environmental Protection Agency Pass-Through Awards                              |                |  |                 | -                            | 35,705                |
|  |                | <b>Total Environmental Protection Agency</b>           |                 | -                            | <b>35,705</b>         |
| <b>TOTAL DRINKING WATER STATE REVOLVING FUND CLUSTER</b>                               |                |  |                 | -                            | <b>35,705</b>         |
| <b>HIGHWAY SAFETY CLUSTER</b>  |                |  |                 |                              |                       |
| <b>Department of Transportation</b>  |                |  |                 |                              |                       |
| Direct Awards  |                |  |                 |                              |                       |
| State and Community Highway Safety   | 20.600         |  |                 | -                            | 128,892               |
|  |                | Total Department of Transportation Direct Awards       |                 | -                            | 128,892               |
|  |                | <b>Total Department of Transportation</b>              |                 | -                            | <b>128,892</b>        |
| <b>TOTAL HIGHWAY SAFETY CLUSTER</b>  |                |  |                 | -                            | <b>128,892</b>        |
| <b>MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING CLUSTER</b>                     |                |  |                 |                              |                       |
| <b>Department of Health &amp; Human Services</b>                                       |                |  |                 |                              |                       |
| Direct Awards  |                |  |                 |                              |                       |
| Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program  | 93.505         |  |                 | -                            | (5,235)               |
| Maternal, Infant and Early Childhood Home Visiting Grant Program                       | 93.870         |  |                 | -                            | 1,406,007             |
| Total Department of Health & Human Services Direct Awards                              |                |  |                 | -                            | 1,400,772             |
|  |                | <b>Total Department of Health &amp; Human Services</b> |                 | -                            | <b>1,400,772</b>      |
| <b>TOTAL MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING CLUSTER</b>               |                |  |                 | -                            | <b>1,400,772</b>      |
| <b>MEDICAID CLUSTER</b>  |                |  |                 |                              |                       |
| <b>Department of Health &amp; Human Services</b>                                       |                |  |                 |                              |                       |
| Direct Awards  |                |  |                 |                              |                       |
| Medical Assistance Program   | 93.778         |  |                 | -                            | 809,489               |
| Total Department of Health & Human Services Direct Awards                              |                |  |                 | -                            | 809,489               |
|  |                | <b>Total Department of Health &amp; Human Services</b> |                 | -                            | <b>809,489</b>        |
| <b>TOTAL MEDICAID CLUSTER</b>  |                |  |                 | -                            | <b>809,489</b>        |
| <b>SNAP CLUSTER</b>  |                |  |                 |                              |                       |
| <b>Department of Agriculture</b>   |                |  |                 |                              |                       |
| Direct Awards  |                |  |                 |                              |                       |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561         |  |                 | -                            | 859,192               |
|  |                | Total Department of Agriculture Direct Awards          |                 | -                            | 859,192               |
|  |                | <b>Total Department of Agriculture</b>                 |                 | -                            | <b>859,192</b>        |
| <b>TOTAL SNAP CLUSTER</b>  |                |  |                 | -                            | <b>859,192</b>        |
| <b>SPECIAL EDUCATION CLUSTER (IDEA)</b>  |                |  |                 |                              |                       |
| <b>Department of Education</b>   |                |  |                 |                              |                       |
| Direct Awards  |                |  |                 |                              |                       |
| Special Education Grants to States   | 84.027         |  |                 | -                            | 3,939                 |
| Special Education Preschool Grants   | 84.173         |  |                 | -                            | 482,771               |
|  |                | Total Department of Education Direct Awards            |                 | -                            | 486,710               |
|  |                | <b>Total Department of Education</b>                   |                 | -                            | <b>486,710</b>        |
| <b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>  |                |  |                 | -                            | <b>486,710</b>        |



# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program  | CFDA<br>Number  | Pass-Through Entity  | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|--|-----------------|--|-----------------|------------------------------|-----------------------|
| <b>OTHER NONMAJOR PROGRAMS</b>   |                 |  |                 |                              |                       |
| <b>Department of Agriculture</b>   |                 |  |                 |                              |                       |
| Direct Awards  |                 |  |                 |                              |                       |
| Hispanic Serving Institutions Education Grants   | 10.223          |  |                 | -                            | 54,868                |
|  |                 | Total Department of Agriculture Direct Awards                          |                 | -                            | 54,868                |
|  |                 | <b>Total Department of Agriculture</b>                                 |                 | -                            | <b>54,868</b>         |
| <b>Department of Defense</b>   |                 |  |                 |                              |                       |
| Direct Awards  |                 |  |                 |                              |                       |
| Department of Defense  | 12.U01          |  |                 | -                            | 517,673               |
| Language Grant Program   | 12.900          |  |                 | -                            | 5,898                 |
|  |                 | Total Department of Defense Direct Awards                              |                 | -                            | 523,571               |
|  |                 | <b>Total Department of Defense</b>                                     |                 | -                            | <b>523,571</b>        |
| <b>Department of the Interior</b>  |                 |  |                 |                              |                       |
| Direct Awards  |                 |  |                 |                              |                       |
| Department of the Interior   | 15.U02          |  |                 | -                            | 2,225,332             |
|  |                 | Total Department of the Interior Direct Awards                         |                 | -                            | 2,225,332             |
|  |                 | <b>Total Department of the Interior</b>                                |                 | -                            | <b>2,225,332</b>      |
| <b>Department of Justice</b>   |                 |  |                 |                              |                       |
| Direct Awards  |                 |  |                 |                              |                       |
| Department of Justice  | 16.U03          |  |                 | -                            | (4,824)               |
| Grants to Reduce Domestic Violence, Dating Violence, Sexual<br>Assault, and Stalking on Campus | 16.525          |  |                 | -                            | 160,167               |
| Crime Victim Assistance  | 16.575          |  |                 | -                            | 162,323               |
| Paul Coverdell Forensic Sciences Improvement Grant Program                                     | 16.742          |  |                 | -                            | 24,231                |
|  |                 | Total Department of Justice Direct Awards                              |                 | -                            | 341,897               |
| Pass-Through Awards  |                 |  |                 |                              |                       |
| Justice Systems Response to Families   | 16.021          | Enlace Comunitario   | 2RPN4           | -                            | 8,754                 |
|  |                 | Total Department of Justice Pass-Through Awards                        |                 | -                            | 8,754                 |
|  |                 | <b>Total Department of Justice</b>                                     |                 | -                            | <b>350,651</b>        |
| <b>Department of Transportation</b>  |                 |  |                 |                              |                       |
| Pass-Through Awards  |                 |  |                 |                              |                       |
| Department of Transportation   | 20.U04          | New Mexico Department of Transportation                                | 2RJX2           | -                            | 79,589                |
| Department of Transportation   | 20.U05          | New Mexico Department of Transportation                                | 2RNX6           | -                            | 57,222                |
|  |                 | Total Department of Transportation Pass-Through Awards                 |                 | -                            | 136,811               |
|  |                 | <b>Total Department of Transportation</b>                              |                 | -                            | <b>136,811</b>        |
| <b>National Foundation on the Arts &amp; Humanities</b>  |                 |  |                 |                              |                       |
| Direct Awards  |                 |  |                 |                              |                       |
| Promotion of the Arts Grants to Organizations and Individuals                                  | 45.024          |  |                 | -                            | 15,456                |
| Promotion of the Humanities Division of Preservation and Access                                | 45.149          |  |                 | -                            | 8,936                 |
| Promotion of the Humanities Teaching and Learning Resources and<br>Curriculum Development      | 45.162          |  |                 | -                            | 57,008                |
| Museums for America  | 45.301          |  |                 | -                            | 2,148                 |
| National Leadership Grants   | 45.312          |  |                 | 20,798                       | 81,525                |
|  |                 | Total National Foundation on the Arts & Humanities Direct Awards       |                 | 20,798                       | 165,073               |
| Pass-Through Awards  |                 |  |                 |                              |                       |
| Promotion of the Humanities Federal/State Partnership  | 45.129          | New Mexico Humanities Council  | 2RMY5           | -                            | (1)                   |
| Promotion of the Humanities Federal/State Partnership  | 45.129          | New Mexico Humanities Council  | 2RPH1           | -                            | 4,756                 |
|  | 45.129 Subtotal |  |                 | -                            | 4,755                 |
|  |                 | Total National Foundation on the Arts & Humanities Pass-Through Awards |                 | -                            | 4,755                 |
|  |                 | <b>Total National Foundation on the Arts &amp; Humanities</b>          |                 | <b>20,798</b>                | <b>169,828</b>        |
| <b>National Science Foundation</b>   |                 |  |                 |                              |                       |
| Direct Awards  |                 |  |                 |                              |                       |
| National Science Foundation  | 47.U06          |  |                 | -                            | 569                   |
|  |                 | Total National Science Foundation Direct Awards                        |                 | -                            | 569                   |
|  |                 | <b>Total National Science Foundation</b>                               |                 | -                            | <b>569</b>            |
| <b>Small Business Administration</b>   |                 |  |                 |                              |                       |
| Pass-Through Awards  |                 |  |                 |                              |                       |
| Small Business Development Centers   | 59.037          | Santa Fe Community College   | 4R200           | -                            | 35,737                |
| Small Business Development Centers   | 59.037          | Santa Fe Community College   | 6R183           | -                            | 37,420                |
|  | 59.037 Subtotal |  |                 | -                            | 73,157                |
|  |                 | Total Small Business Administration Pass-Through Awards                |                 | -                            | 73,157                |
|  |                 | <b>Total Small Business Administration</b>                             |                 | -                            | <b>73,157</b>         |
| <b>Department of Veterans Affairs</b>  |                 |  |                 |                              |                       |
| Direct Awards  |                 |  |                 |                              |                       |
| Department of Veterans Affairs   | 64.U07          |  |                 | -                            | 24,273                |
|  |                 | Total Department of Veterans Affairs Direct Awards                     |                 | -                            | 24,273                |
|  |                 | <b>Total Department of Veterans Affairs</b>                            |                 | -                            | <b>24,273</b>         |

