

Audit Report 2022

for the fiscal year ended June 30, 2022



THE UNIVERSITY OF
NEW MEXICO[®]

THE UNIVERSITY OF NEW MEXICO

June 30, 2022

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THE UNIVERSITY OF NEW MEXICO

June 30, 2022

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
Jack L. Fortner	Member	12/31/2026
William H. Payne	Member	12/31/2026
Robert L. Schwartz	Member	12/31/2024
Randy Ko	Student Member	12/31/2022

Ex officio Members

The Honorable Michelle Lujan Grisham	Governor of the State of New Mexico
Stephanie Rodriguez	Higher Education Department Cabinet Secretary

Advisors

Finnie Coleman	President, Faculty Senate
Ian May	President, Associated Students of the University of New Mexico
Shaikh Ahmad	President, Graduate & Professional Student Association
Amie Ortiz	President, Staff Council
Amy Miller	President, UNM Alumni Association
Alfred Mathewson	President, UNM Retiree Association
Ryan Mummert	Chair, UNM Foundation
Heather Bratton	President, UNM Parent Association

Principal Administrative Officials

University

Garnett S. Stokes	President
James Holloway	Provost and Executive Vice President for Academic Affairs
Dr. Douglas Ziedonis	Executive Vice President for Health Sciences, CEO UNM Health System
Teresa Costantinidis	Executive Vice President for Finance and Administration

UNM Hospitals

Kate Becker	Chief Executive Officer
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Principal Financial Officials

Main Campus

Norma Allen	University Controller
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Health Sciences Center

Michael Schwantes	Senior Executive Officers for Finance & Administration,
Joseph Wrobel	University of New Mexico Health Sciences

UNM Hospitals

Bonnie White	Chief Financial Officer
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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 Audit of the Financial Statements

Opinions

We have audited 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 or UNM), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022 and 2021, 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.

We did not audit the departmental financial statements of the UNM Hospitals, UNM Behavioral Operations and the blended component unit financial 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 44%, 66%, and 63% (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, 2022. In addition, we did not audit the departmental financial statements of the UNM Hospitals, UNM Behavioral Operations and the blended component unit financial 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 42%, 62%, and 63% (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, 2021. Those statements were audited by other auditors whose report has 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.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2022, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in fiscal year 2022, the University adopted new accounting guidance, Governmental Auditing Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the University's Proportionate Share of Net Pension Liability and Employer Contributions – Pension (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 is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying 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*, blended and discretely presented component unit combining schedules (Schedule 5 through 14), budget comparisons (Schedule 15 through 17), schedule of pledged collateral (Schedule 18), and schedule of individual deposit and investment accounts (Schedule 19), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The 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 schedule of expenditures of federal awards (Schedule 20), blended and discretely presented component unit combining schedules (Schedule 5 through 14), budget comparisons (Schedule 15 through 17), schedule of pledged collateral (Schedule 18), and schedule of individual deposit and investment accounts (Schedule 19) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of pledged revenue – University only (Schedule 21) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2022 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.

Mess Adams LLP

Albuquerque, New Mexico
October 26, 2022

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2022

The following discussion and analysis provide 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, 2022, 2021, and 2020. 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 2022, 2021, and 2020. 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, 2022

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, 2022, 2021, and 2020 is as follows:

	2022	2021(as restated)	2020
Assets			
Current assets	\$ 1,359,183,834	\$ 1,505,629,174	\$ 1,338,815,684
Capital assets, net	1,530,236,881	1,373,471,494	1,367,936,494
Other noncurrent assets	735,170,855	703,130,976	466,450,198
Total assets	\$ 3,624,591,570	\$ 3,582,231,644	\$ 3,173,202,376
Deferred Outflows of Resources	\$ 958,060,366	\$ 1,511,275,677	\$ 278,932,438
Liabilities			
Current liabilities	\$ 580,101,475	\$ 644,917,449	\$ 512,761,173
Noncurrent liabilities	1,814,017,813	3,876,965,926	1,923,008,941
Total liabilities	\$ 2,394,119,288	\$ 4,521,883,375	\$ 2,435,770,114
Deferred Inflows of Resources	\$ 1,650,176,269	\$ 143,908,283	\$ 140,974,100
Net Position			
Net investment in capital assets	\$ 994,286,017	\$ 858,830,314	\$ 790,456,175
Restricted - nonexpendable	150,615,863	162,500,995	129,733,255
Restricted - expendable	84,206,103	104,318,977	131,602,750
Unrestricted	(690,751,604)	(697,934,623)	(176,401,580)
Total net position	\$ 538,356,379	\$ 427,715,663	\$ 875,390,600

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.

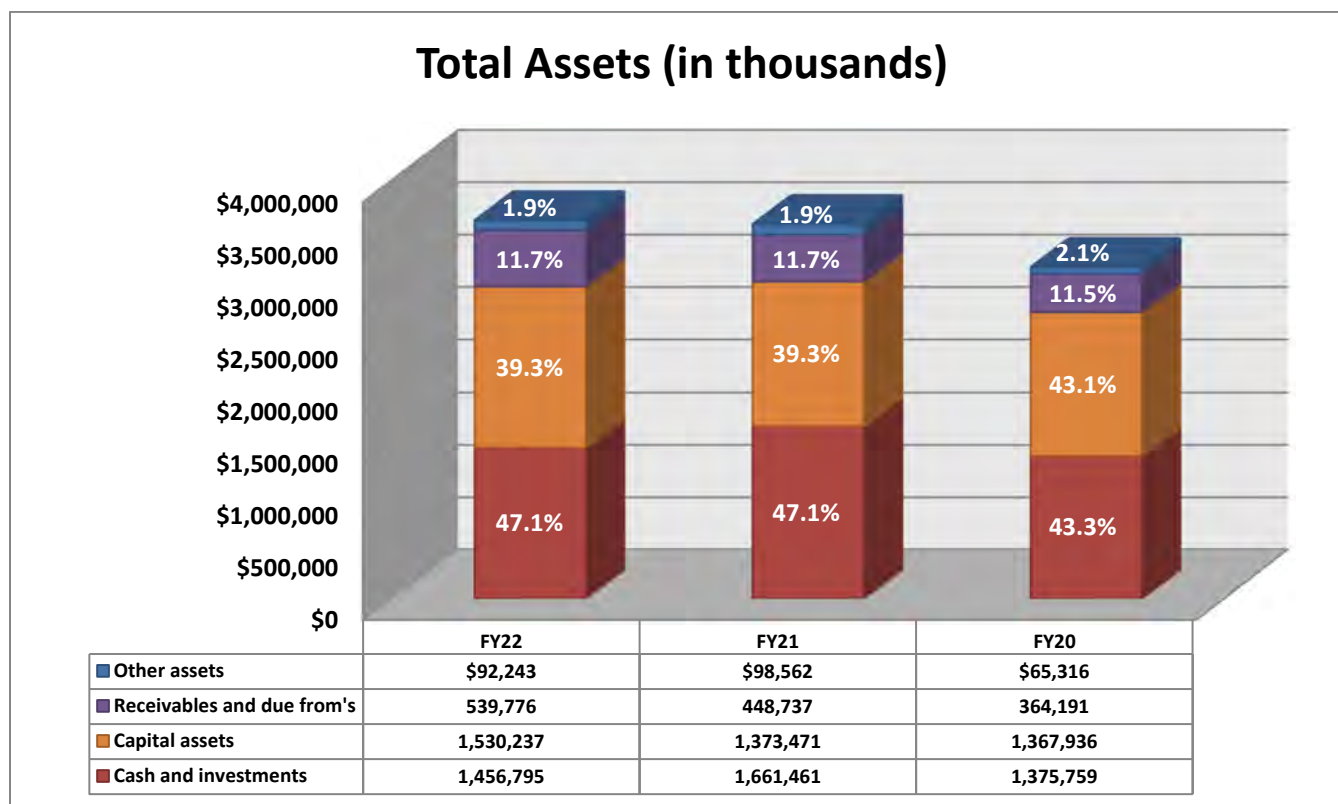
Noncurrent assets of the University primarily consist of endowment investments and other long-term investments, right to use assets and capital assets, net of accumulated depreciation.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2022

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



Total assets increased by \$42.4 million from FY21 to FY22 and \$409.0 million from FY20 to FY21. The increase in total assets from FY21 to FY22 included a decrease of \$204.7 million in cash and investments and an increase of \$91.0 million in receivables and due from's and an increase of \$162.3 million in capital assets. The decrease in cash and investments was mostly the result of an decrease of \$111.1 million in the unrestricted cash balance at the University of New Mexico Hospital (Hospital), as they use their cash balances to finance a portion of the new critical care tower, estimated to be completed by June 2024. The increase in receivables and due from's was mostly due to needing to restate FY21 receivables as a result of implementing GASB 87, Leases, increasing receivables and due from's 84.5 million from fiscal year 2020 to fiscal year 2021. Lease receivables also decreased by \$6.04 million from fiscal year 2021 to fiscal year 2022.

The increase in total assets from FY20 to FY21 included increases of \$285.7 million in cash and investments and \$84.5 million in receivables and due from's. The increase in cash and investments was mostly the result of an increase of \$177.6 million in the unrestricted cash balance at the University of New Mexico Hospital (Hospital), primarily due to an increase in current liabilities and the timing of payments for those liabilities and additional amounts set aside during the fiscal year for capital replacement. The increase in receivables and due from's was mostly the result of an increase of \$35.4 million in patient receivables, primarily due to increases of \$18.3 million at the UNM Medical Group (UNMMG) and \$12.6 million at the Hospital. The increase in patient receivables at UNMMG is due to the decline in patient revenues in the final quarter of the previous fiscal year and the fact that there were two quarters of the Medicaid supplemental program receivables outstanding at June 30, 2021, compared to only one quarter outstanding at the end of the previous fiscal year. The increase in patient receivables at the Hospital is primarily due to increased patient revenues as a result of volume and Case Mix Index (CMI) increases.

THE UNIVERSITY OF NEW MEXICO

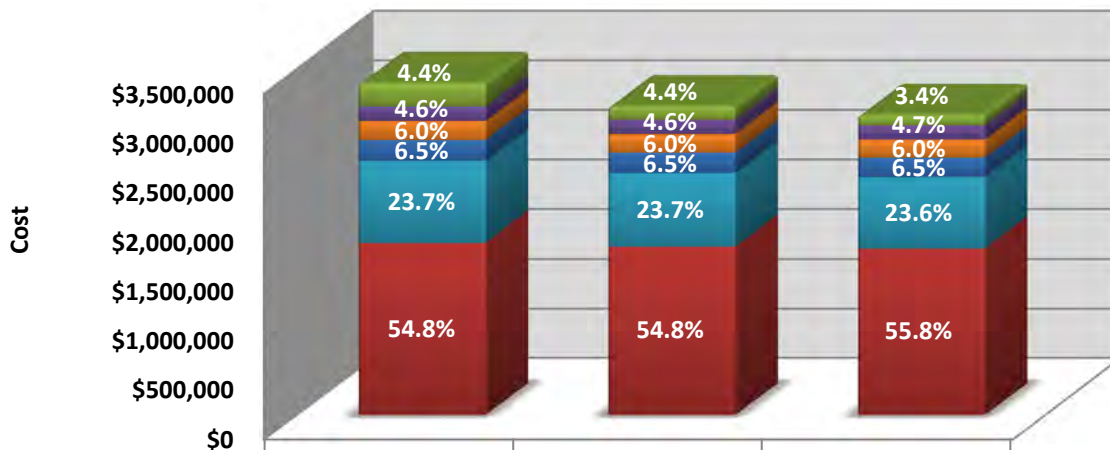
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2022

Capital Assets and Commitments: Capital assets are the largest category of noncurrent assets and are shown net of accumulated depreciation, at \$1.53 billion, \$1.37 billion, and \$1.37 billion as of June 30, 2022, 2021, and 2020, respectively. During FY22, the largest increase within capital assets for the University was construction in-progress, which increased by \$101.5 million. The major additions to construction in-progress were the UNMH critical care tower which increased CIP by \$69.6M, UNM ROTC Renovation which had a CIP increase of \$4.84 million in FY22, UNM Taos Pathways which increased CIP by \$4.04 million and University Health Sciences Center of Excellence which increased CIP by \$5.07 million.

During FY21, the largest increase within capital assets for the University was buildings, which increased by \$22.2 million. The major additions to buildings during FY21 were completed renovations of \$4.5 million for the Science Technology Engineering and Math (STEM) Center at the Taos campus, \$3.8 million for the Biology Annex, \$2.6 million for the Physical Plant and Storage Facility at the Gallup campus, and \$2.4 million for the Coronado Hall Phase 2.

Capital Assets at Cost (in thousands)



	FY22	FY21	FY20
■ CIP	\$237,642	\$136,095	\$103,984
■ Land & Improvements	146,876	144,384	142,780
■ Infrastructure	190,237	188,409	180,829
■ Library Books	209,474	203,938	198,501
■ Equipment & Furnishings	824,638	738,671	714,725
■ Buildings	1,748,748	1,711,165	1,691,988

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2022

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 the end of calendar year 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 \$96 million. Management has designated \$75 million of the fiscal year 2021 increase in net position in addition to \$196 million of transferred assets to be set aside to partially fund the parking structure, the new medical tower, and to purchase 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 the near future.

Capital assets for the Hospital and the University of New Mexico Behavioral Health Operations (BHO), net of accumulated depreciation, were \$439.2 million, \$272.2 million, and \$232.1 million as of June 30, 2022, 2021, and 2020, respectively. Within the Hospital and BHO during FY22, the largest capital increase was within land, building and building improvements (74.2 million) and construction in progress (77.7 million in additions). The new patient parking building was completed during the year ended June 30, 2022 and this was the most significant increase to building in the amount of \$72.8 million. At the Hospital, several projects were continued during fiscal year 2022, 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 were the most significant projects in the CIP balance and are multi-year projects expected to be completed by fiscal year 2025.

Within the Hospital and BHO during FY21, the largest capital increase was within construction in progress (CIP), which increased by \$46.3 million. At the Hospital, several projects were continued during fiscal year 2021, 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 were the most significant projects in the CIP balance and are multi-year projects expected to be completed by fiscal year 2025. At BHO, the increase in CIP is due to three major renovation projects in process at June 30, 2021. Those projects are the expansion of the psychiatric emergency services unit, a significant boiler replacement project, and the continued work on the emergency services triage center, which began in fiscal year 2020.

Debt Activity: Bonds payable totaled \$423.7 million, \$454.9 million, and \$594.0 million at June 30, 2022, 2021, and 2020, respectively. The current portion of this debt was \$30.2 million, \$29.1 million, and \$31.2 million at June 30, 2022, 2021, and 2020, 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, 2022, 2021, and 2020 Single Audit.

In July 2020, the Sandoval Regional Medical Center (SRMC), a blended component unit of UNM, entered into an agreement and mortgage to refinance SRMC's mortgage from an APR of 4.86% to an APR of 1.98%. In connection with the mortgage refinance, \$118.3 million was placed into irrevocable trust to

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2022

make the mandatory bond redemption payments on the Government National Mortgage Association (GNMA) Collateralized Series 2010A and Series 2010B bonds through the bond callable date in January 2021. SRMC was released from all obligations related to the bonds at that time. SRMC had mortgage liability of \$100.7 million and \$106.4 million at June 30, 2022 and 2021, respectively. The current portion of mortgage liability was \$5.8 million and \$5.7 million at June 30, 2022 and 2021, respectively.

Deferred Outflows of Resources

Deferred outflows of resources decreased by \$553.2 million from FY21 to FY22 and increased by \$1.2 billion from FY20 to FY21. 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 Statement No. 27*, which was effective beginning in FY15. The amount recognized as a deferred outflow of resources related to pensions was \$914.6 million, \$1.5 billion, and \$252.6 million as of June 30, 2022, 2021, and 2020, 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 \$570.4 million from FY21 to FY22 and increased by \$1.1 billion from FY20 to FY21. From FY21 to FY22, the most significant assumption change was an increase in the discount rate from 3.89% to 7.00%. From FY20 to FY21, the most significant assumption change was a decrease in the discount rate from 7.25% to 3.89%.

Liabilities

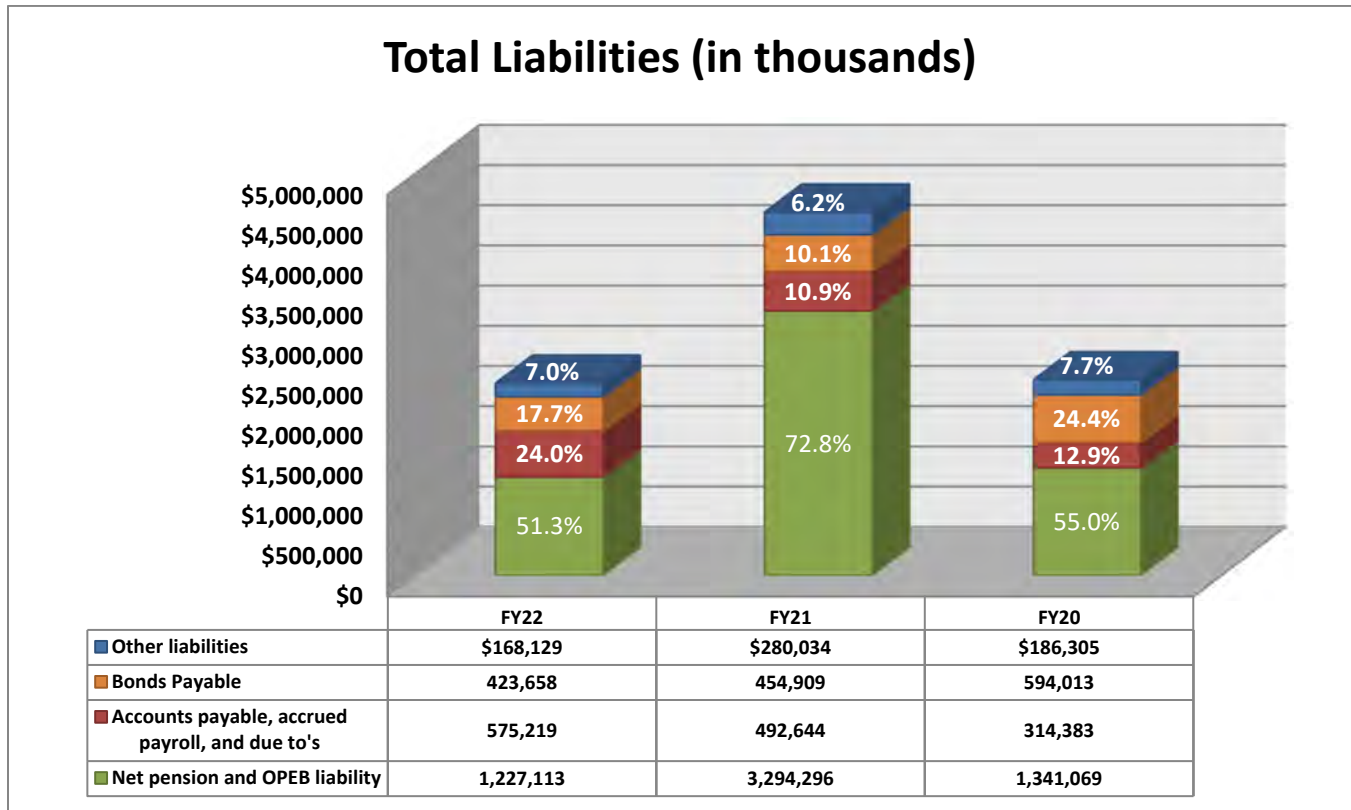
Current liabilities are generally defined as amounts due within one year. The most significant current liabilities of the University are accounts payable, accrued payroll, unearned revenue, and accrued compensated absences.

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 UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2022

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



Total liabilities decreased by \$2.1 billion from FY21 to FY22 and increased by \$2.1 billion from FY20 to FY21. The decrease in total liabilities from FY21 to FY22 included a decrease of \$2.0 billion in net pension and OPEB liability. The most significant decrease in total liabilities from FY20 to FY21 was a \$139.1 million decrease in bonds payable. The decrease in the net pension and OPEB liability included a decrease in the net pension liability of \$2.1 billion 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 new assumptions adopted that were presented in the 2020 Actuarial Experience Study. The assumptions decreased from FY20 to FY21 and included a decrease in the inflation assumption from 2.5% to 2.3%, which also led to decreases in the nominal investment return assumption from 7.25% to 7.0% and the assumed annual wage inflation rate from 3.25% to 3.0%. The decrease in bonds payable was primarily the result of scheduled debt service payments with no further increase in borrowing.