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program  | CFDA<br>Number  | Pass-Through Entity                                       | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|--|-----------------|---|-----------------|------------------------------|-----------------------|
| <b>Environmental Protection Agency</b>   |                 |   |                 |                              |                       |
| Direct Awards  |                 |   |                 |                              |                       |
| Environmental Finance Center Grants  | 66.203          |   |                 | -                            | 64,172                |
|  |                 | Total Environmental Protection Agency Direct Awards       |                 | -                            | 64,172                |
| Pass-Through Awards  |                 |   |                 |                              |                       |
| Environmental Protection Agency  | 66.U08          | PG Environmental  | 2RLR8           | -                            | 29,977                |
| Environmental Protection Agency  | 66.U09          | The Cadmus Group, Inc.                                    | 2RMF9           | -                            | 459,343               |
| Environmental Finance Center Grants  | 66.203          | University of North Carolina at Chapel Hill               | 2RPY5           | -                            | 6,183                 |
| Environmental Finance Center Grants  | 66.203          | Wichita State University                                  | 2RPS4           | -                            | 15,102                |
|  | 66.203 Subtotal |   |                 | -                            | 21,285                |
| Surveys, Studies, Investigations, Demonstrations, and Training                             |                 |   |                 |                              |                       |
| Grants - Section 1442 of the Safe Drinking Water Act                                       | 66.424          | University of North Carolina at Chapel Hill               | 2RLB8           | -                            | 32,444                |
| Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements | 66.814          | Kansas State University                                   | 2RLG2           | -                            | 46,284                |
|  |                 | Total Environmental Protection Agency Pass-Through Awards |                 | -                            | 589,333               |
|  |                 | <b>Total Environmental Protection Agency</b>              |                 | -                            | <b>653,505</b>        |
| <b>Department of Energy</b>  |                 |   |                 |                              |                       |
| Pass-Through Awards  |                 |   |                 |                              |                       |
| Department of Energy   | 81.U10          | Los Alamos National Laboratory                            | 2RJG4           | -                            | 80,447                |
| Department of Energy   | 81.U11          | Los Alamos National Laboratory                            | 5R090           | -                            | 3,701                 |
| Department of Energy   | 81.U12          | Sandia National Laboratories                              | 2RNX2           | -                            | 67,818                |
| Department of Energy   | 81.U13          | Sandia National Laboratories                              | 2RPA2           | -                            | 18,511                |
| Department of Energy   | 81.U14          | Sandia National Laboratories                              | 2RQA2           | -                            | 39,823                |
|  |                 | Total Department of Energy Pass-Through Awards            |                 | -                            | 210,300               |
|  |                 | <b>Total Department of Energy</b>                         |                 | -                            | <b>210,300</b>        |
| <b>Department of Education</b>   |                 |   |                 |                              |                       |
| Direct Awards  |                 |   |                 |                              |                       |
| Special Education Regional Resource Centers  | 84.028          |   |                 | -                            | 331,503               |
| Higher Education Institutional Aid   | 84.031          |   |                 | 215,877                      | 2,228,636             |
| Rehabilitation Services Vocational Rehabilitation Grants to States                         | 84.126          |   |                 | -                            | 370,433               |
| Migrant Education High School Equivalency Program  | 84.141          |   |                 | -                            | 525,080               |
| Migrant Education College Assistance Migrant Program                                       | 84.149          |   |                 | -                            | 431,627               |
| Special Education-Grants for Infants and Families  | 84.181          |   |                 | -                            | 1,843,134             |
| Indian Education -- Special Programs for Indian Children                                   | 84.299          |   |                 | -                            | 125,670               |
| Special Education Technical Assistance and Dissemination to                                |                 |   |                 |                              |                       |
| Improve Services and Results for Children with Disabilities                                | 84.326          |   |                 | -                            | 107,588               |
| Child Care Access Means Parents in School  | 84.335          |   |                 | -                            | 439,478               |
|  |                 | Total Department of Education Direct Awards               |                 | 215,877                      | 6,403,149             |
| Pass-Through Awards  |                 |   |                 |                              |                       |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Adult Education Association                    | 5R150           | -                            | (13)                  |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 4R202           | -                            | 118,698               |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 5R151           | -                            | 74,947                |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 6R176           | -                            | (10)                  |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 6R184           | -                            | 149,118               |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 6R186           | -                            | 13,237                |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 6R191           | -                            | 147,078               |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 7R159           | -                            | (1,164)               |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 7R162           | -                            | (630)                 |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 7R164           | -                            | (134)                 |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 7R167           | -                            | 81,719                |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 7R168           | -                            | 12,426                |
| Adult Education - Basic Grants to States   | 84.002          | New Mexico Higher Education Department                    | 7R176           | -                            | 70,304                |
|  | 84.002 Subtotal |   |                 | -                            | 665,576               |
| Higher Education Institutional Aid   | 84.031          | Adams State University                                    | 7R137           | -                            | 238,222               |
| Higher Education Institutional Aid   | 84.031          | Eastern New Mexico University Roswell                     | 7R135           | -                            | 236,277               |
|  | 84.031 Subtotal |   |                 | -                            | 474,499               |
| Career and Technical Education -- Basic Grants to States                                   | 84.048          | NM Public Education Department                            | 4R196           | -                            | (2,316)               |
| Career and Technical Education -- Basic Grants to States                                   | 84.048          | NM Public Education Department                            | 4R203           | -                            | 68,253                |
| Career and Technical Education -- Basic Grants to States                                   | 84.048          | NM Public Education Department                            | 6R180           | -                            | 2,520                 |
| Career and Technical Education -- Basic Grants to States                                   | 84.048          | NM Public Education Department                            | 6R190           | -                            | 111,509               |
| Career and Technical Education -- Basic Grants to States                                   | 84.048          | NM Public Education Department                            | 7R163           | -                            | (1,638)               |
| Career and Technical Education -- Basic Grants to States                                   | 84.048          | NM Public Education Department                            | 7R165           | -                            | 1,941                 |
| Career and Technical Education -- Basic Grants to States                                   | 84.048          | NM Public Education Department                            | 7R175           | -                            | 71,238                |
|  | 84.048 Subtotal |   |                 | -                            | 251,507               |
| Ready-To-Learn Television  | 84.295          | Corporation for Public Broadcasting                       | 2RMT7           | -                            | 57,223                |
| Ready-To-Learn Television  | 84.295          | Corporation for Public Broadcasting                       | 2RMZ2           | -                            | 32,047                |
| Ready-To-Learn Television  | 84.295          | Corporation for Public Broadcasting                       | 2RMZ3           | -                            | 26,284                |
| Ready-To-Learn Television  | 84.295          | Corporation for Public Broadcasting                       | 2RMZ7           | -                            | 126,981               |
| Ready-To-Learn Television  | 84.295          | Corporation for Public Broadcasting                       | 2RMZ8           | -                            | 45,334                |

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program  | CFDA Number     | Pass-Through Entity                                       | Grant Number | Subrecipient Expenditures | Total Expenditures |
|--|-----------------|---|--------------|---------------------------|--------------------|
| Ready-To-Learn Television  | 84.295          | Corporation for Public Broadcasting                       | 2RPP1        | -                         | 179,098            |
| Ready-To-Learn Television  | 84.295          | Corporation for Public Broadcasting                       | 2RPP2        | -                         | 6,570              |
|  | 84.295 Subtotal |   |              | -                         | 473,537            |
| Special Education - Personnel Development to Improve Services and Results for Children with Disabilities   | 84.325          | New Mexico State University                               | 2RBD6        | -                         | (80)               |
|  |                 | Total Department of Education Pass-Through Awards         |              | -                         | 1,865,039          |
|  |                 | <b>Total Department of Education</b>                      |              | <b>215,877</b>            | <b>8,268,188</b>   |
| <b>Department of Health &amp; Human Services</b>   |                 |   |              |                           |                    |
| Direct Awards  |                 |   |              |                           |                    |
| Department of Health & Human Services  | 93.U15          |   |              | -                         | 1,870,111          |
| Public Health Emergency Preparedness   | 93.069          |   |              | -                         | 242,116            |
| Environmental Public Health and Emergency Response   | 93.070          |   |              | -                         | 489                |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements   | 93.074          |   |              | -                         | 1,749              |
| Area Health Education Centers  | 93.107          |   |              | 228,347                   | 360,459            |
| Preventive Medicine and Public Health Residency Training Program, Integrative Medicine Program, and National Center for Integrative Primary Healthcare             | 93.117          |   |              | -                         | 447,894            |
| Emergency Medical Services for Children  | 93.127          |   |              | -                         | 141,367            |
| Injury Prevention and Control Research and State and Community Based Programs  | 93.136          |   |              | -                         | 25,651             |
| HIV-Related Training and Technical Assistance  | 93.145          |   |              | -                         | (235)              |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance  | 93.243          |   |              | -                         | 843,309            |
| Advanced Nursing Education Workforce Grant Program   | 93.247          |   |              | -                         | 129,043            |
| Poison Center Support and Enhancement Grant Program  | 93.253          |   |              | -                         | 127,840            |
| Immunization Cooperative Agreements  | 93.268          |   |              | -                         | 126,788            |
| Emerging Infections Programs   | 93.317          |   |              | -                         | 911,875            |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)   | 93.323          |   |              | -                         | 34,399             |
| Nurse Education, Practice Quality and Retention Grants   | 93.359          |   |              | -                         | 288,417            |
| 1332 State Innovation Waivers  | 93.423          |   |              | -                         | 861,273            |
| Every Student Succeeds Act/Preschool Development Grants  | 93.434          |   |              | -                         | 488,965            |
| Public Health Training Centers Program   | 93.516          |   |              | -                         | 36,593             |
| State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)  | 93.757          |   |              | -                         | 1,365              |
| Health Careers Opportunity Program   | 93.822          |   |              | -                         | 703,137            |
| Tribal Maternal, Infant, and Early Childhood Home Visiting   | 93.872          |   |              | -                         | 59,339             |
| National Bioterrorism Hospital Preparedness Program  | 93.889          |   |              | -                         | 68,789             |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations   | 93.898          |   |              | -                         | 108,747            |
| Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease   | 93.918          |   |              | -                         | 758,719            |
| Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants   | 93.924          |   |              | -                         | 287,284            |
| Healthy Start Initiative   | 93.926          |   |              | -                         | 37,234             |
| Assistance Programs for Chronic Disease Prevention and Control Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs | 93.945          |   |              | -                         | 1,737              |
| Health Professions Recruitment Program for Indians   | 93.970          |   |              | -                         | 52,583             |
| Maternal and Child Health Services Block Grant to the States   | 93.994          |   |              | -                         | 59,206             |
|  |                 | Total Department of Health & Human Services Direct Awards |              | 228,347                   | 9,250,548          |
| Pass-Through Awards  |                 |   |              |                           |                    |
| Temporary Assistance for Needy Families  | 93.558          | New Mexico Human Services Department                      | 6R173        | -                         | 505                |
| Temporary Assistance for Needy Families  | 93.558          | New Mexico Human Services Department                      | 6R189        | -                         | 439,366            |
|  | 93.558 Subtotal |   |              | -                         | 439,871            |
| State Court Improvement Program  | 93.586          | New Mexico Administrative Office of the Courts            | 2RMZ6        | -                         | 40,235             |
| State Court Improvement Program  | 93.586          | New Mexico Administrative Office of the Courts            | 2RPZ4        | -                         | 57,410             |
|  | 93.586 Subtotal |   |              | -                         | 97,645             |
| National Bioterrorism Hospital Preparedness Program  | 93.889          | New Mexico Department of Health                           | UNMH         | -                         | 51,200             |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations   | 93.898          | New Mexico Department of Health                           | UNMH         | -                         | 85,000             |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations   | 93.898          | New Mexico Department of Health                           | 2RMW2        | -                         | 402                |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations   | 93.898          | New Mexico Department of Health                           | 2RPD3        | -                         | 16,395             |
|  | 93.898 Subtotal |   |              | -                         | 101,797            |

# THE UNIVERSITY OF NEW MEXICO

# SCHEDULE 20

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program   | CFDA<br>Number | Pass-Through Entity                            | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|---|----------------|--|-----------------|------------------------------|-----------------------|
| Block Grants for Community Mental Health Services   | 93.958         | New Mexico Behavioral Health Services Division | UNMH            | -                            | 865,909               |
| Block Grants for Prevention and Treatment of Substance Abuse  | 93.959         | New Mexico Behavioral Health Services Division | UNMH            | -                            | 71,946                |
| Maternal and Child Health Services Block Grant to the States  | 93.994         | New Mexico Department of Health                | UNMH            | -                            | 204,928               |
| Total Department of Health & Human Services Pass-Through Awards                                       |                |  |                 | -                            | 1,833,296             |
| <b>Total Department of Health &amp; Human Services</b>  |                |  |                 | <b>228,347</b>               | <b>11,083,844</b>     |
| <b>Executive Office of the President</b>  |                |  |                 |                              |                       |
| Direct Awards   |                |  |                 |                              |                       |
| High Intensity Drug Trafficking Areas Program   | 95.001         |  |                 | -                            | 60,716                |
| Total Executive Office of the President Direct Awards   |                |  |                 | -                            | 60,716                |
| <b>Total Executive Office of the President</b>  |                |  |                 | <b>-</b>                     | <b>60,716</b>         |
| <b>Department of Homeland Security</b>  |                |  |                 |                              |                       |
| Direct Awards   |                |  |                 |                              |                       |
| Emergency Management Performance Grants   | 97.042         |  |                 | -                            | 40,771                |
| Total Department of Homeland Security Direct Awards   |                |  |                 | -                            | 40,771                |
| <b>Total Department of Homeland Security</b>  |                |  |                 | <b>-</b>                     | <b>40,771</b>         |
| <b>United States Agency for International Development</b>   |                |  |                 |                              |                       |
| Direct Awards   |                |  |                 |                              |                       |
| USAID Foreign Assistance for Programs Overseas  | 98.001         |  |                 | -                            | 111,347               |
| Total United States Agency for International Development Direct Awards                                |                |  |                 | -                            | 111,347               |
| <b>Total United States Agency for International Development</b>                                       |                |  |                 | <b>-</b>                     | <b>111,347</b>        |
| <b>Department of Housing and Urban Development</b>  |                |  |                 |                              |                       |
| Direct Awards   |                |  |                 |                              |                       |
| Mortgage Insurance_Hospitals - Loans  | 14.128         |  |                 | -                            | 209,475,000           |
| Total Department of Housing and Urban Development Direct Awards                                       |                |  |                 | -                            | 209,475,000           |
| <b>Total Department of Housing and Urban Development</b>  |                |  |                 | <b>-</b>                     | <b>209,475,000</b>    |
| <b>TOTAL OTHER NONMAJOR PROGRAMS</b>  |                |  |                 | <b>465,022</b>               | <b>233,462,731</b>    |
| <b>TOTAL NONMAJOR PROGRAMS</b>  |                |  |                 | <b>\$ 21,490,711</b>         | <b>\$ 401,381,002</b> |
| <b>TOTAL FEDERAL AWARDS</b>   |                |  |                 | <b>\$ 21,490,711</b>         | <b>\$ 560,727,563</b> |
| <b>Reconciliation to Exhibit B - Statement of Revenues, Expenditures, and Changes in Net Position</b> |                |  |                 |                              |                       |
| <b>Federal awards revenue (per Exhibit B):</b>  |                |  |                 |                              |                       |
| Federal grants and contracts revenue  | \$             |  |                 | 219,666,416                  |                       |
| Federal pell grant revenue  |                |  |                 | 38,300,579                   |                       |
| Federal CARES Act revenue   |                |  |                 | 34,901,899                   |                       |
| <b>Total federal awards revenue</b>   |                |  |                 | <b>292,868,894</b>           |                       |
| <b>Reconciling items:</b>   |                |  |                 |                              |                       |
| Department of Housing and Urban Development loan guarantees   |                |  |                 | 209,475,000                  |                       |
| Federal Direct loans advanced to students   |                |  |                 | 87,400,434                   |                       |
| Perkins loans outstanding   |                |  |                 | 6,982,003                    |                       |
| Nurse faculty loans outstanding   |                |  |                 | 672,117                      |                       |
| Health professions student loans outstanding  |                |  |                 | 593,677                      |                       |
| Federal CARES Act revenue - Provider Relief Funds not reportable on schedule 20                       |                |  |                 | (24,968,495)                 |                       |
| Fee for service federal contract revenues - not reportable on schedule 20                             |                |  |                 | (10,546,085)                 |                       |
| Residual balances on federal grants and contracts   |                |  |                 | (1,749,982)                  |                       |
| <b>Total federal expenditures per schedule 20</b>   | <b>\$</b>      |  |                 | <b>560,727,563</b>           |                       |