The increase in total liabilities from FY20 to FY21 included an increase of \$2.0 billion in net pension and OPEB liability. The most significant decrease in total liabilities from FY20 to FY21 was a \$139.1 million decrease in bonds payable. The increase in the net pension and OPEB liability included an increase in the net pension liability of \$2.1 billion 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 a result of new assumptions adopted that were presented in the 2020 Actuarial Experience Study. The new assumptions included a decrease in the inflation assumption from 2.5% to 2.3%, which also led to decreases in the nominal investment return assumption from 7.25% to 7.0% and the assumed annual wage inflation rate from 3.25% to 3.0%. The decrease in bonds payable was primarily the result of the mortgage refinancing and subsequent defeasance of the bonds at SRMC.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2022

Deferred Inflows of Resources

Deferred inflows of resources increased by \$1.5 billion from FY21 to FY22 and increased by \$2.9 million from FY20 to FY21. 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 \$1.6 billion \$66.1 million, and \$99.0 million as of June 30, 2022, 2021, and 2020, 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, 2022

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, 2022, 2021, and 2020 is as follows:

	2022	2021	2020
Operating Revenues			
Tuition and fees, net	\$ 125,958,824	\$ 130,344,997	\$ 131,786,683
Net patient service	1,657,610,012	1,592,975,818	1,396,811,244
Grants and contracts	427,996,838	384,083,671	295,161,328
Sales and services, net	122,224,023	90,800,380	105,647,112
Other operating revenues	73,353,664	117,985,419	120,973,136
Total operating revenues	\$ 2,407,143,361	\$ 2,316,190,285	\$ 2,050,379,503
Operating Expenses			
Instruction	\$ 253,282,983	\$ 242,992,467	\$ 251,219,986
Research	251,903,738	258,755,275	172,480,132
Public service	1,838,669,543	1,675,932,773	1,525,025,563
Academic support	47,693,813	43,201,530	47,174,855
Student services	30,402,504	28,739,834	29,777,813
Institutional support	65,352,230	60,460,362	64,182,635
Operation of plant	197,943,237	193,002,289	185,210,032
Student aid and activities	40,611,797	23,120,200	29,190,722
Intercollegiate athletics	31,199,909	24,458,665	28,932,248
Auxiliary enterprises	34,756,762	33,329,867	40,401,109
GASB 68 pension expense	85,007,531	766,700,778	(393,622,917)
GASB 75 OPEB expense	229,400	(2,882,000)	1,599,200
Other operating expenses	81,265,169	116,093,346	106,973,092
Total operating expenses	\$ 2,958,318,616	\$ 3,463,905,386	\$ 2,088,544,470
Nonoperating Revenues			
Appropriations	\$ 363,569,839	\$ 343,973,371	\$ 343,730,860
Mill levies	122,165,497	119,282,236	115,084,816
Federal pell grants	32,786,601	33,495,135	38,300,579
Gifts	68,464,831	40,576,948	34,080,719
Investment income	(27,933,275)	78,944,518	35,165,710
Other nonoperating revenues and expenses, net	87,788,127	74,061,931	48,675,054
Net nonoperating revenues	\$ 646,841,620	\$ 690,334,139	\$ 615,037,738
Income (loss) before capital contributions	95,666,365	(457,380,962)	576,872,771
Capital contributions	14,974,351	10,158,227	52,141,538
Change in net position	\$ 110,640,716	\$ (447,222,735)	\$ 629,014,309
Net position - beginning of year	427,715,663	875,390,600	246,376,291
GASB 87 restatement impact		(452,202)	
Net position - end of year	\$ 538,356,379	\$ 427,715,663	\$ 875,390,600

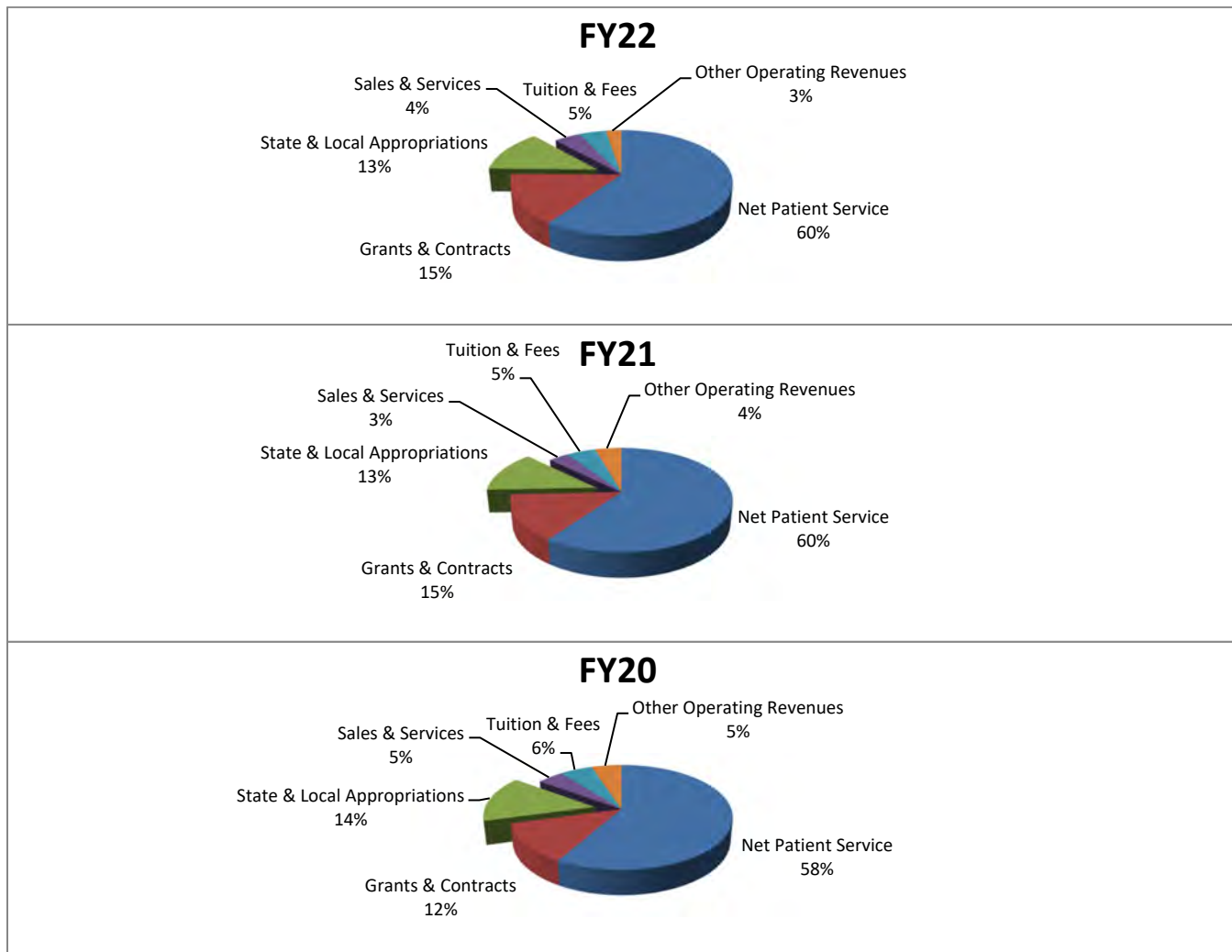
THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2022

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 13%, 13%, and 14% of total operating revenues for fiscal years 2022, 2021, and 2020, respectively. The following charts depict operating revenues (with state and local appropriations) by source:



THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2022

Operating Revenues: Operating revenues increased by 3.93% from FY21 to FY22 and 13.0% from FY20 to FY21. 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 4.06% from FY21 to FY22 and 14.0% from FY20 to FY21.

UNM Health 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 Health and Health Sciences 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 Health 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, 2022, 2021, and 2020, there were approximately 4,300, 3,900, and 5,900 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 Health and the community. UNM Health does not pursue collection of amounts determined to qualify as charity care, with the exception of copayments.

UNM Health 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 2022, 2021, and 2020 were \$99.9 million, \$114.1 million, and \$102.7 million, respectively.

UNM Health incurs costs associated with providing charity care and other services for which payment is not received. As of June 30, 2022, the estimated cost of care for providing these services was \$94.1 million compared to \$87.9 million in FY21 and \$98.7 million in FY20.

Tuition and fees are also a significant component of the University's total net operating revenues. UNM's total credit hour production for 2021-2022 was 537,718. This represents a 2.41% 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. Freshmen enrollment for the fall 2021 class is up 10.25% compared to the fall 2020. The University is anticipating an increase in freshmen enrollment for fall 2022. Changes in enrollment and tuition and fees rates in academic functions of the University were as follows:

	Fall 2021	Fall 2020	Fall 2019
Enrollment change (headcount)	-0.51%	-8.8%	-3.9%
Tuition and fees rate change (full-time resident undergraduate)	-3.93%	17.3%	3.2%

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2022

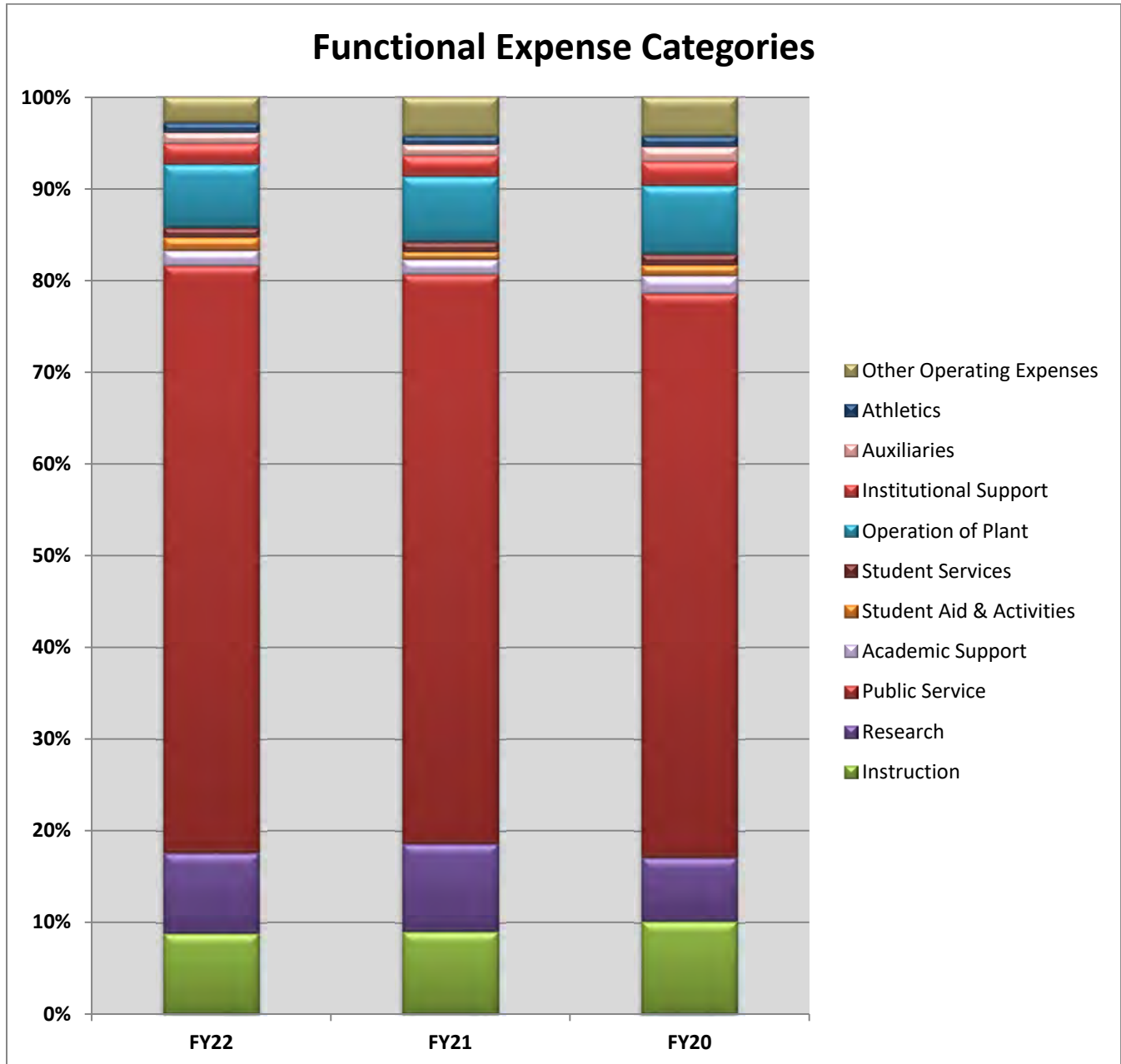
Nonoperating Revenues/Expenses: Net nonoperating revenues decreased by 6.30% from FY21 to FY22 and 12.2% from FY20 to FY21. Nonoperating revenues are primarily driven by state appropriations, the Bernalillo County mill levy, federal pell grants, gifts received by the University, and investment income/loss. The major reasons for the decrease in net nonoperating revenues in FY22 were a \$25.5 million decrease in funds received from the federal CARES Act as that funding has been finalized and fully expended. A \$106.9 million decrease in investment income due to marketplace fluctuations. The major reasons for the increase in net nonoperating revenues in FY21 were a \$57.4 million increase in funds received from the federal CARES Act, a \$43.8 million increase in investment income due to favorable investment market conditions, and an \$11.8 million increase in local appropriations primarily due to an \$11.5 million local appropriation in FY21 for construction of the UNM Center of Excellence for Orthopedic Surgery and Rehabilitation at the Health Sciences Center in Rio Rancho.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2022

Expenses

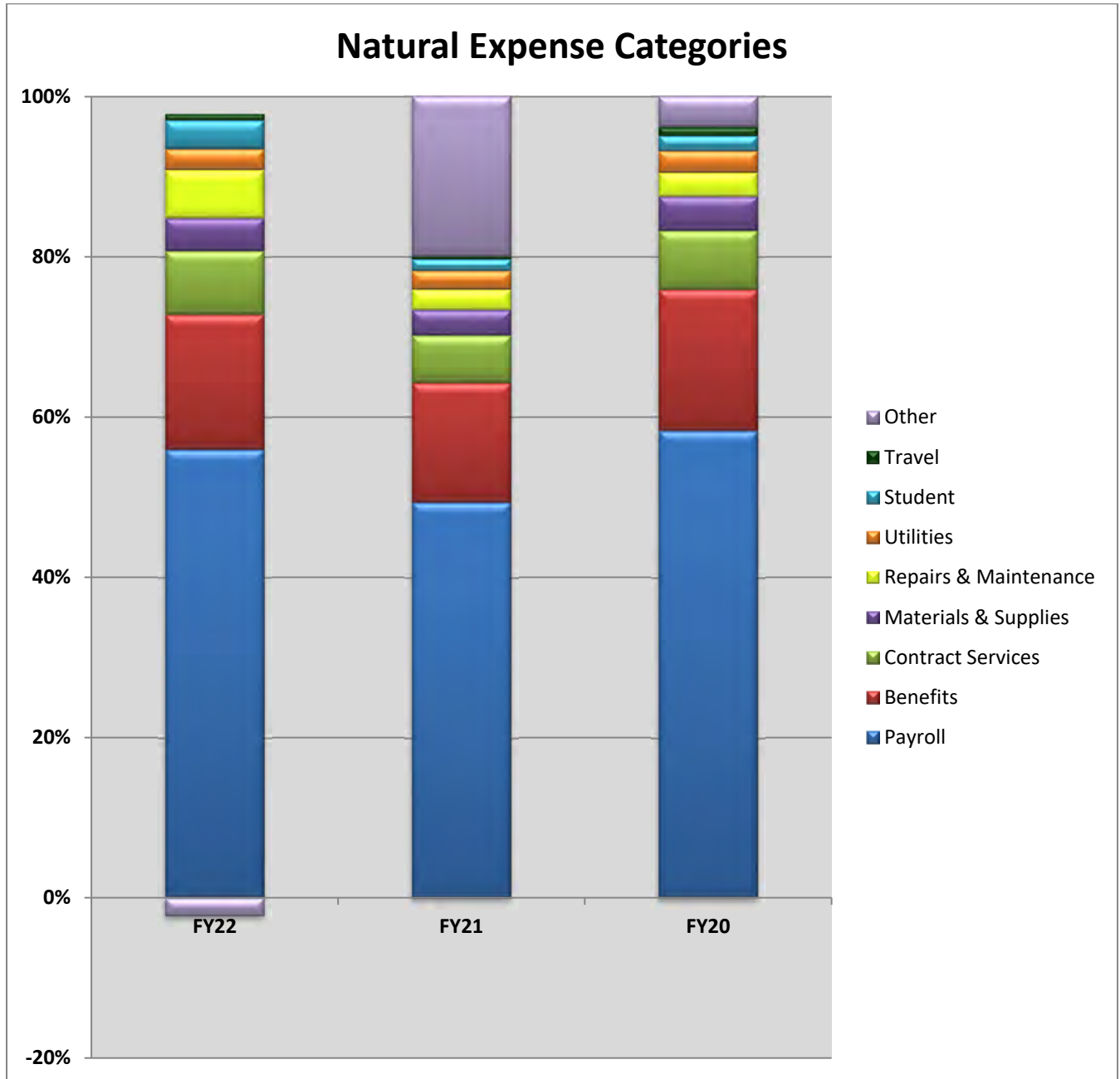
Operating Expenses: GASB standards allow public universities to present operating expenses in either a functional or natural format. UNM chose to present expenses on the statement of revenues, expenses, and changes in net position by the major functions of the University. The chart below shows the distribution of operating expenses by functional category (smaller categories have been combined), excluding GASB 68 pension expense and GASB 75 OPEB expense, for the years ended June 30, 2022, 2021, and 2020:



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2022

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, 2022, 2021, and 2020:



THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2022

Changes in Net Position

The University's total change in net position showed a net increase of \$110.6 million for FY22, a net decrease of \$447.7 million for FY21, and a net increase of \$629.0 million for FY20.

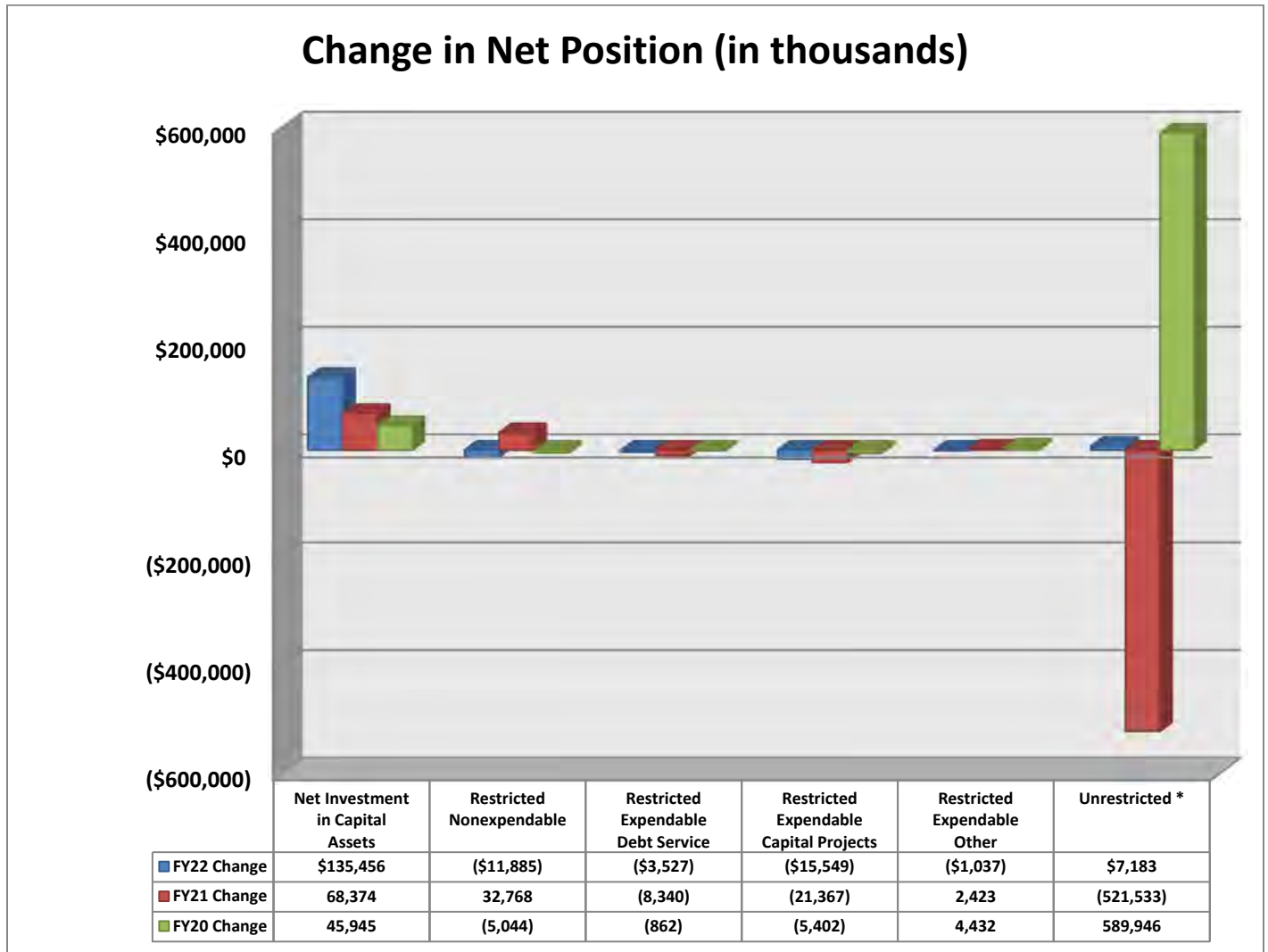
The major changes in net position in FY22 include an increase of \$135.4 million in net investment in capital assets, decrease of \$11.8 million in nonexpendable restricted net position (scholarships, grants/bequests and contributions), \$20.1 million decrease in expendable restricted net position (scholarships, grants/bequests/contributions, debt service, and some capital projects), and a \$7.1 million increase in unrestricted net position. The increase in net investment in capital assets is primarily the result of new construction of a critical care tower at UNMH (\$69.6M CIP). Decrease in nonexpendable restricted net position is primarily unfavorable market conditions creating significant unrealized losses in our endowed scholarship funds (\$11.8M). The decrease in expendable restricted net position is primarily the result of scheduled debt service payments without increased borrowing (\$3.5M), and capital projects being finalized and placed into net investment in capital assets. Increases in unrestricted net position are primarily the result of net operating income.

The major changes in net position in FY21 included a decrease of \$486.3 million in unrestricted net position and increases of \$32.8 million in restricted, nonexpendable scholarships and \$33.6 million in net investments in capital assets. The decrease in unrestricted net position was primarily the result of pension expense of \$766.7 million reported by the University per the requirements of GASB Statement No. 68. The significant increase in the pension expense over the prior fiscal year was primarily due to the decrease in the discount rate used in the actuarial valuation from 7.25% to 3.89% as a result of new assumptions adopted on April 17, 2020 in conjunction with the six-year actuarial experience study for the period ended June 30, 2019 that included a decrease in the inflation assumption from 2.5% to 2.3%, which also led to decreases in the nominal investment return assumption from 7.25% to 7.0% and the assumed annual wage inflation rate from 3.25% to 3.0%. Other significant changes to unrestricted net position were increases of \$305.9 million at the Hospital and \$27.0 million in unrestricted quasi endowment funds due to favorable investment market conditions. The increase in the net position of restricted, nonexpendable scholarships was primarily the result of \$36.6 million of investment income in FY21 due to favorable investment market conditions. The increase in the net position of net investments in capital assets was primarily the result of an increase of \$32.1 million in CIP.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2022

The chart below shows the changes in net position by category for the fiscal years ended June 30, 2022, 2021, and 2020:



* Significant changes to the unrestricted net position in FY20, FY21, and FY22 were primarily the result of the significant changes to pension expense 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, 2022

Statement of Cash Flows

A comparison of the University's changes in cash and cash equivalents for the years ended June 30, 2022, 2021, and 2020 is as follows:

	2022	2021	2020
Cash provided by (used in):			
Operating activities	\$ (543,411,911)	\$ (268,374,228)	\$ (310,952,374)
Noncapital financing activities	630,213,677	643,174,994	592,471,390
Capital and related financing activities	(273,747,911)	(196,456,903)	(157,298,152)
Investing activities	26,996,825	14,839,139	22,071,822
Net increase (decrease) in cash and cash equivalents	(159,949,320)	193,183,002	146,292,686
Cash and cash equivalents — beginning of year	791,331,275	598,148,273	451,855,587
Cash and cash equivalents — end of year	\$ 631,381,955	\$ 791,331,275	\$ 598,148,273

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 FY22, the University and employee contributions were \$1.97 million each, and the VEBA Trust lost \$10.7 million in net investment income. In FY21, the University and employee contributions were \$2.05 million each, and the VEBA Trust earned \$11.4 million in net investment income.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2022

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 reflect current needs of the institution more accurately and to include previously unanticipated events in both revenue and expenditures categories.

Original Budget

In terms of overall FY22 Main campus revenues, there is an overall decrease of approximately \$43.5 million, or 4.8%, over the FY21 original budget. Even though state appropriations increased 6.4% over FY21 Revised Special Session allocations, they are still 4.61% below FY21 Original levels. In addition, capital projects spending is down due to projects being completed such as the Chemistry Phase II and the Natural History Science and the booking of the Hospital Tower expense in FY21.

State appropriations for Main campus operations increased by \$12.7 million, or approximately 6.4%, for FY22 compared to FY21 revised budget. The legislature also approved a 1.5% compensation increase and a 1% ERB employer contribution increase for higher education.

Tuition and fee rates were approved by the Board of Regents on April 13, 2021. They approved a 2.2% increase in resident base tuition (UG/GR) and the upper division premium (UG), 5% increase in non-resident base tuition (UG/GR), a .41% increase in the flat dissertation rate, to charge the same flat dissertation rate of \$1,186 for non-residents taking 7 hours or above and a 2.2% increase in differential tuition. In addition, the budget includes a \$100 increase in the technology fee, an elimination of the online \$100 max fee per course, a 23.4% decrease in undergraduate (UG) and a 23.9% decrease in graduate (GR) mandatory student fees, the creation of a separate SHAC Fee (\$107 Fall/Spring and \$72 Summer) and Athletics Fee (\$100 Fall/Spring and \$67 Summer).

In terms of overall FY22 Main campus expenditures, there is an overall decrease of approximately \$43.5 million, or 4.8 %, over the FY21 original budget. Even though the Regents approved a 1.5% compensation increase, the legislature increased the ERB employer contribution rate by 1%, the minimum wage increased to \$11.50 effective January 2022, as well as the other annual increases in must-fund costs and new spending for strategic initiatives, overall unrestricted and restricted spending is flat. The primary reason for the overall decrease is the reduced spending on capital projects as well as the decrease in unrestricted department spending due to the FY 21 budget cuts.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2022

Revised Budget

For the FY22 revised budget, Main campus experienced a \$61.0 million increase in revenues and transfers primarily driven by \$33.9 million transfers in for capital projects, \$33.6 million in HEERF revenues, \$13.3 million increase in restricted research and public service projects, and \$19.8 million net transfers out for IT software and Facilities Management projects and decreased revenue in Auxiliaries and other revenues. Expenses increased primarily due to net increases in salaries and fringe from a 3% compensation increase for the 4th quarter of FY22, net increases in computer software license fees, and increased research and public service activity after pandemic restrictions were lifted.

At University Health Sciences, significant changes from FY21 to FY22 revised budget include increases for Patient Service revenues, Contracts and Grants, State Appropriations and Tuition and Fees. Clinical revenue budgets were increased by \$27 million as UNM Hospitals and Clinics resumed normal scheduling of surgeries and procedures that had been postponed during the height of the COVID-19 pandemic. Nongovernmental Non-Profit and Private grants and contracts for research increased by \$4 million primarily due to the Scaling Global Pandemic Response grant. State Appropriations increased by \$9 million for targeted program expansion, employer ERB contributions and employee compensation. Tuition and fees increased by over \$1 million due to rate and enrollment increases. In total, budgeted revenues increased by \$41 million or 4.7% over FY21 revised budget.

Noteworthy changes in expenses and transfers include clinical FTE and contract services increases and across the board compensation increases. Overall, expenses increased by \$22 million or 2.6% over the FY21 revised budget. Net transfers changed by \$5 million compared to FY21 revised budget primarily due to less transfers to plant. University Health Sciences budgeted a net margin of \$24 million, up from the breakeven FY21 revised budget, driven by the return to normal clinical operations.

Factors Impacting Future Periods

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.

Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). It was first identified in December 2019 in Wuhan, Hubei, China, and has resulted in an ongoing pandemic. On January 31, 2020 Health and Human Services Secretary Alex Azar II declared a Public Health Emergency (PHE) for the United States to help the healthcare community respond to COVID-19. The PHE is still in effect and is expected to remain in effect until at least January 11, 2023. The Coronavirus Aid, Relief, and Economic Security (CARES) Act passed on March 27, 2020. One of the purposes was to reimburse eligible health care providers for health care-related expenses or lost revenue attributable to COVID-19. The act also provided grants to Healthcare entities based on prior year Medicare payments. The CARES act exempted Medicare from the effects of sequestration from May 1, 2020 to December 31, 2020. This also extends until at least December 31, 2021. In addition, it authorized accelerated payments to Medicare providers, which are advances to be paid back beginning one year after the payments were received. Medicare began withholding Medicare payments in April 2021 to pay back the advance received.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2022

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.

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, 2022 and 2021, 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>.

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THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Net Position as of June 30, 2022 and 2021

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2022	2021 (restated)	2022	2021 (restated)
ASSETS				
Current assets				
Cash and cash equivalents (note 3)	\$ 425,051,267	\$ 591,965,164	\$ 22,089,612	\$ 15,440,101
Short-term investments (note 3)	446,048,853	467,322,913	9,043,207	13,555,856
Accounts receivable, net (note 4)	62,028,148	64,685,652	1,234,478	1,383,464
Patient receivables, net (note 4)	214,671,964	212,619,315	-	-
Leases receivable (note 15)	5,080,293	5,046,093	-	-
Leases interest receivable (note 15)	56,101	61,149	-	-
Due from component units	6,440,370	6,585,339	-	-
Due from The University of New Mexico	-	-	-	144,383
Notes receivable (note 5)	5,431,688	4,857,348	-	-
Estimated third-party payor settlements	129,187,538	101,992,936	-	-
Other receivables (note 4)	20,703,467	10,414,407	-	-
Inventories	27,741,898	25,401,883	-	-
Other current assets (note 7)	16,742,247	14,676,975	935,928	619,981
Total current assets	\$ 1,359,183,834	\$ 1,505,629,174	\$ 33,303,225	\$ 31,143,785
Noncurrent assets				
Cash and cash equivalents (note 3)	\$ 47,077,875	\$ 10,703,437	\$ -	\$ -
Cash and cash equivalents – restricted (note 3)	159,252,813	188,662,674	-	-
Leases receivable (note 15)	29,342,086	35,410,441	-	-
Due from component units	64,360,849	3,193,588	-	-
Notes receivable (note 5)	2,473,214	3,870,909	-	-
Investments (note 3)	367,372,348	387,233,666	353,407,891	305,681,372
Investment in Lovelace UNM Rehab Hospital, net	11,582,677	15,572,910	-	-
Derivative instruments – interest rate swaps overlay (note 13)	202,876	1,131,716	-	-
Beneficial interest in irrevocable split interest agreements	-	-	18,719,224	22,990,912
Other noncurrent assets (note 7)	7,991,349	7,770,573	4,541,898	4,495,568
Right-to-use assets, net (note 15)	45,514,768	49,581,062	-	-
Capital assets, net (note 6)	1,530,236,881	1,373,471,494	147,867	189,974
Total noncurrent assets	\$ 2,265,407,736	\$ 2,076,602,470	\$ 376,816,880	\$ 333,357,826
Total assets	\$ 3,624,591,570	\$ 3,582,231,644	\$ 410,120,105	\$ 364,501,611
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions (note 17)	\$ 914,605,657	\$ 1,485,022,264	\$ -	\$ -
Related to OPEB (note 18)	33,407,200	11,517,900	-	-
Interest rate swaps (note 13)	2,128,986	5,999,594	-	-
Loss on bond refundings	7,918,523	8,735,919	-	-
Total deferred outflows of resources	\$ 958,060,366	\$ 1,511,275,677	\$ -	\$ -

See accompanying notes to the basic financial statements.

(Continued)

THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Net Position as of June 30, 2022 and 2021

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2022	2021 (restated)	2022	2021 (restated)
LIABILITIES				
Current liabilities				
Accounts payable and accrued payroll (note 8)	\$ 216,281,109	\$ 188,103,782	\$ 1,876,041	\$ 1,463,092
Bonds payable – current portion (notes 12 and 13)	30,215,000	29,130,000	-	-
Long-term debt – current portion (note 12)	6,007,069	6,915,884	-	-
Leases payable (note 15)	8,330,759	8,360,766	-	-
Due to component units	-	144,383	-	-
Due to The University of New Mexico (note 12)	-	-	6,440,370	6,585,339
Unearned revenue (note 11)	69,983,658	107,747,847	-	-
Accrued compensated absences (note 9)	74,324,953	78,609,457	-	-
Estimated third-party payor settlements	132,062,333	117,670,330	-	-
Medicare accelerated and advance payment program	17,841,911	76,455,318	-	-
Notes payable – current portion (note 12)	-	-	-	1,316,825
Deposits and funds held for others	4,461,942	4,675,278	-	-
Other accrued liabilities (note 10)	20,592,741	27,104,404	9,034,026	1,632,977
Total current liabilities	\$ 580,101,475	\$ 644,917,449	\$ 17,350,437	\$ 10,998,233
Noncurrent liabilities (note 12)				
Bonds payable (notes 12 and 13)	\$ 393,442,691	\$ 425,779,440	\$ -	\$ -
Long-term debt (note 12)	146,543,975	101,200,167	-	-
Leases payable (note 15)	38,569,811	42,141,290	-	-
Due to The University of New Mexico (note 12)	-	-	64,360,849	3,193,588
Student loan program (note 12)	5,515,482	7,307,366	-	-
Derivative instruments – interest rate swaps (notes 12 and 13)	2,128,986	5,999,594	-	-
Net pension liability (notes 12 and 17)	1,120,230,812	3,204,781,099	-	-
Net OPEB liability (notes 12 and 18)	106,881,900	89,515,000	-	-
Other noncurrent liabilities (note 12)	704,156	241,970	1,784,101	2,192,421
Total noncurrent liabilities	\$ 1,814,017,813	\$ 3,876,965,926	\$ 66,144,950	\$ 5,386,009
Total liabilities	\$ 2,394,119,288	\$ 4,521,883,375	\$ 83,495,387	\$ 16,384,242
DEFERRED INFLOWS OF RESOURCES				
Related to pensions (note 17)	\$ 1,583,846,628	\$ 66,126,474	\$ -	\$ -
Related to OPEB (note 18)	31,699,900	36,610,600	-	-
Related to leases (note 15)	33,652,814	40,048,891	-	-
Gain on bond refundings	976,927	1,122,318	-	-
Beneficial interest in irrevocable split interest agreements	-	-	644,670	23,295,038
Unearned revenue	-	-	18,951,584	632,123
Total deferred inflows of resources	\$ 1,650,176,269	\$ 143,908,283	\$ 19,596,254	\$ 23,927,161

See accompanying notes to the basic financial statements.

(Continued)

EXHIBIT A

Statements of Net Position as of June 30, 2022 and 2021

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2022	2021 (restated)	2022	2021 (restated)
NET POSITION				
Net investment in capital assets	\$ 994,286,017	\$ 858,830,314	\$ 147,867	\$ 189,974
Restricted for:				
Nonexpendable:				
Scholarships	144,615,210	156,499,331	-	-
Grants, bequests, and contributions	6,000,653	6,001,664	263,699,944	275,007,796
Expendable:				
Scholarships	3,167,815	3,475,044	-	-
Grants, bequests, and contributions	26,205,456	26,934,933	-	-
Debt service	48,339,878	51,866,691	-	-
Capital projects	6,492,954	22,042,309	-	-
Other	-	-	23,232,465	26,281,481
Unrestricted (note 20)	(690,751,604)	(697,934,623)	19,948,188	22,710,957
Total net position	\$ 538,356,379	\$ 427,715,663	\$ 307,028,464	\$ 324,190,208

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, 2022 and 2021

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2022	2021 (restated)	2022	2021 (restated)
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of \$92,455,643 in 2022 and \$83,581,800 in 2021)	\$ 125,958,824	\$ 130,344,997	\$ -	\$ -
Net patient service (note 14)	1,657,610,012	1,592,975,818	-	-
Federal grants and contracts	343,071,519	310,304,256	-	-
State and local grants and contracts	46,965,413	41,747,252	-	-
Nongovernmental grants, contracts, bequests, and contributions	37,959,906	32,032,163	58,421,965	26,623,601
Sales and services	92,983,854	73,625,231	65,191	91,585
Auxiliary enterprises (net of scholarship allowances of \$10,581,269 in 2022 and \$5,823,119 in 2021)	29,240,169	17,175,149	-	-
Other operating revenues	73,353,664	117,985,419	9,616,956	8,576,740
Total operating revenues	\$ 2,407,143,361	\$ 2,316,190,285	\$ 68,104,112	\$ 35,291,926
OPERATING EXPENSES				
Educational and general				
Instruction	\$ 253,282,983	\$ 242,992,467	\$ -	\$ -
Research	251,903,738	258,755,275	-	-
Public service	1,839,319,639	1,675,932,773	-	-
Academic support	47,693,813	43,201,530	-	-
Student services	30,402,504	28,739,834	-	-
Institutional support	65,352,230	60,460,362	-	-
Operation and maintenance of plant	83,725,095	86,420,823	-	-
Depreciation expense	114,218,142	106,581,466	-	-
Student aid	31,528,079	16,641,494	-	-
Student activities	9,083,718	6,478,706	-	-
Intercollegiate athletics	31,199,909	24,458,665	-	-
Auxiliary enterprises	34,756,762	33,329,867	-	-
GASB 68 pension expense (note 17)	84,357,435	766,700,778	-	-
GASB 75 OPEB expense (income) (note 18)	229,400	(2,882,000)	-	-
Distributions to The University of New Mexico	-	-	64,012,806	33,383,432
Other operating expenses	81,265,169	116,093,346	20,347,850	14,659,745
Total operating expenses	\$ 2,958,318,616	\$ 3,463,905,386	\$ 84,360,656	\$ 48,043,177
Operating loss	\$ (551,175,255)	\$ (1,147,715,101)	\$ (16,256,544)	\$ (12,751,251)

See accompanying notes to the basic financial statements.

(Continued)

EXHIBIT B

Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2022 and 2021

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2022	2021	2022	2021
NONOPERATING REVENUES (EXPENSES)				
State appropriations	\$ 346,263,042	\$ 322,785,925	\$ -	\$ -
Local appropriations	17,306,797	21,187,446	-	-
County mill levies	122,165,497	119,282,236	-	-
Federal pell grants	32,786,601	33,495,135	-	-
Federal CARES Act grants	66,863,971	92,336,723	-	-
State lottery scholarships	29,788,328	21,366,828	-	-
Gifts	68,464,831	40,576,948	-	-
Federal bond subsidy	-	7,333	-	-
Investment income (loss) (note 3)	(27,933,275)	78,944,518	(13,673,336)	73,738,105
Interest on capital asset-related debt	(16,678,724)	(16,456,762)	-	-
Loss on disposal of capital assets	(34,384)	(423,463)	-	-
Other nonoperating revenues and expenses, net	7,848,936	(22,768,728)	1,238,052	369,284
Net nonoperating revenues (expenses)	\$ 646,841,620	\$ 690,334,139	\$ (12,435,284)	\$ 74,107,389
Income (loss) before capital contributions	\$ 95,666,365	\$ (457,380,962)	\$ (28,691,828)	\$ 61,356,138
Capital appropriations	\$ 14,931,141	\$ 17,636,617	\$ -	\$ -
Capital grants and gifts	43,210	3,172	-	-
Discontinued operations (note 2(A))	-	(7,481,562)	(4,464,162)	-
Contributions to permanent endowments	-	-	15,994,246	16,119,005
Total capital contributions	\$ 14,974,351	\$ 10,158,227	\$ 11,530,084	\$ 16,119,005
Change in net position	\$ 110,640,716	\$ (447,222,735)	\$ (17,161,744)	\$ 77,475,143
NET POSITION				
Net position at beginning of year	427,715,663	875,390,600	324,190,208	246,715,065
Impact of change in accounting pronouncements (note 2(D))	-	(452,202)	-	-
Net position at end of year	\$ 538,356,379	\$ 427,715,663	\$ 307,028,464	\$ 324,190,208

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tuition and fees	\$ 128,102,352	\$ 133,973,581
Cash received from grants and contracts	382,418,622	429,561,778
Cash received from insurance and patients	1,679,974,039	1,636,640,890
Cash received from Medicare advance payment plan	-	-
Cash received from sales and services	50,067,450	47,582,528
Cash received from auxiliary enterprise charges	30,916,103	19,266,862
Cash payments to employees	(1,387,133,803)	(1,386,718,356)
Cash payments for benefits	(261,418,304)	(243,545,689)
Cash payments to suppliers	(740,093,960)	(741,653,853)
Cash payments for utilities	(38,884,370)	(38,026,388)
Cash payments for scholarships and fellowships	(43,863,106)	(24,134,686)
Cash payments to State of New Mexico for intergovernmental transfer	(53,099,710)	(18,900,000)
Cash payments to State of New Mexico for gross receipts tax	(29,568,038)	(29,499,491)
Loans issued to students	(1,573,298)	(1,555,357)
Collection of loans to students	1,760,724	1,514,283
Other cash payments	(261,016,612)	(52,880,330)
Net cash used in operating activities	\$ (543,411,911)	\$ (268,374,228)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from state appropriations	\$ 346,061,142	\$ 322,588,825
Cash received from local appropriations	17,306,797	21,187,446
Cash received from county mill levies	122,343,771	118,651,644
Cash received from federal pell grants	32,777,293	32,203,546
Cash received from federal CARES Act grants	62,696,211	88,718,809
Cash received from state lottery scholarships	29,788,328	21,366,828
Cash received from gifts and the University of New Mexico Foundation	6,208,344	40,233,547
Drawdowns of federal direct loan proceeds	75,804,460	76,962,133
Disbursements of federal direct loans to students	(76,970,454)	(79,902,772)
Other nonoperating cash receipts	14,197,785	1,164,988
Net cash provided by noncapital financing activities	\$ 630,213,677	\$ 643,174,994
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from bond issuance	\$ -	\$ 72,462,906
Cash received from mortgage refinancing	-	111,440,227
Cash received from capital appropriations	15,103,643	14,975,843
Cash received from federal bond subsidy	-	877,713
Cash received from disposal of capital assets	429,909	699,648
Cash received from draws on construction loan	51,689,289	-
Purchases of capital assets	(278,306,939)	(151,863,440)
Principal payments on bonds	(29,130,000)	(205,805,000)
Interest payments on bonds	(13,228,675)	(20,389,659)
Principal payments on mortgage	(5,708,461)	(5,134,468)
Interest and insurance payments on mortgage	(2,600,785)	(2,162,787)
Cash payments for mortgage reserve funds	(182,309)	(187,827)
Other cash payments	(11,813,583)	(11,370,059)
Net cash used in capital and related financing activities	\$ (273,747,911)	\$ (196,456,903)

See accompanying notes to the basic financial statements.