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

| Federal Program | CFDA<br>Number | Pass-Through Entity | Grant<br>Number | Subrecipient<br>Expenditures | Total<br>Expenditures |
|-----------------|----------------|---------------------|-----------------|------------------------------|-----------------------|
|-----------------|----------------|---------------------|-----------------|------------------------------|-----------------------|

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### Note 1: Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereas certain types of expenditures are not allowable or are limited as to reimbursement. The University did not use the 10% de minimis indirect rate allowed under the Uniform Guidance.

### Note 2: Federal Student Loan Programs

The federal student loan programs listed subsequently are administered directly by the University, and balances and transactions relating to these programs are included in the University's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2020 consists of:

| CFDA Number and Program Name              | Outstanding Balance at June 30, 2020 |
|---|--------------------------------------|
| 84.038 - Federal Perkins Loans            | \$ 4,087,732                         |
| 93.264 - Nurse Faculty Loan Program       | \$ 614,054                           |
| 93.342 - Health Professions Student Loans | \$ 549,733                           |

### 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. As of June 30, 2020, \$86,305,000 is outstanding and is considered subject to continuing compliance requirements under OMB Uniform Guidance.

During fiscal year 2011, the Sandoval Regional Medical Center (SRMC) issued FHA Insured Hospital Mortgage Revenue Bonds for the construction of the Sandoval Regional Medical Center. 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. As of June 30, 2020, \$113,280,000 is outstanding and is considered subject to continuing compliance requirements under OMB Uniform Guidance.

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# **Report of Independent Auditors 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***

The Board of Regents  
University of New Mexico  
and  
Mr. Brian S. Colón, Esq.  
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, fiduciary activities, and the aggregate discretely presented component units of the University of New Mexico (the University) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise University's basic financial statements, and have issued our report thereon dated February 11, 2021. Our report includes a reference to other auditors who audited the financial statements of UNM Hospital, UNM Behavioral Operations, UNM Medical Group, Inc., and Sandoval Regional Medical Center (SRMC), as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

## **Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported per Section 12-6-5 NMSA 1978, that we have described in the Section 12-6-5 NMSA 1978 Findings Schedule, as items 2020-001 through 2020-003.

### **The University's Response to Findings**

The University's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mess Adams LLP*

Albuquerque, New Mexico  
February 11, 2021



# **Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

The Board of Regents  
University of New Mexico  
and  
Mr. Brian S. Colón, Esq.  
New Mexico State Auditor

## **Report on Compliance for Each Major Federal Program**

We have audited the University of New Mexico's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2020. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mess Adams LLP*

Albuquerque, New Mexico  
February 11, 2021

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# THE UNIVERSITY OF NEW MEXICO

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2020

### Section I – Summary of Auditor Results

#### *Basic Financial Statements*

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

Internal control over financial reporting:

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

Noncompliance material to basic  
financial statements noted?

\_\_\_\_\_ Yes   X   No

#### *Federal Awards*

Internal control over major federal programs:

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

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

Any audit findings disclosed that are  
required to be reported in accordance  
with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes   X   No

Identification of major federal programs:

Student Financial Assistance Cluster – Various CFDA numbers  
TRIO Cluster – Various CFDA numbers  
Education Stabilization Fund – CFDA number 84.425

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, 2020

## 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, 2020

## Section III – Federal Award Findings and Questioned Costs

None

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# THE UNIVERSITY OF NEW MEXICO

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2020

**Finding 2019-001. Other Matters in Accordance with 2.2.2.10(L)(1) NMAC at the Institution Level – Material Weakness in Internal Controls at the Individual Component Unit Level – General Ledger Reconciliation/Financial Close and Reporting Process – UNM Lobo Club**

Current Status: Resolved

**Finding 2019-002. Other Matters in Accordance with 2.2.2.10(L)(1) NMAC at the Institution Level – Material Weakness at the Individual Component Unit Level – Financial Close and Reporting – Lobo Development Corporation**

Current Status: Resolved

**Finding 2019-003. Other Matters in Accordance with 2.2.2.10(L)(1) NMAC – Control Deficiency – Related Party Transaction Policies and Procedures (Modified and repeated – 2018-001) – UNM Hospital, UNM Behavioral Health Operations, Sandoval Regional Medical Center, and UNM Medical Group**