(Continued)

EXHIBIT C

Statements of Cash Flows for the years ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	\$ 309,836,391	\$ 322,769,551
Purchases of investments	(331,438,996)	(346,588,022)
Distributions from land grant permanent fund and land maintenance fund	11,813,409	10,909,456
Investment income	25,686,293	22,611,766
Investment in Lovelace UNM Rehab Hospital	2,105	5,135,351
Cash withdrawals from 2015 bond reserve fund	11,097,623	1,037
Net cash provided by investing activities	\$ 26,996,825	\$ 14,839,139
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents – beginning of year	791,331,275	598,148,273
Cash and cash equivalents – end of year	\$ 631,381,955	\$ 791,331,275
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (551,175,255)	\$ (1,147,715,101)
Adjustments to reconcile net operating loss to net cash used in operating activities		
Depreciation expense	114,218,142	106,581,466
Amortization, right to use asset	2,354,301	-
Provision for doubtful accounts	103,124,054	116,107,562
Changes in assets, deferred outflows, liabilities, and deferred inflows		
Accounts receivable	(3,262,086)	3,046,830
Patient receivables	(101,882,285)	(147,132,652)
Estimated third-party payor settlements receivables	(27,673,727)	(11,333,258)
Notes receivable	1,989,348	1,367,302
Inventories	(2,340,015)	(1,749,337)
Other assets	(8,087,739)	3,330,756
Due from component units	(1,802,705)	1,167,541
Due to component units	(144,383)	91,407
Accounts payable	27,756,843	26,891,982
Accrued expenses and compensated absences	(9,106,513)	14,204,518
Other current liabilities	1,059,491	(2,220,201)
Estimated third-party payor settlements liability	14,871,128	41,294,921
Unearned revenue	(38,850,477)	50,415,776
Medicare advance payment plan	(58,613,407)	(9,704,986)
Net pension liability	(2,084,550,287)	1,960,423,801
Net OPEB liability	17,366,900	(7,196,700)
Deferred outflows of resources	548,527,307	(1,229,763,504)
Deferred inflows of resources	1,512,809,454	(36,482,351)
Net cash used in operating activities	\$ (543,411,911)	\$ (268,374,228)

See accompanying notes to the basic financial statements.

University of New Mexico Retiree Welfare Benefit Trust
 Statements of Fiduciary Net Position as of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 305,520	\$ (280,225)
Investments	51,900,147	59,291,982
Interest receivable	906	15
Total assets	<u>\$ 52,206,573</u>	<u>\$ 59,011,772</u>
LIABILITIES		
Unsettled transactions	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>
NET POSITION		
Net position restricted for postemployment benefits other than pensions	\$ 52,206,573	\$ 59,011,772
Total net position	<u>\$ 52,206,573</u>	<u>\$ 59,011,772</u>

See accompanying notes to the basic financial statements.

University of New Mexico Retiree Welfare Benefit Trust
 Statements of Changes in Fiduciary Net Position for the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ADDITIONS		
University of New Mexico contributions	\$ 1,967,269	\$ 2,046,472
Employee contributions	1,967,269	2,046,472
Investment (loss) income:		
Net increase in fair value of investments	(11,530,255)	10,831,445
Interest and dividends	882,784	649,540
Less investment expense	(86,241)	(72,941)
Net investment (loss) income	<u>(10,733,712)</u>	<u>11,408,044</u>
Total additions	\$ (6,799,174)	\$ 15,500,988
DEDUCTIONS		
Administrative expenses	\$ 6,025	\$ 8,709
Total deductions	\$ 6,025	\$ 8,709
Net (decrease) increase in net position	\$ (6,805,199)	\$ 15,492,279
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS		
Net position at beginning of year	59,011,772	43,519,493
Net position at end of year	<u><u>\$ 52,206,573</u></u>	<u><u>\$ 59,011,772</u></u>

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

(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 Annual Comprehensive 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

Blended Component Units

- **UNM Rainforest Innovations**

UNM Rainforest Innovations (formerly known as STC.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. UNM Rainforest Innovations was determined to be a component unit, because it is fiscally dependent on the University. UNM Rainforest Innovations, 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

- **Innovate ABQ, Inc.**

Innovate ABQ, Inc. was 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 was operated exclusively for charitable, scientific, and educational purposes under Section 501(c)(3) of the IRC. Innovate ABQ, 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. In fiscal year 2021, ownership of Innovate ABQ, Inc. was transferred to UNM. Innovate ABQ, Inc. is, therefore, no longer considered a component unit of UNM. Lobo Development Corporation and UNM Rainforest Innovations will jointly oversee the Innovate ABQ project going forward. Prior to its transfer to UNM, Innovate ABQ was determined to be a component unit, because the University appointed a voting majority of Innovate ABQ's board and was 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 as 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 as the University management concluded that it would be misleading to exclude it.

In Fiscal year 2022, the Anderson Foundation Board met Tuesday, April 12th, 2022, the board approved the dissolution of the Anderson Foundation with assets being redirected to the UNM Foundation for the benefit of Anderson Schools of Management as follows:

Anderson School of Management Hall of Fame Endowed Scholarship – 40% of Foundation Assets

Anderson Student Success Fund – 20% of Foundation Assets

ASM Faculty Excellence Fund – 20% of Foundation Assets

Anderson Development Fund – 20% of Foundation Assets

The decision on where assets would be directed focused on the genesis of the foundation being a beacon for student scholarships for both undergraduate and graduate level, support of the Anderson Faculty, and supporting the acting Dean. The University of New Mexico, The Robert O. Anderson Schools of Management Foundation, MSC05 3090, 1924 Las Lomas NE, Albuquerque, NM 87131.

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- **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 as it is fiscally dependent on the University. The University of New Mexico Alumni Association at Hodgkin Hall, Albuquerque, NM 87131.

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

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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.

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>2022</u>	<u>2021</u>
Medicare and Medicaid	57%	55%
Other third-party payors	32%	33%
Others	11%	12%
	<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.

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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 are recorded at the lower of cost or market. Cost is determined using the first-in, first-out method, except the replacement cost method is used for pharmacy and operating room inventories. Inventory consists principally of medical, surgical and maintenance supplies, and pharmaceuticals are stated at the lower of cost or market.

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. 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 \$612,887 and \$726,529 at June 30, 2022 and 2021, 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.

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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.

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

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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 \$5,172,433 and \$5,768,142 at June 30, 2022 and 2021, respectively. The Hospital and SRMC had no unspent bond proceeds at June 30, 2022 and 2021, respectively. Unamortized prepaid bond insurance for the University was \$211,005 and \$219,723 at June 30, 2022 and 2021, 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 the 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 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

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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) *Changes in Accounting Policies and Statements*

The University adopted GASB Statement 87, *Leases*, during fiscal year 2022. The changes adopted were applied retroactively for all periods presented. GASB Statement 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

As a result of the implementation of GASB Statement 87, the University restated net position as of July 1, 2020. This resulted in a decrease of \$32,235,046 in unrestricted net position, an increase of \$34,782,844 in net investment in capital assets, resulting in a decrease in total net position of (\$452,202) for fiscal year 2021. The implementation of GASB Statement 87 also resulted in the recognition in fiscal year 2021 of \$49,581,062 in right-to-use assets, \$50,463,606 in lease liabilities, \$5,107,242 increase in lease receivables, and \$40,048,891 in deferred inflows of resources related to leases, all of which had not been

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recognized prior to fiscal year 2021. Leases were recognized and measured using the facts and circumstances that existed at the beginning of the period.

(E) *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).

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).

UNM Rainforest Innovations, 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.

(F) *Joint Powers Agreements*

- (1) The Regents of The University of New Mexico and the Board of County Commissioners of the County of Bernalillo entered into a lease agreement for operation and lease of county healthcare facilities, effective July 1, 1999, amended June 2004 and terminating June 20, 2040. The purpose of the agreement is to operate and maintain UNM Hospital and UNM Behavioral 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

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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.
- (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. 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.

(G) *Reclassifications*

Certain 2021 amounts have been reclassified to be consistent with the 2022 presentation.

(H) *Impact of Recently Issued Accounting Standards*

- (1) 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

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year 2023), and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 91 will have on its financial statements.

- (2) GASB Statement 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership agreements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined by this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB Statement 94 is effective for periods beginning after June 15, 2022 (fiscal year 2023), and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 94 will have on its financial statements.
- (3) GASB Statement 96 – *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an , exchange or exchange-like transaction. GASB Statement 96 is effective for periods beginning after June 15, 2022 (fiscal year 2023), and earlier application is encouraged. The University is currently evaluating the impact GASB Statement 96 will have on its financial statements.
- (4) GASB Statement 99 – *Omnibus 2022*. This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. Practice issues addressed by this Statement include classification and reporting of derivative instruments within the scope of Statement No. 53, clarification of provisions in Statement No. 87, *Leases*, clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, and other various clarifications. These will be effective after FY2023, the University is currently evaluating the impact GASB 99 will have on its financial statements.

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(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 \$631,381,955 and \$791,331,275 at June 30, 2022 and 2021, 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 59% of the invested balance. At June 30, 2022 and 2021, 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, 2022 and June 30, 2021, the total primary institution's deposits were fully insured and/or collateralized.

During FY22, the primary institution swept excess checking balances into overnight commercial paper issued by U.S. Bank. At June 30, 2022, this cash equivalent had a carrying amount of \$40,786,300 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, 2022, this cash equivalent had a carrying value of \$60,744,123 and is 100% FDIC insured. Therefore, it is not subject to custodial credit risk.

A summary of cash and cash equivalents at June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Demand and time deposits	\$ 596,155,123	\$ 685,690,387
Commercial paper	40,786,300	110,782,961
Money markets	179,020	286,571
VEBA Trust	305,520	280,225
Other (includes petty cash and component units' cash held by UNM)	(6,044,008)	(5,708,869)
	<u>\$ 631,381,955</u>	<u>\$ 791,331,275</u>

The discretely presented component units' cash accounts held in demand and time deposits at various institutions had carrying amounts totaling \$22,089,612 and \$15,440,101 at June 30, 2022 and 2021, respectively. Certain amounts are invested in overnight sweep accounts and are collateralized at various levels of the invested balance. At June 30, 2022 and 2021, these funds were collateralized by government-backed securities held in the component unit's name. At June 30, 2022 and June 30, 2021, the total discretely presented component units' public deposits were fully insured and/or collateralized.

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(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, 2022 and 2021, UNM's portion of the CIF was \$255,214,854 and \$277,822,579, respectively.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

Consolidated Investment Fund

	<u>2022</u>	<u>2021</u>
Units:		
UNM Foundation	683,024	565,486
University of New Mexico	<u>499,700</u>	<u>519,398</u>
	<u><u>1,182,724</u></u>	<u><u>1,084,884</u></u>
Fair Value (in millions):		
UNM Foundation	\$ 348.8	\$ 302.4
University of New Mexico	<u>255.2</u>	<u>277.8</u>
	<u><u>\$ 604.0</u></u>	<u><u>\$ 580.2</u></u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

Total primary institution investments by type at June 30, 2022 and 2021 are as follows:

<i>Primary Institution 2022</i>	Temporary Investments	Consolidated Investment Fund	Other Long-Term Investments	VEBA Trust	Fair Value
Cash	\$ 4,141,346	\$ -	\$ -	\$ -	\$ 4,141,346
Money Market	3,202,067	39,083,967	33,428,569	1,205,624	76,920,227
Certificate of Deposit	-	-	2,499,913	-	2,499,913
U S Treasury Securities	221,856,371	-	2,422,856	-	224,279,227
U S Government Agencies	-	-	23,535,009	-	23,535,009
Corporate Bonds/Notes	133,226,863	-	13,129,794	-	146,356,657
Municipal Bonds	6,031,193	-	-	-	6,031,193
Mutual Funds — Fixed	2,988,583	36,807,172	-	18,785,331	58,581,086
Mutual Funds — Equity	7,289,770	306,759,013	-	31,909,192	345,957,975
Exchange-Traded Funds	3,991,242	14,807,193	-	-	18,798,435
Foreign Issues	63,321,418	-	-	-	63,321,418
Equity	-	-	37,071,450	-	37,071,450
Alternative Investments	-	206,646,015	-	-	206,646,015
	\$ 446,048,853	\$ 604,103,360	\$ 112,087,591	\$ 51,900,147	\$ 1,214,139,951
University of New Mexico Foundation, Inc Investments held in Consolidated Investment Fund	-	(348,818,603)	-	-	(348,818,603)
Total Investments	\$ 446,048,853	\$ 255,284,757	\$ 112,087,591	\$ 51,900,147	\$ 865,321,348

<i>Primary Institution 2021</i>	Temporary Investments	Consolidated Investment Fund	Other Long-Term Investments	VEBA Trust	Fair Value
Cash	\$ 9,234,789	\$ -	\$ -	\$ 300,000	\$ 9,534,789
Money Market	2,888,454	76,253,700	33,238,338	490,380	112,870,872
Certificate of Deposit	-	-	3,237,636	-	3,237,636
U S Treasury Securities	225,406,617	-	15,652,010	-	241,058,627
U S Government Agencies	7,385,144	-	9,624,506	-	17,009,650
Corporate Bonds/Notes	144,300,710	-	12,842,974	-	157,143,684
Municipal Bonds	6,336,262	-	-	-	6,336,262
Mutual Funds — Fixed	3,326,409	37,664,882	-	19,521,015	60,512,306
Mutual Funds — Equity	9,319,953	246,655,116	-	38,980,587	294,955,656
Exchange-Traded Funds	2,179,462	-	-	-	2,179,462
Foreign Issues	54,451,414	-	-	-	54,451,414
Equity	2,493,699	-	34,815,623	-	37,309,322
Alternative Investments	-	219,723,764	-	-	219,723,764
	\$ 467,322,913	\$ 580,297,462	\$ 109,411,087	\$ 59,291,982	\$ 1,216,323,444
University of New Mexico Foundation, Inc Investments held in Consolidated Investment Fund	-	(302,474,883)	-	-	(302,474,883)
Total Investments	\$ 467,322,913	\$ 277,822,579	\$ 109,411,087	\$ 59,291,982	\$ 913,848,561

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

Total discretely presented component unit investments by type at June 30, 2022 and 2021 are as follows:

<i>Discretely Presented Component Units 2022</i>	Temporary	Consolidated	Other Long-	Fair Value
	Investments	Investment Fund	Term Investments	
Money Market	\$ -	\$ 22,571,031	\$ -	\$ 22,571,031
U.S. Government Obligations	465,120	-	-	465,120
Mortgage-/Asset-Backed Bonds	577,404	-	-	577,404
Corporate Bonds/Notes	653,909	-	-	653,909
Mutual Funds — Fixed	-	21,256,180	2,565,343	23,821,523
Mutual Funds — Equity	2,102,686	177,153,645	337,855	179,594,186
Exchange-Traded Funds	-	8,569,363	-	8,569,363
Equity	4,016,542	-	1,616,187	5,632,729
Alternative Investments	1,227,546	119,338,287	-	120,565,833
Total Investments	\$ 9,043,207	\$ 348,888,506	\$ 4,519,385	\$ 362,451,098

<i>Discretely Presented Component Units 2021</i>	Temporary	Consolidated	Other Long-	Fair Value
	Investments	Investment Fund	Term Investments	
Money Market	\$ -	\$ 39,746,667	\$ -	\$ 39,746,667
U.S. Government Obligations	1,535,402	-	-	1,535,402
Mortgage-/Asset-Backed Bonds	447,860	-	-	447,860
Corporate Bonds/Notes	804,615	-	-	804,615
Mutual Funds — Fixed	450,712	19,632,481	2,583,180	22,666,373
Mutual Funds — Equity	2,502,742	128,566,759	370,589	131,440,090
Exchange-Traded Funds	-	52,777	-	52,777
Equity	7,480,218	-	-	7,480,218
Alternative Investments	534,250	114,528,976	-	115,063,226
Total Investments	\$ 13,755,799	\$ 302,527,660	\$ 2,953,769	\$ 319,237,228

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, 2022 and 2021, the primary institution had no exposure to custodial credit risk. At June 30, 2022 and 2021, the discretely presented component units had exposure to custodial credit risk in the amounts of \$8,049,673 and \$10,802,345, 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

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, 2022 and 2021 and their exposure to interest rate risk are as follows:

<i>Primary Institution 2022</i>	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	\$ 61,457,447	\$ 18,494,673	\$ 2,673,183	\$ 1,205,624	\$ 39,083,967
Certificates of Deposit	2,499,913	-	2,499,913	-	-
U.S. Treasury Securities	224,279,227	42,196,950	182,082,277	-	-
U.S. Government Agencies	23,535,009	-	23,535,009	-	-
Corporate Bonds/Notes	146,356,657	16,992,280	129,364,377	-	-
Municipal Bonds	6,031,193	1,859,376	4,171,817	-	-
Mutual Funds — Fixed	2,988,583	-	311,846	2,447,044	229,693
	<u>\$ 467,148,029</u>	<u>\$ 79,543,279</u>	<u>\$ 344,638,422</u>	<u>\$ 3,652,668</u>	<u>\$ 39,313,660</u>
Items not subject to interest rate risk:					
Cash	\$ 4,141,346				
Money Market	15,462,780				
Mutual Funds — Fixed	55,592,503				
Mutual Funds — Equity	345,957,975				
Exchange-Traded Funds	18,798,435				
Foreign Issues	63,321,418				
Equity	37,071,450				
Alternative Investments	206,646,015				
	<u>\$ 746,991,922</u>				
University of New Mexico Foundation, Inc. Investments held in Consolidated Investment Fund	(348,818,603)				
Total Investments	<u>\$ 865,321,348</u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

<i>Primary Institution 2021</i>	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	\$ 97,595,015	\$ 18,207,319	\$ 2,643,616	\$ 490,380	\$ 76,253,700
Certificates of Deposit	3,237,636	-	3,237,636	-	-
U.S. Treasury Securities	241,058,627	21,336,645	219,721,982	-	-
U.S. Government Agencies	17,009,650	7,385,144	9,624,506	-	-
Corporate Bonds/Notes	157,143,684	11,794,593	145,349,091	-	-
Municipal Bonds	6,336,262	900,000	5,436,262	-	-
Mutual Funds — Fixed	3,326,409	-	328,657	2,877,532	120,220
	<u>\$ 525,707,283</u>	<u>\$ 59,623,701</u>	<u>\$ 386,341,750</u>	<u>\$ 3,367,912</u>	<u>\$ 76,373,920</u>
Items not subject to interest rate risk:					
Cash	\$ 9,534,789				
Money Market	15,275,857				
Mutual Funds — Fixed	57,185,897				
Mutual Funds — Equity	294,955,656				
Exchange-Traded Funds	2,179,462				
Foreign Issues	54,451,414				
Equity	37,309,322				
Alternative Investments	219,723,764				
	<u>\$ 690,616,161</u>				
University of New Mexico Foundation, Inc.					
Investments held in Consolidated Investment	(302,474,883)				
Total Investments	<u>\$ 913,848,561</u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

<i>Discretely Presented Component Units</i>	2022	Fair Value	Investment Maturities			
			Less than 1 Year	1—5 Years	6—10 Years	Greater than 10 Years
Items subject to interest rate risk:						
U.S. Government Securities	\$	465,120	\$ -	\$ 202,692	\$ 77,417	\$ 185,011
Corporate Bonds/Notes		653,909	9,135	229,202	334,861	80,711
Mortgage/Asset-Backed Bonds		577,404	-	68,900	42,481	466,023
	\$	<u>1,696,433</u>	\$ 9,135	\$ 500,794	\$ 454,759	\$ 731,745
Items not subject to interest rate risk:						
Money Market	\$	22,571,031				
Mutual Funds — Fixed		23,821,523				
Mutual Funds — Equity		179,594,186				
Exchange - Traded Funds		8,569,363				
Corporate Stock - Equities		5,632,729				
Alternative Investments		120,565,833				
	\$	<u>360,754,665</u>				
Total Investments	\$	<u>362,451,098</u>				

<i>Discretely Presented Component Units</i>	2021	Fair Value	Investment Maturities			
			Less than 1 Year	1—5 Years	6—10 Years	Greater than 10 Years
Items subject to interest rate risk:						
U.S. Government Securities	\$	1,535,402	\$ 94,539	\$ 806,207	\$ 192,374	\$ 442,282
Corporate Bonds/Notes		804,615	5,050	247,592	491,477	60,496
Mortgage/Asset-Backed Bonds		447,860	-	30,635	20,413	396,812
	\$	<u>2,787,877</u>	\$ 99,589	\$ 1,084,434	\$ 704,264	\$ 899,590
Items not subject to interest rate risk:						
Money Market	\$	39,746,667				
Mutual Funds — Fixed		22,666,373				
Mutual Funds — Equity		131,440,090				
Exchange - Traded Funds		52,777				
Corporate Stock - Equities		7,480,218				
Alternative Investments		115,063,226				
	\$	<u>316,449,351</u>				
Total Investments	\$	<u>319,237,228</u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

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, 2022 and 2021 and their exposure to credit risk are as follows:

Primary Institution 2022

Items subject to credit risk:

Credit Rating	Money Market	U.S.			Mutual Funds —		Fair Value
		Government Agencies	Corporate Bonds/Notes	Municipal Bonds	Closed-end Equity		
Moody's — Aaa	\$ -	\$ -	\$ 4,977,419	\$ -	\$ -	\$ 4,977,419	
Moody's — Aa1	-	-	-	250,083	-	250,083	
Moody's — Aa2	-	-	5,535,302	1,609,294	-	7,144,596	
Moody's — Aa3	-	-	1,296,580	3,260,766	-	4,557,346	
Moody's — A1	-	-	29,442,837	911,050	-	30,353,887	
Moody's — A2	-	-	32,739,305	-	-	32,739,305	
Moody's — A3	-	-	31,062,736	-	-	31,062,736	
Moody's — Baa1	-	-	21,681,862	-	-	21,681,862	
Moody's — Baa2	-	-	5,351,006	-	-	5,351,006	
Moody's — Baa3	-	-	1,139,816	-	-	1,139,816	
S&P — AAA	-	13,686,319	-	-	297,053	13,983,372	
S&P — AA	-	-	1,166,263	-	1,719,312	2,885,575	
S&P — A	-	322,304	10,110,125	-	748,901	11,181,330	
S&P — BBB	-	-	1,853,406	-	91,207	1,944,613	
S&P — BBB+	-	-	-	-	132,110	132,110	
Not Rated	33,638,979	-	-	-	-	33,638,979	
Total items subject to credit risk	\$ 33,638,979	\$ 14,008,623	\$ 146,356,657	\$ 6,031,193	\$ 2,988,583	\$ 203,024,035	

Items not subject to credit risk:

Cash	\$ 4,141,346
Money Market	43,281,248
Certificate of Deposit	2,499,913
U.S. Treasury Securities	224,279,227
U.S. Government Agencies	9,526,386
Mutual Funds — Fixed	55,592,503
Mutual Funds — Equity	345,957,975
Exchange-Traded Funds	18,798,435
Foreign Issues	63,321,418
Equity	37,071,450
Alternative Investments	206,646,015
Total items not subject to credit risk	\$ 1,011,115,916

University of New Mexico Foundation, Inc.
Investments held in Consolidated Investment Fund (348,818,603)

Total Investments \$ 865,321,348

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

Primary Institution 2021

Items subject to credit risk:

Credit Rating	Money Market	U.S.		Municipal Bonds	Mutual Funds —		Fair Value
		Government Agencies	Corporate Bonds/Notes		Closed-end Equity		
Moody's — Aaa	\$ -	\$ 7,385,144	\$ 2,631,315	\$ -	\$ -	\$ -	\$ 10,016,459
Moody's — Aa1	-	-	3,250,399	259,692	-	-	3,510,091
Moody's — Aa2	-	-	6,565,554	2,545,658	-	-	9,111,212
Moody's — Aa3	-	-	4,662,607	3,530,912	-	-	8,193,519
Moody's — A1	-	-	24,957,584	-	-	-	24,957,584
Moody's — A2	-	-	45,506,709	-	-	-	45,506,709
Moody's — A3	-	-	34,814,674	-	-	-	34,814,674
Moody's — Baa1	-	-	16,477,251	-	-	-	16,477,251
Moody's — Baa2	-	-	4,193,753	-	-	-	4,193,753
Moody's — Baa3	-	-	1,240,864	-	-	-	1,240,864
S&P — AAA	-	14,419,137	40,859	-	111,173	-	14,571,169
S&P — AA	-	-	1,770,951	-	2,396,857	-	4,167,808
S&P — A	-	-	8,992,242	-	240,004	-	9,232,246
S&P — BBB	-	-	2,038,922	-	300,765	-	2,339,687
S&P — BBB+	-	-	-	-	277,610	-	277,610
Not Rated	33,483,176	-	-	-	-	-	33,483,176
Total items subject to credit risk	\$ 33,483,176	\$ 21,804,281	\$ 157,143,684	\$ 6,336,262	\$ 3,326,409	\$ -	\$ 222,093,812

Items not subject to credit risk:

Cash	\$ 9,534,789
Money Market	79,387,696
Certificate of Deposit	3,237,636
U.S. Treasury Securities	226,639,490
U.S. Government Agencies	9,624,506
Mutual Funds — Fixed	57,185,897
Mutual Funds — Equity	294,955,656
Exchange-Traded Funds	2,179,462
Foreign Issues	54,451,414
Equity	37,309,322
Alternative Investments	219,723,764
Total items not subject to credit risk	\$ 994,229,632
University of New Mexico Foundation, Inc. Investments held in Consolidated Investment Fund	(302,474,883)
Total Investments	\$ 913,848,561

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

Discretely Presented Component Units 2022

Items subject to credit risk:

Credit Rating	U.S.		Mortgage-/	Fair Value
	Government Agencies	Corporate Bonds/Notes	Asset-Backed Bonds	
S&P — AAA	\$ -	\$ -	\$ 44,578	\$ 44,578
S&P — AA+	12,469	25,603	-	38,072
S&P — AA	-	38,729	1,992	40,721
S&P — A+	-	39,885	-	39,885
S&P — A	-	-	17,220	17,220
S&P — A-	-	123,326	-	123,326
S&P — BBB+	-	250,653	-	250,653
S&P — BBB	-	119,383	-	119,383
S&P — BBB-	-	56,330	-	56,330
Not Rated	452,651	-	513,614	966,265
Government Guaranteed	-	-	-	-
Total items subject to credit risk	\$ 465,120	\$ 653,909	\$ 577,404	\$ 1,696,433

Items not subject to credit risk:

Money Market Account	\$ 22,571,031
Mutual Funds — Equity	179,594,186
Mutual Funds — Fixed	23,821,523
Equity	5,632,729
Exchange-Traded Funds	8,569,363
Alternatives Investments	120,565,833
Total items not subject to credit risk	\$ 360,754,665
Total Investments	\$ 362,451,098

Discretely Presented Component Units 2021

Items subject to credit risk:

Credit Rating	U.S.		Mortgage-/	Fair Value
	Government Agencies	Corporate Bonds/Notes	Asset-Backed Bonds	
S&P — AAA	\$ -	\$ 7,908	\$ 19,211	\$ 27,119
S&P — AA+	18,934	2,113	-	21,047
S&P — AA	-	23,394	2,021	25,415
S&P — AA-	-	13,942	-	13,942
S&P — A+	-	47,111	-	47,111
S&P — A	-	28,500	-	28,500
S&P — A-	-	133,464	-	133,464
S&P — BBB+	-	423,487	-	423,487
S&P — BBB	-	118,190	-	118,190
S&P — BBB-	-	6,506	-	6,506
Not Rated	1,086,869	-	426,628	1,513,497
Government Guaranteed	429,599	-	-	429,599
Total items subject to credit risk	\$ 1,535,402	\$ 804,615	\$ 447,860	\$ 2,787,877

Items not subject to credit risk:

Money Market Account	\$ 39,746,667
Mutual Funds — Equity	131,440,090
Mutual Funds — Fixed	22,666,373
Equity	7,480,218
Exchange-Traded Funds	52,777
Alternatives Investments	115,063,226
Total items not subject to credit risk	\$ 316,449,351
Total Investments	\$ 319,237,228

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

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, 2022 and 2021, 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, 2022, the University had 19.6% of its investments in US Treasuries.

Investment Income — At June 30, 2022 and 2021, investment (loss) income consisted of the following:

	<u>2022</u>	<u>2021</u>
Primary Institution Investment Income		
<i>Investment Revenue</i>		
Investment (loss) income	\$ (36,223,703)	\$ 62,446,967
Land Grant Permanent Fund distributions	10,684,549	10,270,710
<i>Realized Gains (Losses)</i>		
Endowments — Consolidated Investment Fund	-	14,889,583
Nonendowment investments	136,444	5,876,641
<i>Unrealized Gains (Losses)</i>		
Endowments — Consolidated Investment Fund	-	(12,699,778)
Nonendowment investments	(2,530,565)	(1,839,605)
Primary Institution Investment (loss) Income	<u>\$ (27,933,275)</u>	<u>\$ 78,944,518</u>
Discretely Presented Component Units		
Investment (loss) Income	<u>\$ (13,673,336)</u>	<u>\$ 73,738,105</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

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

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A summary of fair value measurements at June 30, 2022 and 2021 are as follows:

<i>Primary Institution 2022</i>	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments held by the Primary Institution:				
Certificates of Deposit	\$ 2,499,913	\$ -	\$ 2,499,913	\$ -
U.S. Treasury Securities	224,279,227	224,279,227	-	-
U.S. Government Agencies	23,535,009	9,848,690	13,686,319	-
Corporate Bonds/Notes	146,356,657	-	146,356,657	-
Municipal Bonds	6,031,193	-	6,031,193	-
Mutual Funds — Fixed	58,581,086	58,581,086	-	-
Mutual Funds — Equity	39,198,961	39,198,961	-	-
Exchange-Traded Funds	18,798,435	18,798,435	-	-
Foreign Issues	63,321,418	-	63,321,418	-
Equity	5,000,000	-	-	5,000,000
Total	\$ 587,601,899	\$ 350,706,399	\$ 231,895,500	\$ 5,000,000
	Fair Value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Investments measured at the NAV:				
Mutual Funds — Equity	\$ 306,759,014	\$ -	\$ -	\$ -
Private Equity	173,055,556	-	-	-
Illiquid Funds	13,096,377	-	-	-
Real Estate funds	12,188,717	-	-	-
Marketable Alternatives	40,376,815	-	Monthly/Quarterly/ Annually	2 to 90 days
Total	\$ 545,476,479	\$ -		
Investments measured at the amortized cost:				
Money Market	\$ 76,920,227			
Total	\$ 76,920,227			
Other:				
Cash	\$ 4,141,346			
University of New Mexico Foundation, Inc. Investments held in Consolidated Investment Fund	(348,818,603)			
Total Investments	\$ 865,321,348			

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<i>Primary Institution 2021</i>	<u>Fair Value</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments held by the Primary Institution:				
Certificates of Deposit	\$ 3,237,636	\$ -	\$ 3,237,636	\$ -
U.S. Treasury Securities	241,058,627	226,639,490	14,419,137	-
U.S. Government Agencies	17,009,650	9,624,506	7,385,144	-
Corporate Bonds/Notes	157,143,684	-	157,143,684	-
Municipal Bonds	6,336,262	-	6,336,262	-
Mutual Funds — Fixed	60,511,730	60,511,730	-	-
Mutual Funds — Equity	48,300,540	48,300,540	-	-
Exchange-Traded Funds	2,179,462	2,179,462	-	-
Foreign Issues	54,451,414	-	54,451,414	-
Equity	5,000,000	-	-	5,000,000
Total	\$ 595,229,005	\$ 347,255,728	\$ 242,973,277	\$ 5,000,000
	<u>Fair Value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency (if currently eligible)</u>	<u>Redemption notice period</u>
Investments measured at the NAV:				
Mutual Funds — Fixed	\$ 576	\$ -	-	-
Mutual Funds — Equity	246,655,116	-	-	-
Private Equity	136,281,801	27,666,555	-	-
Illiquid Funds	8,811,284	3,982,709	-	-
Real Estate funds	9,399,020	1,849,008	-	-
Marketable Alternatives	95,045,532	-	Monthly/Quarterly/ Annually	2 to 90 days
Total	\$ 496,193,329	\$ 33,498,272		
Investments measured at the amortized cost:				
Money Market	\$ 112,870,872			
Total	\$ 112,870,872			
Other:				
Cash	\$ 9,534,789			
Equity	2,495,449			
University of New Mexico Foundation, Inc. Investments held in Consolidated Investment Fund	(302,474,883)			
Total Investments	\$ 913,848,561			

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<i>Discretely Presented Component Units 2022</i>	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Beneficial interest in irrevocable split interest agreements	\$ 18,719,224	\$ -	\$ 18,719,224	\$ -
Investments held by the Component Units:				
Government Securities — Treasuries	\$ 465,120	\$ 452,651	\$ 12,469	\$ -
Corporate Bonds/Notes	653,909	-	653,909	-
Mortgage/asset backed securities	577,404	-	577,404	-
Mutual Funds — Fixed	2,565,343	-	2,565,343	-
Mutual Funds — Equity	23,696,721	23,696,721	-	-
Exchange-Traded Funds	8,569,363	8,569,363	-	-
Equity	5,632,729	5,632,729	-	-
Total	\$ 42,160,589	\$ 38,351,464	\$ 3,809,125	\$ -
Investments measured at the NAV:				
Marketable Alternatives	\$ 15,525,397	\$ -	Monthly/Quarterly/	2 to 90 days
Private Equity	82,105,569	30,121,518	-	-
Illiquid Real Asset Funds	7,563,171	4,336,111	-	-
Real Estate funds	7,294,712	2,013,078	-	-
Equity	8,076,984	-	-	-
Mutual Funds — Fixed	-	-	Daily-monthly	1 to 30 days
Mutual Funds — Equity	177,153,645	-	Daily	1 to 2 days
Exchange-Traded Funds	-	-	-	-
Total	\$ 297,719,478	\$ 36,470,707		
Investments measured at the amortized cost:				
Money Market	\$ 22,571,031			
Total	\$ 22,571,031			
Total Investments	\$ 362,451,098			

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<i>Discretely Presented Component Units 2021</i>	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Beneficial interest in irrevocable split interest agreements	\$ 22,990,912	\$ -	\$ 22,990,912	\$ -
Investments held by the Component Units:				
Government Securities — Treasuries	\$ 1,535,402	\$ 1,516,468	\$ 18,934	\$ -
Corporate Bonds/Notes	804,615	-	804,615	-
Mortgage/asset backed securities	447,860	-	447,860	-
Mutual Funds — Fixed	3,033,892	450,712	2,583,180	-
Mutual Funds — Equity	2,873,331	370,589	2,502,742	-
Equity	5,401,373	199,943	5,201,430	-
Total	\$ 14,096,473	\$ 2,537,712	\$ 11,558,761	\$ -
	Fair Value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Investments measured at the NAV:				
Marketable Alternatives	\$ 44,674,446	\$ -	Monthly/Quarterly/	2 to 90 days
Private Equity	55,495,449	30,121,518	-	-
Illiquid Real Asset Funds	4,592,802	4,336,111	-	-
Real Estate funds	4,899,156	2,013,078	-	-
Equity	7,480,218	-	-	-
Mutual Funds — Fixed	19,632,481	-	Daily-monthly	1 to 30 days
Mutual Funds — Equity	128,566,759	-	Daily	1 to 2 days
Exchange-Traded Funds	52,777	52,777		
Total	\$ 265,394,088	\$ 36,523,484		
Investments measured at the amortized cost:				
Money Market	\$ 39,746,667			
Total	\$ 39,746,667			
Total Investments	\$ 319,237,228			

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(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, 2022 and 2021, receivables consisted of the following:

	<u>2022</u>	<u>2021</u>
Accounts receivable, net		
Primary Institution:		
Contracts and grants	\$ 45,915,908	\$ 42,749,316
Tuition and fees	17,723,236	17,372,216
Auxiliaries	8,970,892	8,297,003
Sales and services	5,586,264	6,045,081
State of New Mexico bonds	3,733,703	4,844,706
HSC health services	4,853,032	4,841,892
Other	4,290,391	6,787,245
Total accounts receivable	<u>\$ 91,073,426</u>	<u>\$ 90,937,459</u>
Less: Allowance for doubtful accounts	(29,045,278)	(26,251,807)
Total accounts receivable, net	<u>\$ 62,028,148</u>	<u>\$ 64,685,652</u>
 Discretely Presented Component Units	 <u>\$ 1,234,478</u>	 <u>\$ 1,383,464</u>
 Patient receivables, net		
Primary Institution:		
Patient receivables	\$ 497,607,706	\$ 501,523,436
Less: Allowance for doubtful accounts and contractual adjustments	(282,935,742)	(288,904,121)
Total patient receivables, net	<u>\$ 214,671,964</u>	<u>\$ 212,619,315</u>
 Other receivables		
Primary Institution:		
Interest receivable	\$ 1,587,093	\$ 1,809,894
Bernalillo County mill levy	2,101,352	2,233,041
Other receivables	17,015,022	6,371,472
Total other receivables	<u>\$ 20,703,467</u>	<u>\$ 10,414,407</u>

(5) Notes Receivable

At June 30, 2022 and 2021, notes receivable consisted of the following:

	<u>2022</u>	<u>2021</u>
Primary Institution:		
Student loans, current	\$ 5,431,688	\$ 4,857,348
Student loans, noncurrent	2,473,214	3,870,909
Total notes receivable	<u>\$ 7,904,902</u>	<u>\$ 8,728,257</u>

Federal Perkins Loans make up approximately 19% and 34% of the student loans at June 30, 2022 and 2021, 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

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University 10% for the amounts canceled on loans originated prior to July 1, 1993 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, 2022				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
Primary Institution:					
Capital assets not being depreciated					
Land	\$ 54,617,918	\$ 991,842	\$ -	\$ -	\$ 55,609,760
Construction in progress	136,094,807	214,216,257	(112,624,491)	(44,511)	237,642,062
Fabricated equipment in progress	1,040,516	436,728	(90,524)	-	1,386,720
Total capital assets not being depreciated	<u>\$ 191,753,241</u>	<u>\$ 215,644,827</u>	<u>\$ (112,715,015)</u>	<u>\$ (44,511)</u>	<u>\$ 294,638,542</u>
Depreciable capital assets					
Land improvements	\$ 89,766,503	\$ 1,358,572	\$ 188,690	\$ (47,759)	\$ 91,266,006
Infrastructure	188,408,653	1,828,435	-	-	190,237,088
Buildings	1,711,164,980	6,814,222	31,715,729	(946,632)	1,748,748,299
Equipment and furnishings	737,630,306	34,318,993	80,810,596	(29,508,850)	823,251,045
Library books	203,937,645	5,536,333	-	-	209,473,978
Total depreciable capital assets	<u>\$ 2,930,908,087</u>	<u>\$ 49,856,555</u>	<u>\$ 112,715,015</u>	<u>\$ (30,503,241)</u>	<u>\$ 3,062,976,416</u>
Less: Accumulated depreciation for					
Land improvements	\$ (64,131,232)	\$ (3,114,867)	\$ -	\$ 47,700	\$ (67,198,399)
Infrastructure	(139,679,614)	(8,485,931)	-	-	(148,165,545)
Buildings	(782,910,933)	(45,216,897)	-	4,401,282	(823,726,548)
Equipment and furnishings	(569,496,002)	(45,048,678)	-	24,841,796	(589,702,884)
Library books	(192,972,053)	(5,612,648)	-	-	(198,584,701)
Total accumulated depreciation	<u>\$ (1,749,189,834)</u>	<u>\$ (107,479,021)</u>	<u>\$ -</u>	<u>\$ 29,290,778</u>	<u>\$ (1,827,378,077)</u>
Total depreciable capital assets, net	<u>\$ 1,181,718,253</u>	<u>\$ (57,622,466)</u>	<u>\$ 112,715,015</u>	<u>\$ (1,212,463)</u>	<u>\$ 1,235,598,339</u>
Capital asset summary					
Capital assets not being depreciated	\$ 191,753,241	\$ 215,644,827	\$ (112,715,015)	\$ (44,511)	\$ 294,638,542
Depreciable capital assets at cost	2,930,908,087	49,856,555	112,715,015	(30,503,241)	3,062,976,416
Total cost of capital assets	<u>\$ 3,122,661,328</u>	<u>\$ 265,501,382</u>	<u>\$ -</u>	<u>\$ (30,547,752)</u>	<u>\$ 3,357,614,958</u>
Less: Accumulated depreciation	<u>(1,749,189,834)</u>	<u>(107,479,021)</u>	<u>-</u>	<u>29,290,778</u>	<u>(1,827,378,077)</u>
Capital assets, net	<u>\$ 1,373,471,494</u>	<u>\$ 158,022,361</u>	<u>\$ -</u>	<u>\$ (1,256,974)</u>	<u>\$ 1,530,236,881</u>
Discretely Presented Component Units:					
Capital assets, net	\$ 189,974	\$ -	\$ -	\$ (42,107)	\$ 147,867

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	Year Ended June 30, 2021				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
Primary Institution:					
Capital assets not being depreciated					
Land	\$ 58,575,602	\$ -	\$ -	\$ (3,957,684)	\$ 54,617,918
Construction in progress	103,983,978	75,132,202	(42,698,500)	(322,873)	136,094,807
Fabricated equipment in-progress	878,322	162,889	(695)	-	1,040,516
Total capital assets not being depreciated	<u>\$ 163,437,902</u>	<u>\$ 75,295,091</u>	<u>\$ (42,699,195)</u>	<u>\$ (4,280,557)</u>	<u>\$ 191,753,241</u>
Depreciable capital assets					
Land improvements	\$ 84,204,262	\$ -	\$ 5,621,575	\$ (59,334)	\$ 89,766,503
Infrastructure	180,829,165	-	7,579,488	-	188,408,653
Buildings	1,691,987,689	239,439	23,856,833	(4,918,981)	1,711,164,980
Equipment and furnishings	713,846,637	39,372,692	5,641,296	(21,230,319)	737,630,306
Library books	198,500,797	5,436,848	-	-	203,937,645
Total depreciable capital assets	<u>\$ 2,869,368,550</u>	<u>\$ 45,048,979</u>	<u>\$ 42,699,192</u>	<u>\$ (26,208,634)</u>	<u>\$ 2,930,908,087</u>
Less: Accumulated depreciation for					
Land improvements	\$ (61,044,523)	\$ (3,095,362)	\$ -	\$ 8,653	\$ (64,131,232)
Infrastructure	(131,328,844)	(8,350,770)	-	-	(139,679,614)
Buildings	(739,685,989)	(44,951,558)	-	1,726,614	(782,910,933)
Equipment and furnishings	(545,423,523)	(44,672,137)	-	20,599,658	(569,496,002)
Library books	(187,387,079)	(5,584,974)	-	-	(192,972,053)
Total accumulated depreciation	<u>\$ (1,664,869,958)</u>	<u>\$ (106,654,801)</u>	<u>\$ -</u>	<u>\$ 22,334,925</u>	<u>\$ (1,749,189,834)</u>
Total depreciable capital assets, net	<u>\$ 1,204,498,592</u>	<u>\$ (61,605,822)</u>	<u>\$ 42,699,192</u>	<u>\$ (3,873,709)</u>	<u>\$ 1,181,718,253</u>
Capital asset summary					
Capital assets not being depreciated	\$ 163,437,902	\$ 75,295,091	\$ (42,699,195)	\$ (4,280,557)	\$ 191,753,241
Depreciable capital assets at cost	2,869,368,550	45,048,979	42,699,192	(26,208,634)	2,930,908,087
Total cost of capital assets	<u>\$ 3,032,806,452</u>	<u>\$ 120,344,070</u>	<u>\$ (3)</u>	<u>\$ (30,489,191)</u>	<u>\$ 3,122,661,328</u>
Less: Accumulated depreciation	(1,664,869,958)	(106,654,801)	-	22,334,925	(1,749,189,834)
Capital assets, net	<u>\$ 1,367,936,494</u>	<u>\$ 13,689,269</u>	<u>\$ (3)</u>	<u>\$ (8,154,266)</u>	<u>\$ 1,373,471,494</u>
Discretely Presented Component Units:					
Capital assets, net	<u>\$ -</u>	<u>\$ 189,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,974</u>