Current Status: Resolved

**Finding 2019-004. Other Matters in Accordance with 2.2.2.10(L)(1) NMAC – Control Deficiency – User Access Review (Modified and repeated – 2017-001 and 2018-004) – UNM Hospital, UNM Behavioral Health Operations, and UNM Medical Group**

Current Status: Modified and repeated as 2020-002

**Finding 2019-005. Other Matters in Accordance with 2.2.2.10(L)(1) NMAC – Charity Care – Sandoval Regional Medical Center**

Current Status: Resolved

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# THE UNIVERSITY OF NEW MEXICO

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SECTION 12-6-5 NMSA 1978 FINDINGS  
Year Ended June 30, 2020

## Other Findings as Required by Section 12-6-5 NMSA 1978

### 2020-001. Other Matters in Accordance with 2.2.2.10(L)(1) NMAC – Assets Inventory Control

#### Condition

During our testwork over state compliance, we noted three out of eight departments did not complete a physical inventory during the fiscal year. We noted the following:

- One department had not completed an annual inventory since fiscal year 2017.
- One department had not completed an annual inventory since fiscal year 2018.
- One department had not completed an annual inventory since fiscal year 2019. The annual inventory certification for fiscal year 2019 was signed on August 7, 2020.

#### Criteria

NMSA 1978, 12-6-10(A) requires each agency to conduct a physical inventory at the end of each fiscal year of all movable chattels and equipment costing more than \$5,000. The inventory is required to be certified by the governing authority as to correctness.

UNM Policy 7710: Property Management and Control, Section 4. Inventory Control and Reporting requires departments to prepare an accurate annual inventory of their equipment and computers and return those inventories to the Office of Inventory Control in a timely manner.

#### Effect

UNM may lack internal controls necessary to safeguard assets and prevent or detect errors, which could result in misstatements of financial information. Noncompliance with state statutes could affect federal and state funding.

#### Cause

UNM has policies in place to conduct an annual inventory but does not have adequate procedures to ensure a physical inventory is conducted on a timely basis for all departments. The policy does not include specific and necessary timeframes to ensure compliance. Further, the procedures seem to lack a defined mechanism for monitoring and following up on the department's inventory status.

#### Recommendation

We recommend UNM implement procedures to ensure physical inventories are conducted annually in compliance with NMSA 1978, 12.6.10(A) and UNM's Property Management and Control policy.

#### University Response

UNM policy 7710 4.2.2 states that department administrators are responsible for completing a physical inventory and returning all forms to the office of Inventory Control by the specified deadline. An instructional memo accompanying all annual inventory requests indicates the specified due date for the completed inventory. Due to the volume of annual departmental inventories for the University, university departments have been divided into four groups, with inventories for each group due at different times throughout the fiscal year.

Timely completion of the annual departmental inventories can be impacted by multiple factors, such as labs and offices that are not accessible to staff conducting the annual inventory and equipment in use at approved locations outside of the city or state. An additional factor for calendar year 2020 continues to be the Covid-19 pandemic, with many department resources continuing to work remotely. This factor could continue into calendar year 2021. The outstanding inventories identified during this audit have been submitted, and there were no inventory adjustments that impacted financial statements.

The Inventory Control department will implement regular follow up by email for the inventories that are past due and will copy the department Dean, Director, or Chair (DDC) on each email. One 30-day extension, not to exceed beyond any fiscal year end of June 30, will be granted to a department that requests an extension. Approvals of an extension will be the responsibility of the Inventory Control Accounting Manager. The extension request will be handled on a case-by-case basis depending on the facts and circumstances. The request must come from the department Dean,

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# THE UNIVERSITY OF NEW MEXICO

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## SECTION 12-6-5 NMSA 1978 FINDINGS Year Ended June 30, 2020

Director, or Chair and include a valid reason for requesting an extension. The extension due date cannot exceed June 30 of the fiscal year of the original due date.

The Inventory Control Manager will work with the University Controller and the Chief Procurement Officer to strengthen the escalation and reporting process for past due inventories. A report will be sent to the University Controller and the Chief Procurement Officer, on a monthly basis, listing all departments that are past due and out of compliance with state statute and UNM policy. Included will be the original inventory due date and any approved one-time extension due date will be noted in the report. The Inventory Control Manager will be responsible for ensuring that departments with past due inventories are submitted for the escalation process and that the reports of past due inventories are submitted to the University Controller and Chief Procurement Officer throughout the fiscal year during the various inventory due dates.

The University is in the final stages of implementing an upgraded inventory control software, which will provide additional functionality for the inventory process making it easier to perform the annual inventories and will provide enhanced reporting capabilities to identify past due inventories.



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# THE UNIVERSITY OF NEW MEXICO

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## SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2020

**2020-002. Other Matters in Accordance with 2.2.2.10(L)(1) NMAC – Control Deficiency (finding that does not rise to the level of significant deficiency) – User Access Review (Modified and repeated – 2017-001, 2018-004, and 2019-004) – UNM Hospital, UNM Behavioral Health Operations, Sandoval Regional Medical Center, and UNM Medical Group**

### Condition

Our testwork revealed that controls over user access reviews are not operating effectively. This was validated in the following:

- For the Soarian application, we identified three (UNMH – 2, SRMC – 1) terminated users that had their access inappropriately re-enabled after their termination date. Management provided evidence that normal protocols were followed for terminating users prior to the inappropriate re-enablement. However, the system host was unable to produce a security report showing the users with re-enabled accounts to determine how these specific accounts were re-enabled.
- For the Cerner application, we identified 19 (UNMH – 17, and UNMMG – 2) terminated users that retained active accounts in the Cerner system as of the date of testwork. For 14 out of the 17 (UNMH) terminated users, we noted the Active Directory accounts were disabled. We also verified that none of the 19 terminated employees recorded activity in the Cerner system subsequent to their termination date.
- For the IDX application, we identified one user (UNMMG) that retained an active account in the system as of the date of testwork. We verified that the applicable terminated employee did not record activity in the system subsequent to their termination date.
- For all in-scope systems (Cerner, Soarian, Lawson, and IDX), lookback procedures were not completed after the user access reviews for the individuals identified for access change (termination, user change, etc.) to determine whether the user(s) performed any inappropriate activity from the time the applicable change noted/requested to the time they were removed from the application.
- For the Cerner application April 2020 user access review, we noted that a number of accounts were verified, however, there was no documented review of the appropriateness/completeness of the accounts (determine whether they are terminated or no longer required access, etc.) performed for the period.
- For the Lawson application, KPMG noted that the user access review was not fully completed for the February 2020 period. The listing was reviewed, however, there was no documentation to evidence the accounts requiring modifications (if any) for the period under review or those modifications being completed.