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(7) Other Assets – Current and Noncurrent

At June 30, 2022 and 2021, other assets consisted of the following:

	<u>2022</u>	<u>2021</u>
Other current assets		
Primary Institution:		
Prepaid expenses	\$ 14,284,757	\$ 12,084,507
Broadcast rights	843,680	843,680
Other	1,613,810	1,748,788
Total other current assets	<u>\$ 16,742,247</u>	<u>\$ 14,676,975</u>
Discretely Presented Component Units	<u>\$ 935,928</u>	<u>\$ 619,981</u>
Other noncurrent assets		
Primary Institution:		
Art and special collections	6,000,653	6,001,664
Prepaid expenses	211,005	219,723
Other	1,779,691	1,549,186
Total other noncurrent assets	<u>\$ 7,991,349</u>	<u>\$ 7,770,573</u>
Discretely Presented Component Units	<u>\$ 4,541,898</u>	<u>\$ 4,495,568</u>

(8) Accounts Payable and Accrued Payroll

At June 30, 2022 and 2021, accounts payable and accrued payroll consisted of the following:

	<u>2022</u>	<u>2021</u>
Primary Institution:		
Trade payables	\$ 119,351,669	\$ 89,643,556
Accrued payroll	83,583,479	72,352,587
Self-insurance reserve	13,345,961	26,107,639
Total accounts payable and accrued payroll	<u>\$ 216,281,109</u>	<u>\$ 188,103,782</u>
Discretely Presented Component Units	<u>\$ 1,876,041</u>	<u>\$ 1,463,092</u>

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(9) Accrued Compensated Absences

During the years ended June 30, 2022 and 2021, the following changes occurred in accrued compensated absences for the primary institution:

<u>Fiscal Year</u>	<u>Balance July 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30</u>
2022	\$ 78,609,457	\$ 75,982,272	\$ (80,266,776)	\$ 74,324,953
2021	64,786,841	70,734,753	(56,912,137)	78,609,457

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

(10) Other Accrued Liabilities — Current

At June 30, 2022 and 2021, other accrued liabilities consisted of the following:

	<u>2022</u>	<u>2021</u>
Primary Institution:		
Bond interest	\$ 984,323	\$ 881,415
Royalty sharing	1,644,001	1,018,038
Other	17,964,417	25,204,951
Total other accrued liabilities, current	<u>\$ 20,592,741</u>	<u>\$ 27,104,404</u>
Discretely Presented Component Units	<u>\$ 9,034,026</u>	<u>\$ 1,632,977</u>

(11) Unearned Revenue

At June 30, 2022 and 2021, unearned revenue consisted of the following:

	<u>2022</u>	<u>2021</u>
Primary Institution:		
Contracts and grants	\$ 45,519,171	\$ 87,753,487
Prepaid tuition and fees	8,924,473	9,079,058
Gifts	5,967,637	5,506,349
Prepaid auxiliary operations sales	7,685,977	5,332,411
Sales and services	1,260,478	75,620
Other	625,922	922
Total unearned revenue	<u>\$ 69,983,658</u>	<u>\$ 107,747,847</u>
Discretely Presented Component Units	<u>\$ -</u>	<u>\$ -</u>

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(12) Noncurrent Liabilities

At June 30, 2022 and 2021, noncurrent liabilities consisted of the following:

	Year Ended June 30, 2022					
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion	Noncurrent Portion
Primary Institution:						
Bonds payable	\$ 454,909,440	\$ -	\$ (31,251,749)	\$ 423,657,691	\$30,215,000	\$ 393,442,691
Lease payable	50,502,056	5,038,779	(8,640,265)	46,900,570	8,330,759	38,569,811
Long-term debt	108,116,051	51,689,289	(7,254,296)	152,551,044	6,007,069	146,543,975
Student loan programs	7,307,366	522,231	(2,314,115)	5,515,482	-	5,515,482
Derivative instruments — interest rate	5,999,594	-	(3,870,608)	2,128,986	-	2,128,986
Net pension liability	3,204,781,099	189,925,905	(2,274,476,192)	1,120,230,812	-	1,120,230,812
Net OPEB liability	89,515,000	33,374,200	(16,007,300)	106,881,900	-	106,881,900
Other	241,970	-	462,186	704,156	-	704,156
Total	<u>\$3,921,372,576</u>	<u>\$ 280,550,404</u>	<u>\$ (2,343,352,339)</u>	<u>\$1,858,570,641</u>	<u>\$44,552,828</u>	<u>\$1,814,017,813</u>
Discretely Presented Component Units:						
Due to University of New Mexico	\$ 9,778,927	\$ 67,607,631	\$ (6,585,339)	\$ 70,801,219	\$ 6,440,370	\$ 64,360,849
Notes payable	1,316,825	-	(1,316,825)	-	-	-
Other	2,192,421	-	(408,320)	1,784,101	-	1,784,101
Total	<u>\$ 13,288,173</u>	<u>\$ 67,607,631</u>	<u>\$ (8,310,484)</u>	<u>\$ 72,585,320</u>	<u>\$ 6,440,370</u>	<u>\$ 66,144,950</u>
Year Ended June 30, 2021						
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion	Noncurrent Portion
Primary Institution:						
Bonds payable	\$ 594,013,433	\$ 75,770,000	\$ (214,873,993)	\$ 454,909,440	\$29,130,000	\$ 425,779,440
Lease payable	-	50,502,056	-	50,502,056	8,360,766	42,141,290
Long-term debt	2,903,784	111,520,135	(6,307,868)	108,116,051	6,915,884	101,200,167
Student loan programs	8,725,045	265,249	(1,682,928)	7,307,366	-	7,307,366
Derivative instruments — interest rate	8,373,755	-	(2,374,161)	5,999,594	-	5,999,594
Net pension liability	1,244,357,298	2,051,099,669	(90,675,868)	3,204,781,099	-	3,204,781,099
Net OPEB liability	96,711,700	4,998,500	(12,195,200)	89,515,000	-	89,515,000
Other	285,545	-	(43,575)	241,970	-	241,970
Total	<u>\$1,955,370,560</u>	<u>\$ 2,294,155,609</u>	<u>\$ (328,153,593)</u>	<u>\$3,921,372,576</u>	<u>\$44,406,650</u>	<u>\$3,876,965,926</u>
Discretely Presented Component Units:						
Due to University of New Mexico	\$ 13,794,257	\$ 6,691,860	\$ (10,707,190)	\$ 9,778,927	\$ 6,585,339	\$ 3,193,588
Notes payable	1,303,787	13,038	-	1,316,825	1,316,825	-
Other	2,060,973	131,448	-	2,192,421	-	2,192,421
Total	<u>\$ 17,159,017</u>	<u>\$ 6,836,346</u>	<u>\$ (10,707,190)</u>	<u>\$ 13,288,173</u>	<u>\$ 7,902,164</u>	<u>\$ 5,386,009</u>

A promissory note payable to UNM from Lobo Development Corporation, a blended component unit of the University, was issued on April 1, 2013 and was 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, 2022 was \$12,213,275, of which \$444,154 is due within one year.

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(13) Bonds Payable/Debt

(A) University

The University pledges substantially all unrestricted revenues, excluding state appropriations, to satisfy its bond obligations. Pledged revenues for the University were \$474,864,579 and \$479,137,335 as of June 30, 2022 and 2021 (see Schedule 21).

At June 30, 2022 and 2021, bonds payable for the University consisted of the following:

	<u>2022</u>	<u>2021</u>
Taxable Subordinate Lien System Refunding Revenue Bond Series 2021 with interest ranging from 0.167% to 2.172% - final maturity 2035	\$ 73,015,000	\$ 74,450,000
Taxable Subordinate Lien System Refunding Revenue Bond Series 2019 with interest ranging from 1.851% to 3.019% - final maturity 2032	18,310,000	20,245,000
Subordinate Lien System Improvement Revenue Bonds Series 2017 with interest ranging from 3.25% to 5.0% – final maturity 2047	37,705,000	38,475,000
Subordinate Lien System Refunding & Improvement Revenue Bonds Series 2016A with interest ranging from 2.0% to 5.0% – final maturity 2046	144,635,000	148,930,000
Subordinate Lien System Refunding & Improvement Revenue Bonds Series 2016B with interest ranging from 0.72% to 2.48% – final maturity 2024	2,945,000	4,135,000
Subordinate Lien System Improvement Revenue Bonds Series 2014B with interest ranging from 0.496% to 3.28% – final maturity 2024	695,000	1,100,000
Subordinate Lien System Improvement Revenue Bonds Series 2014C with interest ranging from 1.5% to 5.0% – final maturity 2035	12,000,000	18,140,000
Subordinate Lien System Refunding Revenue Bonds Series 2002B (Variable) with a synthetic fixed interest rate of 3.83% achieved through an interest rate exchange agreement – final maturity 2026	8,835,000	10,420,000
Subordinate Lien System Refunding Revenue Bonds Series 2002C (Variable) with a synthetic fixed interest rate of 3.94% achieved through an interest rate exchange agreement – final maturity 2030	22,050,000	24,405,000
Subordinate Lien System Improvement Revenue Bonds Series 2001 Variable Rate Demand Bonds — rates reset weekly Weekly rate as of June 30, 2022 was 0.03% Ceiling of 12% – final maturity 2026	12,965,000	15,880,000
	<u>\$ 333,155,000</u>	<u>\$ 356,180,000</u>
Add: Bond premiums	16,252,691	18,374,440
Less: Current portion of bonds payable	(23,930,000)	(23,025,000)
Noncurrent bonds payable	<u>\$ 325,477,691</u>	<u>\$ 351,529,440</u>

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Future debt service for the University as of June 30, 2022 for the bonds is as follows:

Year ending June 30	Principal	Interest	Total
2023	\$ 23,930,000	\$ 11,467,995	\$ 35,397,995
2024	24,455,000	10,499,390	34,954,390
2025	25,490,000	9,517,205	35,007,205
2026	26,340,000	8,675,869	35,015,869
2027	21,320,000	7,734,200	29,054,200
2028–2032	102,375,000	30,721,908	133,096,908
2033–2037	66,755,000	16,262,398	83,017,398
2038–2042	20,255,000	7,814,726	28,069,726
2043–2047	22,235,000	2,876,249	25,111,249
	<u>\$ 333,155,000</u>	<u>\$ 105,569,940</u>	<u>\$ 438,724,940</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. There was no remaining principal outstanding in the escrow account at June 30, 2022.

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 was no remaining principal outstanding in the escrow account at June 30, 2022.

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 was no remaining principal outstanding in the escrow account at June 30, 2022.

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. There was no remaining principal outstanding in the escrow account at June 30, 2022.

On March 04, 2021, the University of New Mexico defeased \$60,595,000 of the 2014C Subordinate Lien System Refunding Revenue Bonds. An escrow account was funded in the amount of \$70,781,482 from the 2021 Taxable Subordinate Lien System Refunding Revenue Bonds, and that amount was

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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, 2022 was \$66,406,223.

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.

Refunding:

The Series 2021 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 2014A maturing on and after June 1, 2024 on June 1, 2023, which is the earliest redemption date with respect to the Refunded 2014A Bonds; (b) advance refund, refinance and defease all of the outstanding “The Regents of the University of New Mexico” Subordinate Lien System Refunding Revenue Bonds, Series 2014C maturing on and after June 1, 2025 on June 1, 2024, which is the earliest redemption date with respect to the Refunded 2014C Bonds; (c) acquire a reserve fund insurance policy to fund or otherwise funding a debt service reserve fund for the Bonds; and (d) 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	\$ 75,770,000
Total Sources of Funds	<u>\$ 75,770,000</u>

Uses of Funds

Deposit to refunding escrow	\$ 74,884,673
Deposit to debt service fund	2,360
Costs of issuance	495,000
Underwriter's discount	248,622
Surety premium	128,809
Insurance premium	10,536
Total Uses of Funds	<u>\$ 75,770,000</u>

Cash Flow Differential

Prior Refunded Debt Service	Refunding Debt Service	Refunding Savings
\$ 120,694,350	\$ 112,498,428	\$ 8,195,922

Economic Gain (Loss)

Savings PV date: 3/04/2021

Savings PV rate: 11.239115%

PV savings from cash flow	\$ 7,223,267
Plus: Refunding funds on hand	2,360
Economic gain	<u>\$ 7,225,627</u>

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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, 2022 and 2021 were as follows:

	2001	2002B	2002C	Total
FY22	<u>\$ 95,556</u>	<u>\$ 61,095</u>	<u>\$ 136,465</u>	<u>\$ 293,116</u>
FY21	<u>\$ 87,220</u>	<u>\$ 55,765</u>	<u>\$ 130,060</u>	<u>\$ 273,045</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 negotiated another three-year term with US Bank (dated October 30, 2020) that ends on October 30, 2023. A schedule including the provider and maturities is presented below, as of June 30, 2022:

U.S. Bank				
Liquidity Expiration	Series 2001	Series 2002B	Series 2002C	Grand Total
<u>10/30/2023</u>	<u>\$ 12,965,000</u>	<u>\$ 8,835,000</u>	<u>\$ 22,050,000</u>	<u>\$43,850,000</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 30th day following such purchase date, the sum of 2% plus the base rate for such day, (ii) for the period from and including the 31st day immediately following the related purchase date to and including the 120th 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 121st 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.

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:

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(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.

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Interest Rate Swap Agreements:

As of June 30, 2022, the University had the following derivative instruments outstanding:

Item/ Counterparty	Type	Objective	Effective Date	Maturity Date	Terms	Current Year Fair Value	Prior Year Fair Value	Current Year Notional Amount	Prior Year Notional Amount
Hedging Derivatives									
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	\$ (146,993)	\$ (450,464)	\$ 3,241,250	\$ 3,970,000
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	\$ (1,460,902)	\$ (3,919,412)	\$ 22,050,000	\$ 24,405,000
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	\$ (372,134)	\$ (1,176,224)	\$ 8,835,000	\$ 10,420,000
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	\$ (148,957)	\$ (453,494)	\$ 3,241,250	\$ 3,970,000
Investment Derivatives									
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	\$ 212,828	\$ 287,329	\$ 6,482,500	\$ 7,940,000
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	\$ (9,952)	\$ 844,387	\$ 22,050,000	\$ 24,405,000

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

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Risks

Credit risk. Each of the University's derivative instruments was 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	P-1	A+	A1	AA	F1+
RBC Royal Bank	A2	P-1	AA-	A-1+	AA-	F1+

Interest rate risk. The University was 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 was 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, 2022, the interest rate on the University's variable-rate hedged debt (SIFMA) was 0.03%, while the 63.55% of five-year USD Swap Rate .95% + 0.31% was 0.80%.

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 was 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 was 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.

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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 was AA-/Aa3 at June 30, 2022; therefore, no collateral has been posted.

Derivative Instrument Payments and Hedged Debt

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 as of June 30, 2022. 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 June 30	Principal	Interest	Hedging Derivative Instruments, Net	Total
2023	\$ 6,855,000	\$ 43,099	\$ 1,619,239	\$ 8,517,338
2024	7,155,000	43,850	1,402,898	8,601,748
2025	7,465,000	45,869	1,174,564	8,685,432
2026	7,770,000	45,307	940,298	8,755,604
2027	9,900,000	40,774	702,545	10,643,319
2028	2,900,000	24,854	405,756	3,330,610
2029	3,030,000	20,784	299,636	3,350,420
2030	3,160,000	14,920	191,983	3,366,903
2031	2,470,000	70	97,177	2,567,248
	\$ 48,235,000	\$ 279,457	\$ 6,736,919	\$ 57,818,622

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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, 2022. 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 2022 for the hedge instruments was a \$3,870,608 increase to the liability and an equal offsetting increase to the deferred outflow of resources. For fiscal year 2021, the change was a \$2,374,161 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, 2022 was recorded to unrealized loss in the amount of \$928,832. As of June 30, 2021, the fair value change for swaps E and F was recorded to unrealized gains in the amount of \$154,555.

(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%.

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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 \$1,077,430,808 in cash and short-term investments held by the primary institution as of June 30, 2022, \$369,510,470 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 \$75,539,626 (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.

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 \$2,700,000 and \$2,800,000 for the years ended June 30, 2022 and 2021, respectively. Interest income earned from the investment of the bond proceeds was approximately \$7,000 and \$2,000 for the years ended June 30, 2022 and 2021, respectively.

At June 30, 2022 and 2021, bonds payable for the Hospital consisted of the following:

	<u>2022</u>	<u>2021</u>
FHA Insured Hospital Mortgage Revenue Bonds	\$ 74,250,000	\$ 80,355,000
Series 2015 with interest ranging from 0.484% to 3.532% – final maturity 2032		
Less: Current portion of bonds payable	(6,285,000)	(6,105,000)
Noncurrent bonds payable	<u>\$ 67,965,000</u>	<u>\$ 74,250,000</u>

Future debt service (including mandatory redemptions) for the Hospital as of June 30, 2022 for the bonds is as follows:

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Year ending June 30	Principal	Interest	Total
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	6,975,000	1,874,344	8,849,344
2027	7,240,000	1,625,691	8,865,691
2028–2032	40,580,000	4,052,264	44,632,264
	<u>\$ 74,250,000</u>	<u>\$ 14,544,536</u>	<u>\$ 88,794,536</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 Huntoon 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 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.

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.

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In July 2020, the Medical Center entered into an agreement and mortgage with KeyBank National Association to refinance the Medical Center'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, in July 2020 the outstanding principal of the Series 2010A and Series 2010B bonds, net of the original issue discount, totaling \$113.3 million, along with \$5.1 million for interest payments due in fiscal year 2021 through the January 2021 bond call date, were placed in an irrevocable trust from which the remaining debt service payments for bond defeasance were paid in January 2021. The Medical Center was released from all obligations related to the bonds at this time. This transaction met the criteria for an in-substance defeasance of debt, therefore the total loss on defeasance was recorded as a deferred outflow of resources of \$2.4 million at the time the funds were placed into the trust. The deferred outflow will be amortized over the life of the mortgage, which is the same as the life of the defeased bonds.

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.

The mortgage note with KeyBank National Association has an original outstanding principal amount of \$111.5 million with monthly principal payments of \$644 thousand until July 2037, for a total of 204 installments. The note is insured by the United States Department of Housing and Urban Development and is collateralized by the Medical Center building.

Mortgage payable activity consists of the following:

	<u>2022</u>	<u>2021</u>
KeyBank National Association	\$100,677,206	\$106,385,667
Less: Current portion of long-term debt	(5,822,520)	(5,708,461)
Long-term debt payable	<u>\$ 94,854,686</u>	<u>\$100,677,206</u>

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The following schedule summarizes the required principal and interest mortgage payments for SRMC as of June 30, 2022:

Year ending June 30	Principal	Interest	Total
2023	5,822,520	1,940,758	\$ 7,763,278
2024	5,938,858	1,824,420	7,763,278
2025	6,057,520	1,705,758	7,763,278
2026	6,178,553	1,584,724	7,763,277
2027	6,302,005	1,461,273	7,763,278
2028–2032	33,449,879	5,366,510	38,816,389
2033–2037	36,927,871	1,888,518	38,816,389
2038–2041	-	-	-
	<u>\$ 100,677,206</u>	<u>\$ 15,771,961</u>	<u>\$ 116,449,167</u>

(D) Primary Institution

At June 30, 2022 and 2021, bonds payable for the primary institution consisted of the following:

	2022			2021		
	Current	Noncurrent	Total	Current	Noncurrent	Total
University	\$ 23,930,000	\$ 325,477,691	\$ 349,407,691	\$ 23,025,000	\$ 351,529,440	\$ 374,554,440
University of New Mexico Hospital	6,285,000	67,965,000	74,250,000	6,105,000	74,250,000	80,355,000
Total	<u>\$ 30,215,000</u>	<u>\$ 393,442,691</u>	<u>\$ 423,657,691</u>	<u>\$ 29,130,000</u>	<u>\$ 425,779,440</u>	<u>\$ 454,909,440</u>

(14) Patient Service Revenues

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

	2022	2021
Primary Institution:		
Charges at established rates	\$ 3,371,291,883	\$ 3,201,065,211
Charity care	(94,122,644)	(64,248,047)
Contractual adjustments	(1,519,643,392)	(1,429,755,337)
Provision for doubtful accounts	(99,915,835)	(114,086,009)
Net patient service revenues	<u>\$ 1,657,610,012</u>	<u>\$ 1,592,975,818</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 2019 have been final settled for the Medicaid programs. Cost reports through 2014, except for 2005 & 2013, 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

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period the related services are rendered and adjusted in future periods as final settlements are determined.

(15) Leases

UNM adopted GASB Statement No. 87, Leases, for the year ended June 30, 2022, with retrospective application to all periods presented.

The impact of the adoption of GASB 87 on opening net position and on previously reported fiscal year 2021 balances is as follows:

Condensed Summary of Net Position

	2021 as reported	June 30 2021 adjustments	2021 as adjusted
Assets:			
Current assets	\$ 1,500,521,932	\$ 5,107,242	\$ 1,505,629,174
Capital assets, net	1,373,471,494	-	1,373,471,494
Right to use assets, net	-	49,581,062	49,581,062
Other noncurrent assets	618,139,473	35,410,441	653,549,914
Total assets	<u>\$ 3,492,132,899</u>	<u>\$ 90,098,745</u>	<u>\$ 3,582,231,644</u>
Deferred outflows of resources	\$ 1,511,275,677	\$ -	\$ 1,511,275,677
 Liabilities:			
Current liabilities	\$ 636,556,683	\$ 8,360,766	\$ 644,917,449
Noncurrent liabilities	3,834,824,636	42,141,290	3,876,965,926
Total liabilities	<u>\$ 4,471,381,319</u>	<u>\$ 50,502,056</u>	<u>\$ 4,521,883,375</u>
Deferred inflows of resources	\$ 103,859,392	\$ 40,048,891	\$ 143,908,283
 Net position:			
Net investment in capital assets	\$ 824,047,470	\$ 34,782,844	\$ 858,830,314
Restricted	266,819,972	-	266,819,972
Unrestricted	(662,699,577)	(35,235,046)	(697,934,623)
Total net position	<u>\$ 428,167,865</u>	<u>\$ (452,202)</u>	<u>\$ 427,715,663</u>
Total liabilities and net position	<u>\$ 4,899,549,184</u>	<u>\$ 50,049,854</u>	<u>\$ 4,949,599,038</u>

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A summary of the lease asset activity during the years ended June 30, 2022 and 2021 is as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>
Right to use assets, net	\$ 49,581,062	\$ 5,038,779	\$ (9,105,073)	\$ 45,514,768

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2021</u>
Right to use assets, net	\$ -	\$ 51,948,827	\$ (2,367,765)	\$ 49,581,062

A summary of changes in the related lease liability during the years ended June 30, 2022 and June 30, 2021 is as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
Lease liabilities	\$(50,502,056)	\$ (5,038,779)	\$ -	\$ 8,640,264	\$ (46,900,571)	\$ 8,330,759

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
Lease liabilities	\$ -	\$ (52,909,473)	\$ -	\$ 2,407,417	\$ (50,502,056)	\$ 8,360,766

UNM is a lessee and lessor for numerous noncancelable leases. For leases with a maximum possible term of 12 months or less at commencement (short term), UNM recognizes expense based on the provisions of the lease contract. For leases that are not short-term, UNM recognizes a lease liability and an intangible right-to-use (RTU) lease asset.

Initial measurement of the lease receivable/payable amount is calculated at the present value of payments expected to be received/paid during the lease term, discounted using the University's incremental borrowing rate. Leases for UNM as a lessee that are accounted for under this standard are capitalized as a right to use asset and lease payable discounted by the incremental borrowing rate. The right-to-use-asset is also amortized on a straight-line basis over the term of the lease. Leases for which UNM is the lessor are also discounted by the incremental borrowing rate, with anticipated payments being recorded as a deferred inflow of resources, amortized on a straight-line basis over the term of the lease.

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(a) *University as Lessee*
Minimum Lease Payments

The following is a schedule of future minimum lease payments for the University is a lessee as of June 30, 2022.

<u>Year ending</u> <u>June 30</u>	<u>Lease</u> <u>Payments</u>
2023	\$8,330,759
2024	6,432,126
2025	5,499,892
2026	3,433,814
2027	3,435,492
2028 - 2032	13,214,434
2033 – 2037	4,591,491
2038 – 2042	1,562,466
2043 – 2044	<u>400,096</u>
Total	\$46,900,570

(b) *University as Lessor*

The University is lessor of various properties under operating lease agreements. For the years ended June 30, 2022 and 2021, respectively, total lease income, which includes annually renewable lease agreements, was \$6,261,090 and \$6,017,618.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2022:

<u>Year ending</u> <u>June 30</u>	<u>Lease</u> <u>Income</u>
2023	4,411,680
2024	3,124,807
2025	2,082,393
2026	1,925,786
2027	1,255,322
2028-2032	5,060,503
2033 and thereafter	<u>11,986,605</u>
	<u>\$ 29,847,096</u>

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(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 \$17,121,387 and \$21,160,966 in insurance premiums during fiscal years 2022 and 2021, 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 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

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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, 2022 and 2021, the estimated amount of the University's claims and accrued invoices was \$13.1 million and \$20.5 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:

	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2022	\$ 20,511,072	\$ 89,245,748	\$ (96,661,976)	\$ 13,094,844
2021	12,877,106	82,612,637	(74,978,671)	20,511,072

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, 2022 and 2021, the estimated amount of the Hospital's claims and accrued invoices was \$5.0 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 \$479,000 and \$485,000 at June 30, 2022 and 2021, 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:

	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2022	\$ 5,596,567	\$ 57,044,588	\$ (57,116,505)	\$ 5,524,650
2021	5,190,944	54,402,274	(53,996,651)	5,596,567

(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

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Educational Retirement Board (NMERB). The Plan is included in NMERB's annual comprehensive financial report, found on the NMERB website, 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:

Years of Service	Benefit Percentage Earned
10 or less	1.35%
10.25 to 20	2.35%
20.25 to 30	3.35%
30.25 plus	2.40%

FAS is the average of the member's fiscal annual earnings for the last 20 calendar service quarters (60 months) prior to retirement or the highest average fiscal annual earnings for any 20 consecutive calendar quarters.

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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, but prior to July 1, 2019

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 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

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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 receive reduced retirement benefits), or
- The member's age is 67, and the member has earned five or more years of service credit.

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.

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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 retires or July 1 following the year a member reaches the age below, whichever is later:

<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%.
- 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 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, 2022 and 2021 educational employers contributed to the Plan based on the following rate schedule.

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<u>Fiscal Year</u>	<u>Date Range</u>	<u>Wage Category</u>	<u>Member Rate</u>	<u>Employer Rate</u>	<u>Combined Rate</u>	<u>Increase Over Prior Year</u>
2022	7-1-21 to 6-30-22	Over \$24K	10.70%	15.15%	25.85%	1.00%
2022	7-1-21 to 6-30-22	\$24K or less	7.90%	15.15%	23.05%	1.00%
2021	7-1-20 to 6-30-21	Over \$24K	10.70%	14.15%	24.85%	0.00%
2021	7-1-20 to 6-30-21	\$24K or less	7.90%	14.15%	22.05%	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, 2022, 2021, and 2020 were \$80,578,522, \$71,515,150, and \$71,254,246, 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, 2022, 2021, and 2020 were \$190,620, \$142,261, and \$225,391, 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.

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:

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- 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: A participating employer must contribute on behalf of each employee participant an amount of the participant's salary equal to the contribution that would be required of the employer if the participant were, instead, a regular member. For the year ended June 30, 2022, colleges and universities contributed 10.90% of participating employees' gross salary to the ARP vendor on behalf of the participant, and 4.25% of the employees' gross salary to NMERB, for a total of 15.15%. Employees participating in the ARP do not accrue rights to benefits in the defined benefit pension plan based on the 4.25% 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 contribution to NMERB remitted for the fiscal years ended June 30, 2022, 2021, and 2020 were \$7,256,562, \$5,182,816, and \$4,984,407, respectively.

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

At June 30, 2022, the University and Clinical Operations reported liabilities of \$1,117,346,922 and \$2,883,890, respectively, for their proportionate shares of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2021 using generally accepted actuarial principles.

At June 30, 2021, the University and Clinical Operations reported liabilities of \$3,194,607,463 and \$10,173,636, respectively, for their proportionate shares of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2020 using generally accepted actuarial principles.

On April 17, 2020, NMERB's Board of Trustees adopted new assumptions presented in the 2020 Actuarial Experience Study. Those new assumptions have been reflected in the roll-forward and in the projections used to determine the single discount rate.

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

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participating educational institutions at June 30, 2021, actuarially determined. At June 30, 2021, the University's proportion was 15.76511%, which was an increase of 0.00164% from its proportion measured as of June 30, 2020. At June 30, 2020, the University's proportion was 15.76347%, which was a decrease of 0.59255% from its proportion measured as of June 30, 2019. At June 30, 2021, the Clinical Operations' proportion was 0.04069%, which was a decrease of 0.00971% from its proportion measured as of June 30, 2020. At June 30, 2020, the Clinical Operations' proportion was 0.05040%, which was a decrease of 0.01574% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2022, the University recognized pension expense of \$85,007,531 and the Clinical Operations recognized pension income of \$650,096. For the year ended June 30, 2021, the University and Clinical Operations recognized pension expense of \$764,912,248 and \$1,788,530, respectively. At June 30, 2022 and 2021, 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, 2022					
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	University	Clinical Operations	Total	University	Clinical Operations	Total
Differences between expected and actual experience	\$ 87,794,498	\$ 226,599	\$ 88,021,097	\$ 2,751,498	\$ 7,102	\$ 2,758,600
Changes of assumptions	743,763,351	1,919,665	745,683,016	1,272,480,459	3,284,292	1,275,764,751
Net difference between projected and actual earnings on pension plan investments	-	-	-	277,861,509	717,165	278,578,674
Changes in proportion and differences between University and Clinical Operations contributions and proportionate share of contributions	132,402	-	132,402	25,400,023	1,344,580	26,744,603
University and Clinical Operations contributions subsequent to the measurement date	80,578,522	190,620	80,769,142	-	-	-
Total	\$ 912,268,773	\$ 2,336,884	\$ 914,605,657	\$ 1,578,493,489	\$ 5,353,139	\$ 1,583,846,628

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	Year Ended June 30, 2021					
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	University	Clinical Operations	Total	University	Clinical Operations	Total
Differences between expected and actual experience	\$ 19,832,019	\$ 63,408	\$ 19,895,427	\$ 12,318,197	\$ 39,385	\$ 12,357,582
Changes of assumptions	1,280,106,510	4,092,840	1,284,199,350	-	-	-
Net difference between projected and actual earnings on pension plan investments	108,476,032	346,827	108,822,859	-	-	-
Changes in proportion and differences between University and Clinical Operations contributions and proportionate share of contributions	447,217	-	447,217	52,593,745	1,175,147	53,768,892
University and Clinical Operations contributions subsequent to the measurement date	71,515,150	142,261	71,657,411	-	-	-
Total	\$ 1,480,376,928	\$ 4,645,336	\$ 1,485,022,264	\$ 64,911,942	\$ 1,214,532	\$ 66,126,474

The \$80,769,142 reported as deferred outflows of resources related to pensions resulting from University and Clinical Operations contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. The \$71,657,411 reported as deferred outflows of resources related to pensions resulting from University and Clinical Operations contributions subsequent to the measurement date of June 30, 2020 was recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 June 30:	University	Clinical Operations	Total
2023	\$ (60,173,247)	\$ (859,789)	\$ (61,033,036)
2024	(343,400,021)	(1,336,602)	(344,736,623)
2025	(250,517,754)	(771,192)	(251,288,946)
2026	(92,712,216)	(239,292)	(92,951,508)
Total	\$ (746,803,238)	\$ (3,206,875)	\$ (750,010,113)

Actuarial assumptions: Actuarial assumptions and methods are set by the Plan's Board of Trustees, based upon recommendations made by the Plan's actuary. On April 17, 2020, the Board adopted the new assumptions presented in the 2020 Actuarial Experience Study.

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The total pension liability in the June 30, 2020 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary Increases	3.00% composed of 2.30% inflation, plus a 0.70% productivity increase rate, plus a step-rate promotional increase for members with less than 5 years of service.
Investment Rate of Return	7.00% compounded annually, net of expenses. This is made up of a 2.30% inflation rate and a 4.70% real rate of return.
Mortality	<p>Healthy males: 2020 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p> <p>Healthy females: 2020 GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p>

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Equities	31%	
Fixed income	24%	
Alternatives	44%	
Cash	1%	
Total	<u>100%</u>	<u>7.00%</u>

Discount rate: A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2021. This is a 3.11% percent increase from the 3.89% rate used in the prior measurement year. The 7.00% was based on a long-term expected rate of return on pension plan investments of 7.00%. 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 all projected future benefit payments 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.

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A single discount rate of 3.89% was used to measure the total pension liability as of June 30, 2020. This is a 3.36% percent decrease from the 7.25% rate used in the prior measurement year. The 3.89% was based on a long-term expected rate of return on pension plan investments of 7.00%. 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 payments through the year 2045. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefits payments through the year 2045 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 the Alternative Retirement Plan (ARP) and the Return to Work Program are included in the projection of cash flows. These 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.

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, 2022, which was measured using the discount rate of 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current discount rate.

	Year Ended June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
University's proportionate share of the net pension liability	\$ 1,582,038,929	\$ 1,117,346,922	\$ 733,325,385
Clinical Operations' proportionate share of the net pension liability	4,083,268	2,883,890	1,892,724
Total	\$ 1,586,122,197	\$ 1,120,230,812	\$ 735,218,109

The following presents the University's and Clinical Operations' net pension liability at June 30, 2021, which was measured using the discount rate of 3.89%, 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 (2.89%) or one percentage point higher (4.89%) than the current discount rate.

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	Year Ended June 30, 2021		
	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
University's proportionate share of the net pension liability	\$ 4,034,441,865	\$ 3,194,607,463	\$ 2,518,906,102
Clinical Operations' proportionate share of the net pension liability	12,899,182	10,173,636	8,053,612
Total	\$ 4,047,341,047	\$ 3,204,781,099	\$ 2,526,959,714

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.

(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 6% or 8% 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 \$20,521,000 and \$19,541,000 in fiscal years 2022 and 2021, respectively. Total employee contributions under this plan were \$29,983,000 and \$26,744,000 in fiscal years 2022 and 2021, respectively. The Hospital also offers a Roth 403b defined-contribution plan option. Total employee contributions were approximately \$3,000,000 and \$2,700,000 in fiscal years 2022 and 2021, respectively.

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 2022 and 2021, respectively, as the Clinical Operations do not contribute to this plan. Total employee contributions under this plan were \$5,327,000 and \$4,120,000 in fiscal years 2022 and 2021, respectively.

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

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\$774,000 and \$618,000 in fiscal years 2022 and 2021, 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.

At the valuation date of January 1, 2021, the VEBA Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	4,486
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>7,177</u>
Total plan members	<u><u>11,663</u></u>

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Total active plan members include 3,453 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, administered through UNM LoboHealth (administered by UNM Team Health and BCBC of NM) and Presbyterian Health Plan. Prescription drug benefits are administered by Express Scripts, Inc. Eligible Medicare retirees receive healthcare coverage through one of seven fully insured medical and prescription drug plans: Humana PPO, Aetna PPO ESA, Blue Cross Blue Shield HMO I (Enhanced), Blue Cross Blue Shield HMO II (Standard), Presbyterian Select HMO-POS, Presbyterian Premier HMO-POS, and UHC AARP supplement. 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:

65+ Retirees			
Number of VEBA Service Credit Years Contributed	UNM	Retiree	
	5-9	10%	90%
10-14	15%	85%	
15 - 19	20%	80%	
20 - 24	25%	75%	
Grandfathered with 25+ Service Credits	30%	70%	

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%

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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.

The following was the adopted asset allocation policy as of June 30, 2022:

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

Rate of return: For the years ended June 30, 2022 and 2021, the annual money-weighted rate of return on investments, net of investment expense, were (17.43) percent and 26.04 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 June 30, 2021 (using census data as of January 1, 2021 but adjusted for a change in the discount rate) to the measurement date.

The components of the net OPEB liability of the University at June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Total OPEB liability	\$ 165,893,700	\$ 133,034,500
Plan fiduciary net position	59,011,800	43,519,500
University's net OPEB liability	<u>\$ 106,881,900</u>	<u>\$ 89,515,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	35.57%	32.71%

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:

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Salary increases	2.0%
Investment rate of return	8.0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Pre-Medicare: 6.1% initially, reduced by decrements to a rate of 4.5% after nine years Post-Medicare: 6.4% initially, reduced by decrements to a rate of 4.5% after nine year 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-2020.

Discount rate: The discount rate was determined by blending the University’s long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index. GASB 75 requires the use of an interest rate based on the 20-Year Municipal Bond Index for payments expected to be made outside of the VEBA trust assets. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used for the determination of this rate. The interest rate is the index rate that is reported on the last Friday prior to the measurement date. 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 2030. The blended discount rates used for the fiscal year ending June 30, 2022 and 2021 are 6.80% and 7.09% respectively.

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Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2021 (based on July 1, 2020 measurement date)	\$ 133,034,500	\$ 43,519,500	\$ 89,515,000
Changes for the year:			
Service cost	1,741,600	N/A	1,741,600
Interest on the total OPEB liability	9,366,000	N/A	9,366,000
Changes of benefit terms	-	N/A	-
Differences between expected and actual experience	23,091,200	N/A	23,091,200
Changes of assumptions*	4,104,100	N/A	4,104,100
Benefit payments	(5,443,800)	(5,443,800)	-
Contributions from employer	N/A	7,490,200	(7,490,200)
Contributions from employee	N/A	2,046,500	(2,046,500)
Net investment income	N/A	11,408,000	(11,408,000)
Administrative expense	N/A	(8,700)	8,700
Net changes	32,859,100	15,492,200	17,366,900
Balance at June 30, 2022 (based on July 1, 2021 measurement date)	\$ 165,893,600	\$ 59,011,700	\$ 106,881,900

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020 (based on July 1, 2019 measurement date)	\$ 134,052,700	\$ 37,341,000	\$ 96,711,700
Changes for the year:			
Service cost	1,890,700	N/A	1,890,700
Interest on the total OPEB liability	8,920,400	N/A	8,920,400
Changes of benefit terms	-	N/A	-
Differences between expected and actual experience	-	N/A	-
Changes of assumptions**	(6,533,800)	N/A	(6,533,800)
Benefit payments	(5,295,500)	(5,295,500)	-
Contributions from employer	N/A	7,459,600	(7,459,600)
Contributions from employee	N/A	2,164,100	(2,164,100)
Net investment income	N/A	1,853,500	(1,853,500)
Administrative expense	N/A	(3,200)	3,200
Net changes	(1,018,200)	6,178,500	(7,196,700)
Balance at June 30, 2021 (based on July 1, 2020 measurement date)	\$ 133,034,500	\$ 43,519,500	\$ 89,515,000

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

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

The following presents the University's net OPEB liability at June 30, 2022, which was measured using the discount rate of 6.8%, 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 (5.8%) or one percentage point higher (7.8%) than the current discount rate.

	Year Ended June 30, 2022		
	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
Net OPEB liability	\$ 125,729,900	\$ 106,881,900	\$ 89,311,200

The following presents the University's net OPEB liability at June 30, 2021, which was measured using the discount rate of 7.09%, 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 (6.09%) or one percentage point higher (8.09%) than the current discount rate.

	Year Ended June 30, 2021		
	1% Decrease (6.09%)	Discount Rate (7.09%)	1% Increase (8.09%)
Net OPEB liability	\$ 106,900,600	\$ 89,515,000	\$ 75,251,900

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, 2022 and 2021, 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, 2022		
	1% Decrease (Pre-Medicare: 5.1% decreasing to 3.5% , Post-Medicare: 5.4% decreasing to 3.5% , Dental: 3%)	Current Discount Rate (Pre-Medicare: 6.1% decreasing to 4.5% , Post-Medicare: 6.4% decreasing to 4.5% , Dental: 4%)	1% Increase (Pre-Medicare: 7.1% decreasing to 5.5% , Post-Medicare: 7.4% decreasing to 5% , Dental: 5%)
Net OPEB liability	\$ 88,525,300	\$ 106,881,900	\$ 126,807,700

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

	Year Ended June 30, 2021		
	1% Decrease (Pre-Medicare: 4.5% decreasing to 4% , Post-Medicare: 4.4% decreasing to 4% , Dental: 3%)	Current Discount Rate (Pre-Medicare: 5.5% decreasing to 5% , Post-Medicare: 5.4% decreasing to 5% , Dental: 4%)	1% Increase (Pre-Medicare: 6.5% decreasing to 6% , Post-Medicare: 6.4% decreasing to 6% , Dental: 5%)
Net OPEB liability	\$ 73,793,000	\$ 89,515,000	\$ 108,832,400

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 year ended June 30, 2022, the University recognized OPEB expense of \$229,400, and for the year ended June 30, 2021, the University recognized OPEB income of \$2,882,000. At June 30, 2022 and 2021, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Year Ended June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,075,300	\$ 17,761,300
Changes of assumptions	6,949,300	8,722,700
Net difference between projected and actual earnings on OPEB plan investments	-	5,215,900
University contributions subsequent to the measurement date	7,382,600	-
Total	\$ 33,407,200	\$ 31,699,900

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

	<u>Year Ended June 30, 2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 24,699,300
Changes of assumptions	4,949,300	11,911,300
Net difference between projected and actual earnings on OPEB plan investments	1,358,300	-
University contributions subsequent to the measurement date	5,210,300	-
Total	<u>\$ 11,517,900</u>	<u>\$ 36,610,600</u>

The \$7,382,600 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2021 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. The \$5,210,300 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2020 was recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	
2023	\$ (5,189,500)
2024	(4,935,200)
2025	(1,615,700)
2026	2,517,800
2027	3,547,300
Total	<u>\$ (5,675,300)</u>

(19) Commitments and Contingencies

(A) Commitments

In addition to the lease commitments in note 15, the University had commitments totaling 107,570,978 at June 30, 2022. These commitments consisted of the following:

	<u>2022</u>
Materials and services	\$ 51,684,305
Construction projects	<u>55,886,673</u>
Total commitments	<u>\$ 107,570,978</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

(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%.