In years 2017, 2018, and 2019 we identified certain controls over user access reviews were not operating effectively. Management updated processes and procedures to address the specific deficiencies identified, which included implementing increased training initiatives and user access review audits, formalizing the processes for exit checklist and service desk creation of termination tickets, and querying tasks closed by analyst of other groups. Within the UNM Health System, there are several IT applications and components to the user access controls of those systems. The UNM Health System reorganized the IT department and individuals' responsibilities during FY 2020 and updated the following controls and procedures: the complete employee listings are to be reviewed during the quarterly internal audit process, and the terminations are to be independently reviewed monthly. These organizational and process changes were implemented mid-year.

### Criteria

The entities' system processes, records, and stores information that is vital to its daily operations, and certain systems contain protected health information of its patients. It is critical that access to this system is properly maintained to prevent inappropriate transactions from occurring, data from being lost, and protected health information from being released. The entities' have a formal policy to periodically review user access to ensure active employees have the proper level of access in the applicable systems and that terminated employees have been timely deactivated. Based on industry standards, the appropriate disabling of access within IT systems would occur within a reasonable time, or five working days of termination.

### Effect

There is an increased risk that a terminated or unauthorized employee has continued access to IT systems and the data contained therein subsequent to termination or change of employment terms or responsibilities, potentially resulting in a breach of data or protected health information.

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# THE UNIVERSITY OF NEW MEXICO

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## SECTION 12-6-5 NMSA 1978 FINDINGS Year Ended June 30, 2020

### **Cause**

The user access review process was not operating effectively and aspects of its performance could not be evidenced through documentation retained.

### **Recommendation**

We recommend that the disabling of user access within IT systems should take place within a reasonable time, or five working days of termination of employment. Management should continue to enhance its review of user access, which should occur periodically during the year.

A departmental manager or individual responsible for the functional data should perform the user access review. Evidence of the performance of the review, including remedial action taken, should be maintained.

### **University Response**

The processes of UNM Health System agree with the expectation of account disabling within 5 business days of termination. Information Technology departments have instituted daily automated reporting from the Health System Human Resources systems to notify if an employee has been terminated in the system. Quarterly account reviews have been scheduled to determine if the disable process was completed successfully and to identify if any HR records were changed from Active with a backdated termination date that is not picked up on the daily reports.

Account review processes for the different UNM Health System departments will be reviewed and updated to include retention of finding, action taken, and retention of the quarterly reviews for documentation purposes.

Additionally, the creation and implementation of a monthly listing of terminated employees will be created and provided to the Health System Management over each system to verify termination processing has been completed by the personnel tasked with account disabling.

The Chief Information Officer will be responsible for the corrective action plan, with a completion date of March 31, 2021.

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# THE UNIVERSITY OF NEW MEXICO

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SECTION 12-6-5 NMSA 1978 FINDINGS  
Year Ended June 30, 2020

**2020-003. Other Matters in Accordance with 2.2.2.10(L)(1) NMAC at the Institution Level – Significant Deficiency in Internal Controls at the Individual Component Unit Level – General Ledger Reconciliation/Financial Close and Reporting Process – The Robert O. Anderson Schools of Management Foundation**

**Condition**

The accounts receivable balance had a significant variance between what was recorded on the Anderson Foundation general ledger as compared to the accounts receivable detail in the amount of \$85,827. The accounts receivable summary information used to prepare the accounts receivable general ledger balance was as of July 13, 2020, and the detail received to support the balance was as of June 30, 2020. This difference resulted in an audit adjustment to properly state the accounts receivable balance in the financial statements as of June 30, 2020.

**Criteria**

In order to provide timely and accurate financial reports, the general ledger accounts of Anderson Foundation should be reconciled on a timely basis. The reconciliations performed by accounting and finance staff should be approved by supervisory personnel and supported with proper documentation.

A strong system of internal controls ensures that accurate and complete financial statements are prepared in accordance with generally accepted accounting principles (GAAP), including all required disclosures. This can be achieved by producing the financial statements in-house or by outsourcing the function. However, if outsourced, management retains the responsibility to ensure the statements are accurate, complete, and in accordance with GAAP.

**Effect**

The Anderson Foundation assets and revenues were understated by \$85,827 prior to adjustment.

**Cause**

Turnover within the Anderson Foundation accounting staff resulted in the accounting policies, procedures, and controls to ensure a robust internal control structure governing the general ledger maintenance and the financial close and reporting process not to function as intended.

**Recommendation**

We recommend that the Anderson Foundation accounting policies, procedures, and controls be re-examined and improvements should be made to ensure that accurate and timely financial statements can be produced and to ensure that subsidiary accounts are accurately and timely maintained and reconciled.

**University Response**

We have instituted a reconciliation procedure whereby the receivable balance is reconciled at each month end. The report is run by Anderson School personnel in the Academic Affairs Fiscal Shared Service Center and reconciled by the Foundation's external accounting services provider under contract for the specific fiscal year. These reconciliations are available for inspection as needed. The procedure and control is in operation as of September 30, 2020.

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# THE UNIVERSITY OF NEW MEXICO

## Schedule of Pledged Revenues for the year ended June 30, 2020 — University Only Unaudited

|   | Tuition<br>and fees | Net patient<br>service | Grants<br>and contracts | Sales, services,<br>and auxiliary<br>enterprises |
|---|---------------------|------------------------|-------------------------|--|
| <b>Revenues</b>   | \$ 131,786,683      | \$ 1,396,811,244       | \$ 368,363,806          | \$ 105,647,112                                   |
| <b>Excluded Revenues:</b>                                   |                     |                        |                         |  |
| State appropriations  |                     |                        |                         |  |
| Local appropriations  |                     |                        |                         |  |
| Distributions to UNM from UNMMG                             |                     | (201,681,240)          |                         |  |
| Distributions to UNM from SRMC                              |                     | (832,195)              |                         |  |
| Restricted funds  | 19,461,011          |                        |                         | 6,301,363  |
| Federal grants & contracts                                  |                     |                        | 257,609,893             |  |
| State grants & contracts                                    |                     |                        | 39,023,504              |  |
| Nongovernmental grants & contracts                          |                     |                        | 30,128,733              |  |
| Facilities and administrative cost recovery                 |                     |                        | (47,863,633)            |  |
| University of New Mexico Hospital (Hospital)                |                     | 1,056,491,421          | 22,271,279              |  |
| University of New Mexico Behavioral Health Operations (BHO) |                     | 37,765,963             | 2,767,096               |  |
| Blended component units                                     |                     | 300,667,066            | 5,039,490               | 34,192,316                                       |
| <b>Total Excluded Revenues</b>                              | \$ 19,461,011       | \$ 1,192,411,015       | \$ 308,976,362          | \$ 40,493,679                                    |
| <b>Pledged Revenues</b>                                     | \$ 112,325,672      | \$ 204,400,229         | \$ 59,387,444           | \$ 65,153,433                                    |

### Resources available to cover the University's debt service (excluding Hospital, BHO, and component units)

|  |                |
|--|----------------|
| Pledged Revenues   | \$ 475,583,629 |
| Less FY20 debt service for the University:                                       |                |
| University's interest payments on debts  | 12,004,019     |
| University's principal repayments on debts                                       | 44,850,000     |
| Excess of pledged revenues over debt service                                     | \$ 418,729,610 |
| University's future average annual debt service through year ended June 30, 2047 | \$ 19,208,442  |
| University's future highest annual debt service year ended June 30, 2021         | \$ 36,307,896  |

See accompanying independent auditors' report.

# SCHEDULE 21

| State and local appropriations | County mill levies | Investments   | Capital       | Gifts         | Other          | Total            |
|--------------------------------|--------------------|---------------|---------------|---------------|----------------|------------------|
| \$ 343,730,860                 | \$ 115,084,816     | \$ 35,165,710 | \$ 52,141,538 | \$ 34,080,719 | \$ 152,704,131 | \$ 2,735,516,619 |
| 318,993,620                    |                    |               |               |               |                | 318,993,620      |
| 9,349,840                      |                    |               |               |               |                | 9,349,840        |
|                                |                    |               |               |               |                | (201,681,240)    |
|                                |                    |               |               |               |                | (832,195)        |
|                                |                    | 7,516,996     | 18,552,620    | 24,532,480    | 26,174,460     | 102,538,930      |
|                                |                    |               |               |               |                | 257,609,893      |
|                                |                    |               |               |               |                | 39,023,504       |
|                                |                    |               |               |               |                | 30,128,733       |
|                                |                    |               |               |               |                | (47,863,633)     |
| 6,335,600                      | 92,326,229         | 3,420,511     | 33,165,000    | 3,181,645     | 55,234,259     | 1,272,425,944    |
| 7,891,600                      | 16,292,864         |               | 423,918       | 105,132       | (256,992)      | 64,989,581       |
| 1,160,200                      | 6,465,723          | 1,976,920     |               | 19,676        | 65,728,622     | 415,250,013      |
| \$ 343,730,860                 | \$ 115,084,816     | \$ 12,914,427 | \$ 52,141,538 | \$ 27,838,933 | \$ 146,880,349 | \$ 2,259,932,990 |
| \$ -                           | \$ -               | \$ 22,251,283 | \$ -          | \$ 6,241,786  | \$ 5,823,782   | \$ 475,583,629   |

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# THE UNIVERSITY OF NEW MEXICO

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EXIT CONFERENCE  
June 30, 2020

The financial statements were prepared by the financial officials of the University of New Mexico. An exit conference was conducted on February 11, 2021, in which the contents of this report were discussed with the following:

## UNIVERSITY OF NEW MEXICO

|                      |  |
|----------------------|--|
| Doug Brown           | Chair, UNM Board of Regents Audit Committee                |
| Marron Lee           | Vice Chair, UNM Board of Regents Audit Committee           |
| Rob Doughty          | UNM Board of Regents Audit Committee                       |
| Garnett S. Stokes    | UNM President  |
| Douglas Ziedonis     | Executive Vice President for UNM Health Sciences           |
| Teresa Costantinidis | Senior Vice President for Finance & Administration         |
| Elizabeth Metzger    | University Controller                                      |
| Ava J. Lovell        | Senior Executive Officer for Finance & Administration, HSC |
| Terry Babbitt        | Interim Chief of Staff                                     |
| Duane Arruti         | Chief Information Officer                                  |
| Bonnie White         | Chief Financial Officer, UNM Hospitals                     |
| Loretta Martinez     | University Counsel   |
| Ari Vazquez          | Deputy University Counsel                                  |
| Scot Sauder          | Deputy University Counsel                                  |
| Mallory Reviere      | Special Assistant to the Board of Regents                  |
| Mitzi Montoya        | Dean, Anderson School of Management                        |
| Victor Griego        | Interim Internal Audit Director                            |
| Staff                | University Internal Audit Department                       |

## NEW MEXICO OFFICE OF THE STATE AUDITOR

|                 |                                   |
|-----------------|-----------------------------------|
| Brian Colon     | State Auditor                     |
| Natalie Cordova | Deputy State Auditor              |
| Lynette Kennard | Financial Audit Division Director |
| Liza Kerr       | Senior Audit Manager              |

## MOSS ADAMS LLP

|                |                |
|----------------|----------------|
| Lisa Todd      | Partner        |
| Sujan Bhandari | Senior Manager |

## KPMG LLP

|              |                |
|--------------|----------------|
| John Kennedy | Partner        |
| Jaime Cavin  | Senior Manager |
| Ruth Senior  | Senior Manager |

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# THE UNIVERSITY OF NEW MEXICO

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Summary of Auditor's Results (As Required by 2.2.2.10 (L)(1) – NMAC)  
June 30, 2020

## *Financial Statements*

Type of report the auditor issued on whether the financial  
statements audited were prepared in accordance with GAAP:      Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?      ☐ Yes      ☒ No
- Significant deficiency(ies) identified?      ☐ Yes      ☒ None reported

Compliance and other matters noted?      ☒ Yes      ☐ No