(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):

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Unrestricted net position	\$ (690,751,604)	\$ (697,934,623)
Less:		
Working capital – patient care operations		
Clinical operations – UNM Hospitals	<u>510,896,214</u>	<u>619,017,622</u>
Total working capital – patient care operations	510,896,214	619,017,622
Net pension and OPEB obligations		
Pension	(1,783,571,638)	(1,779,142,477)
OPEB	<u>(105,174,600)</u>	<u>(114,607,700)</u>
Total net pension and OPEB obligations	(1,888,746,238)	(1,893,750,177)
Committed		
HSC capital initiatives	333,561	333,561
Blended component units	111,902,656	97,352,782
Other	<u>99,169,279</u>	<u>71,759,615</u>
Total committed	211,405,496	169,445,958
Dedicated		
Plant funds – repair and replacement	91,641,791	84,187,212
Quasi-endowment funds – Regents' scholarships	111,755,905	122,667,334
Student loan funds	935,426	924,949
Other	<u>80,885,466</u>	<u>40,093,819</u>
Total dedicated	285,218,588	247,873,314
Ending discretionary funds balance	<u>\$ 190,474,336</u>	<u>\$ 159,478,660</u>

(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 2022 and 2021 and the ending balances for each year are reflected in the table below. As of June 30, 2022 and 2021, the ending balances were \$333,561 and \$333,561, 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
2022	\$ 333,561	\$ -	\$ -	\$ 333,561
2021	196,333,561	(196,000,000)	-	333,561

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

(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 Annual Comprehensive Financial Report. 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, 2022 and 2021 are as follows:

	As of June 30	
	2022	2021
Balance of the University's beneficial interest in the LGPF	\$ 276,248,468	\$ 288,192,077
	For the Years Ended June 30	
	2022	2021
Income received from the University's beneficial interest in the LGPF	\$ 10,684,549	\$ 10,270,710

(23) Subsequent Events

Management has evaluated subsequent events through October 26, 2022 to determine whether such events should be recorded or disclosed in the financial statements or notes for the year ended June 30, 2022. This date represents the date the financial statement audit report was available to be issued. The University is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

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 eight 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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
University's and Clinical Operations' proportion of the net pension liability (asset)	15.80580%	15.81387%	16.42216%
University's and Clinical Operations' proportionate share of the net pension liability (asset)	\$ 1,120,230,812	\$ 3,204,781,099	\$ 1,244,357,298
University's and Clinical Operations' covered payroll	\$ 506,412,799	\$ 505,156,445	\$ 480,032,441
University's and Clinical Operations' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	221.21%	634.41%	259.22%
Plan fiduciary net position as a percentage of the total pension liability	69.77%	39.11%	64.13%

Schedule of Employer Contributions - ERB Plan

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required employer contribution	\$ 80,769,142	\$ 71,657,411	\$ 71,479,637
Contributions in relation to the statutorily required contribution	\$ 80,769,142	\$ 71,657,411	\$ 71,479,637
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's and Clinical Operations' covered payroll	\$ 533,129,650	\$ 506,412,799	\$ 505,156,445
Contributions as a percentage of covered payroll	15.15%	14.15%	14.15%

Notes to Schedules:

Changes in benefit provisions

Other than the employer contribution increases attributable to Senate Bill 42, there were no modifications made to the benefit provisions with an actuarial impact that were reflected in the actuarial valuation as of June 30, 2020. These modifications can be found in the Notes to the Basic Financial Statements, specifically, Note 17.

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 17, 2020 in conjunction with the six-year actuarial experience study period ending June 30, 2019. No changes have been made to the assumptions since the prior valuation. The calculation of the funding policy contribution has been updated to reflect an open group projection, recognizing new hire benefits as well as anticipated cost-of-living adjustments less than the assumed 1.80% while the plan is less than fully funded.

SCHEDULE 1

2019	2018	2017	2016	2015
16.99433%	16.96537%	16.58948%	16.49188%	16.43531%
\$ 2,020,852,577	\$ 1,885,441,562	\$ 1,193,850,905	\$ 1,068,222,984	\$ 937,754,765
\$ 474,922,764	\$ 483,027,675	\$ 470,690,396	\$ 450,281,155	\$ 446,728,272
425.51%	390.34%	253.64%	237.23%	209.92%
52.17%	52.95%	61.58%	63.97%	66.54%
2019	2018	2017	2016	2015
\$ 66,727,310	\$ 66,012,818	\$ 67,140,847	\$ 65,427,748	\$ 64,832,820
\$ 66,727,310	\$ 66,012,818	\$ 67,140,847	\$ 65,427,748	\$ 64,832,820
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 480,032,441	\$ 474,922,764	\$ 483,027,675	\$ 470,690,396	\$ 450,281,155
13.90%	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 six years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$ 1,741,700	\$ 1,890,700	\$ 3,267,100	\$ 3,501,200	\$ 3,526,500	\$ 3,019,400
Interest	9,365,900	8,920,400	10,640,500	10,007,700	9,469,800	9,058,700
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	23,091,200	-	(38,575,300)	-	-	-
Changes of assumptions	4,104,100	(6,533,800)	7,729,900	(7,105,700)	(6,444,700)	7,114,000
Benefit payments	(5,443,800)	(5,295,500)	(5,298,600)	(4,913,700)	(4,841,600)	(4,818,100)
Net change in total OPEB liability	\$ 32,859,100	\$ (1,018,200)	\$ (22,236,400)	\$ 1,489,500	\$ 1,710,000	\$ 14,374,000
Total OPEB liability – beginning	133,034,600	134,052,800	156,289,200	154,799,700	153,089,700	138,715,700
Total OPEB liability – ending (a)	\$ 165,893,700	\$ 133,034,600	\$ 134,052,800	\$ 156,289,200	\$ 154,799,700	\$ 153,089,700
Plan fiduciary net position						
Contributions – employer	\$ 7,490,200	\$ 7,459,600	\$ 7,513,700	\$ 7,322,500	\$ 7,467,800	\$ 7,675,100
Contributions – member	2,046,500	2,164,100	2,215,100	2,408,800	2,625,900	2,856,600
Net investment income	11,408,000	1,853,500	2,111,000	2,080,800	1,615,600	895,000
Benefit payments	(5,443,800)	(5,295,500)	(5,298,600)	(4,913,700)	(4,841,600)	(4,818,100)
Administrative expense	(8,700)	(3,200)	(5,400)	(5,300)	-	-
Net change in plan fiduciary net position	\$ 15,492,200	\$ 6,178,500	\$ 6,535,800	\$ 6,893,100	\$ 6,867,700	\$ 6,608,600
Plan fiduciary net position – beginning	43,519,600	37,341,100	30,805,300	23,912,200	17,044,500	10,435,900
Plan fiduciary net position – ending (b)	\$ 59,011,800	\$ 43,519,600	\$ 37,341,100	\$ 30,805,300	\$ 23,912,200	\$ 17,044,500
University's net OPEB liability – ending (a) - (b)	\$ 106,881,900	\$ 89,515,000	\$ 96,711,700	\$ 125,483,900	\$ 130,887,500	\$ 136,045,200
Plan fiduciary net position as a percentage of the total OPEB liability	35.57%	32.71%	27.86%	19.71%	15.45%	11.13%
Covered-employee payroll	\$ 272,862,900	\$ 288,544,300	\$ 295,345,700	\$ 321,166,700	\$ 350,452,500	\$ 383,432,900
University's net OPEB liability as a percentage of covered-employee payroll	39.17%	31.02%	32.75%	39.07%	37.35%	35.48%

Notes to Schedule:

Benefit changes: None

Differences between expected and actual experience: There is no change in the Total OPEB Liability from the fiscal year ended June 30, 2020 to the fiscal year ended June 30, 2021 due to differences in expected and actual experience. The \$23,091,200 increase in liability from June 30, 2021 to June 30, 2022 is due to changes in the census, claims and premiums experience, including an adjustment to pre-65 claims costs to align with the change in pre-65 retiree premiums rating being fully blended with the active employees.

Changes of assumptions: The \$6,533,800 decrease in the liability from the fiscal year ending June 30, 2020 to the fiscal year ending June 30, 2021 is due to the increase in the assumed discount rate from 6.6% as of June 30, 2020 to 7.09% as of June 30, 2021. The \$4,104,100 increase in the liability from June 30, 2021 to June 30, 2022 is due to the decrease in the assumed discount rate from 7.09% as of June 30, 2021 to 6.80% as of June 30, 2022, 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 six years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 7,382,600	\$ 5,210,300	\$ 7,459,600	\$ 7,513,700	\$ 7,322,500	\$ 7,467,800
Contributions in relation to the actuarially determined contribution	<u>7,382,600</u>	<u>5,210,300</u>	<u>7,459,600</u>	<u>7,513,700</u>	<u>7,322,500</u>	<u>7,467,800</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 262,302,500	\$ 272,862,900	\$ 288,544,300	\$ 295,345,700	\$ 321,166,700	\$ 350,452,500
Contributions as a percentage of covered-employee payroll	2.81%	1.91%	2.59%	2.54%	2.28%	2.13%

Notes to Schedule:

Valuation date January 1, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal - level % of salary

Asset valuation method Market value of assets

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 six years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	-17.43%	26.04%	4.55%	6.18%	6.77%	11.26%

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Net Position as of June 30, 2022 – Blended Component Units

	UNM Rainforest Innovations	Innovate ABQ, Inc.	Lobo Development Corporation
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,943,383	\$ -	\$ 3,532,879
Short-term investments	10,278,353	-	-
Accounts receivable, net	4,643,879	-	5,898
Patient receivables, net	-	-	-
Leases receivable, net	-	-	1,151,307
Leases interest receivable	-	-	23,965
Due from The University of New Mexico	-	-	-
Due from affiliates	-	-	-
Estimated third-party payor settlements	-	-	-
Other receivables, net	-	-	-
Inventories	-	-	-
Other current assets	15,869	-	138,750
Total current assets	\$ 17,881,484	\$ -	\$ 4,852,799
Noncurrent assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Leases receivable, noncurrent	-	-	8,398,871
Investments	-	-	-
Due from The University of New Mexico	-	-	-
Other noncurrent assets	-	-	-
Capital assets, net	843,140	-	16,852,499
Total noncurrent assets	\$ 843,140	\$ -	\$ 25,251,370
Total assets	\$ 18,724,624	\$ -	\$ 30,104,169
DEFERRED OUTFLOWS OF RESOURCES			
Loss on bond refundings	\$ -	\$ -	\$ -
Total deferred outflows of resources	\$ -	\$ -	\$ -
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 3,836,980	\$ -	\$ 90,385
Lease Payable - Current	140,650	-	-
Bonds payable – current	-	-	-
Long-term debt – current	-	-	89,835
Due to The University of New Mexico	-	-	-
Due to affiliates	-	-	-
Accrued compensated absences	-	-	-
Estimated third-party payor settlements	-	-	-
Medicare accelerated and advance payment program	-	-	-
Other current liabilities	1,644,001	-	6,761
Total current liabilities	\$ 5,621,631	\$ -	\$ 186,981
Noncurrent liabilities			
Bonds payable – noncurrent	\$ -	\$ -	\$ -
Lease payable - noncurrent	644,356	-	-
Long-term debt – noncurrent	-	-	-
Due to The University of New Mexico	-	-	-
Other liabilities - noncurrent	-	-	9,640,543
Total noncurrent liabilities	\$ 644,356	\$ -	\$ 9,640,543
Total liabilities	\$ 6,265,987	\$ -	\$ 9,827,524
NET POSITION			
Net investment in capital assets	\$ 843,140	\$ -	\$ 16,424,630
Restricted expendable	-	-	-
Unrestricted	11,068,927	-	(8,805,414)
Total net position	\$ 11,912,067	\$ -	\$ 7,619,216

See accompanying independent auditors' report.

SCHEDULE 5

Lobo Energy, Inc.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ 830,257	\$ 41,874,536	\$ 19,719,255	\$ 68,900,310	\$ -	\$ 68,900,310
-	-	-	10,278,353	-	10,278,353
9,912	-	-	4,659,689	-	4,659,689
-	51,384,029	9,277,420	60,661,449	-	60,661,449
-	-	-	1,151,307	-	1,151,307
-	-	-	23,965	-	23,965
-	-	-	-	-	-
-	-	1,164,117	1,164,117	-	1,164,117
-	-	3,924,076	3,924,076	-	3,924,076
-	-	2,886,909	2,886,909	-	2,886,909
32,575	600,566	618,000	1,405,760	-	1,405,760
\$ 872,744	\$ 93,859,131	\$ 37,589,777	\$ 155,055,935	\$ -	\$ 155,055,935
\$ -	\$ 47,077,875	\$ -	\$ 47,077,875	\$ -	\$ 47,077,875
-	-	-	8,398,871	-	8,398,871
-	38,721,094	15,462,780	54,183,874	-	54,183,874
-	-	-	-	-	-
-	1,370,382	-	1,370,382	-	1,370,382
7,009,144	4,661,462	97,729,274	127,095,519	-	127,095,519
\$ 7,009,144	\$ 91,830,813	\$ 113,192,054	\$ 238,126,521	\$ -	\$ 238,126,521
\$ 7,881,888	\$ 185,689,944	\$ 150,781,831	\$ 393,182,456	\$ -	\$ 393,182,456
\$ -	\$ -	\$ 2,127,952	\$ 2,127,952	\$ -	\$ 2,127,952
\$ -	\$ -	\$ 2,127,952	\$ 2,127,952	\$ -	\$ 2,127,952
\$ -	\$ 368	\$ 13,832,921	\$ 17,760,654	\$ -	\$ 17,760,654
-	216,105	466,410	823,165	-	823,165
-	-	-	-	-	-
94,714	-	5,822,520	6,007,069	-	6,007,069
-	-	-	-	-	-
-	-	2,177,092	2,177,092	-	2,177,092
-	-	2,644,170	2,644,170	-	2,644,170
-	-	2,245,243	2,245,243	-	2,245,243
70,084	12,604,289	-	14,325,135	-	14,325,135
\$ 164,798	\$ 12,820,762	\$ 27,188,356	\$ 45,982,528	\$ -	\$ 45,982,528
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	943,251	4,292,012	5,879,619	-	5,879,619
-	-	94,854,686	94,854,686	-	94,854,686
-	-	-	-	-	-
-	-	-	9,640,543	(9,640,543)	-
\$ -	\$ 943,251	\$ 99,146,698	\$ 110,374,848	\$ (9,640,543)	\$ 100,734,305
\$ 164,798	\$ 13,764,013	\$ 126,335,054	\$ 156,357,376	\$ (9,640,543)	\$ 146,716,833
\$ 6,914,430	\$ 3,502,106	\$ (5,578,403)	\$ 22,105,903	\$ -	\$ 22,105,903
-	-	15,573,212	15,573,212	-	15,573,212
802,660	94,166,841	14,669,642	111,902,656	-	111,902,656
\$ 7,717,090	\$ 97,668,947	\$ 24,664,451	\$ 149,581,771	\$ -	\$ 149,581,771

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Net Position as of June 30, 2021 (as restated) – Blended Component Units

	UNM Rainforest Innovations	Innovate ABQ, Inc.	Lobo Development Corporation
ASSETS			
Current assets			
Cash and cash equivalents	\$ 9,148,216	\$ -	\$ 3,875,978
Short-term investments	12,646,362	-	-
Accounts receivable, net	754,737	-	-
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	-	-	2,706
Total current assets	\$ 22,549,315	\$ -	\$ 3,878,684
Noncurrent assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	1,750	-	-
Other noncurrent assets	-	-	-
Capital assets, net	35,656	-	16,841,263
Total noncurrent assets	\$ 37,406	\$ -	\$ 16,841,263
Total assets	\$ 22,586,721	\$ -	\$ 20,719,947
DEFERRED OUTFLOWS OF RESOURCES			
Loss on bond refundings	\$ -	\$ -	\$ -
Total deferred outflows of resources	\$ -	\$ -	\$ -
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 2,376,357	\$ -	\$ 163,776
Long-term debt – current	-	-	86,968
Due to The University of New Mexico	4,425,383	-	431,043
Due to affiliates	-	-	-
Accrued compensated absences	-	-	-
Estimated third-party payor settlements	-	-	-
Medicare accelerated and advance payment program	-	-	-
Other current liabilities	1,018,038	-	-
Total current liabilities	\$ 7,819,778	\$ -	\$ 681,787
Noncurrent liabilities			
Long-term debt – noncurrent	\$ -	\$ -	\$ 428,247
Due to The University of New Mexico	-	-	12,622,001
Total noncurrent liabilities	\$ -	\$ -	\$ 13,050,248
Total liabilities	\$ 7,819,778	\$ -	\$ 13,732,035
NET POSITION			
Net investment in capital assets	\$ 35,656	\$ -	\$ 3,273,004
Restricted expendable	-	-	-
Unrestricted	14,731,287	-	3,714,908
Total net position	\$ 14,766,943	\$ -	\$ 6,987,912

See accompanying independent auditors' report.

SCHEDULE 6

Lobo Energy, Inc.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ 885,649	\$ 31,222,843	\$ 27,906,640	\$ 73,039,326	\$ -	\$ 73,039,326
-	-	-	12,646,362	-	12,646,362
10,176	-	-	764,913	-	764,913
-	53,747,251	9,913,976	63,661,227	-	63,661,227
-	6,225,940	250,136	6,476,076	(6,476,076)	-
-	60,142	24,972	85,114	(85,114)	-
-	-	648,008	648,008	-	648,008
-	-	203,274	203,274	-	203,274
-	-	2,580,991	2,580,991	-	2,580,991
-	1,695,212	483,431	2,181,349	(1,297,768)	883,581
\$ 895,825	\$ 92,951,388	\$ 42,011,428	\$ 162,286,640	\$ (7,858,958)	\$ 154,427,682
-	10,703,437	-	10,703,437	-	10,703,437
-	27,262,111	15,275,857	42,539,718	-	42,539,718
-	17,132,426	-	17,132,426	-	17,132,426
7,433,941	4,168,404	94,706,913	123,186,177	-	123,186,177
\$ 7,433,941	\$ 59,266,378	\$ 109,982,770	\$ 193,561,758	\$ -	\$ 193,561,758
\$ 8,329,766	\$ 152,217,766	\$ 151,994,198	\$ 355,848,398	\$ (7,858,958)	\$ 347,989,440
-	-	2,279,949	2,279,949	-	2,279,949
-	-	2,279,949	2,279,949	-	2,279,949
63,985	11,086,463	10,565,854	24,256,435	-	24,256,435
1,120,455	-	5,708,461	6,915,884	-	6,915,884
-	63,862,187	1,170,361	69,888,974	(69,888,974)	-
-	24,972	60,142	85,114	(85,114)	-
-	-	2,189,129	2,189,129	-	2,189,129
-	-	3,123,295	3,123,295	-	3,123,295
-	-	6,742,718	6,742,718	-	6,742,718
-	-	-	1,018,038	-	1,018,038
\$ 1,184,440	\$ 74,973,622	\$ 29,559,960	\$ 114,219,587	\$ (69,974,088)	\$ 44,245,499
94,714	-	100,677,206	101,200,167	-	101,200,167
-	-	-	12,622,001	(12,622,001)	-
\$ 94,714	\$ -	\$ 100,677,206	\$ 113,822,168	\$ (12,622,001)	\$ 101,200,167
\$ 1,279,154	\$ 74,973,622	\$ 130,237,166	\$ 228,041,755	\$ (82,596,089)	\$ 145,445,666
6,218,772	4,168,404	(9,398,805)	4,297,031	13,053,044	17,350,075
-	-	15,383,735	15,383,735	-	15,383,735
831,840	73,075,740	18,052,051	110,405,826	(13,053,044)	97,352,782
\$ 7,050,612	\$ 77,244,144	\$ 24,036,981	\$ 130,086,592	\$ -	\$ 130,086,592

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2022 – Blended Component Units

	UNM Rainforest Innovations	Innovate ABQ, Inc.	Lobo Development Corporation
REVENUES			
Operating revenues			
Net patient service	\$ -	\$ -	\$ -
Sales and services	-	-	725,540
Operational support	2,034,000	-	-
Other operating revenues	6,381,120	-	1,528,143
Total operating revenues	\$ 8,415,120	\$ -	\$ 2,253,683
EXPENSES			
Operating expenses			
General and administrative	\$ 6,588,991	\$ -	\$ 499,088
Depreciation expense	168,818	-	486,364
Program expenses	2,602,991	-	190,846
Other operating expense	-	-	-
Total operating expenses	\$ 9,360,800	\$ -	\$ 1,176,298
Net operating income (loss)	\$ (945,680)	\$ -	\$ 1,077,385
NONOPERATING REVENUES (EXPENSES)			
State appropriations	\$ -	\$ -	\$ -
Sandoval county mill levy	-	-	-
Federal CARES Act grants	-	-	-
Federal bond subsidy	-	-	-
Investment income	(1,941,762)	-	352,158
Interest expense	(7,488)	-	(369,495)
Distributions to the University of New Mexico	-	-	(598,660)
Discontinued operations (note 2(A))	-	-	-
Other nonoperating revenues and expenses, net	-	-	17,463
Net nonoperating revenues (expenses)	\$ (1,949,250)	\$ -	\$ (598,534)
Change in net position	\$ (2,894,930)	\$ -	\$ 478,851
Net position at beginning of year	14,766,943	-	6,987,912
Impact of change in accounting pronouncement	40,054	-	152,453
Net position at end of year	\$ 11,912,067	\$ -	\$ 7,619,216

See accompanying independent auditors' report.

SCHEDULE 7

Lobo Energy, Inc.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ -	\$ 224,656,618	\$ 100,348,942	\$ 325,005,560	\$ -	\$ 325,005,560
2,171,065	43,643,892	-	46,540,497	(2,171,065)	44,369,432
-	-	-	2,034,000	(2,034,000)	-
-	3,019,910	2,118,266	13,047,439	(899,063)	12,148,376
\$ 2,171,065	\$ 271,320,420	\$ 102,467,208	\$ 386,627,496	\$ (5,104,128)	\$ 381,523,368
\$ 253,060	\$ 283,569,348	\$ 105,421,491	\$ 396,331,978	\$ (202,707,085)	\$ 193,624,893
424,797	1,533,827	6,251,115	8,864,921	-	8,864,921
814,091	-	-	3,607,928	2,976,578	6,584,506
-	-	-	-	-	-
\$ 1,491,948	\$ 285,103,175	\$ 111,672,606	\$ 408,804,827	\$ (199,730,507)	\$ 209,074,320
\$ 679,117	\$ (13,782,755)	\$ (9,205,398)	\$ (22,177,331)	\$ 194,626,379	\$ 172,449,048
\$ -	\$ 1,149,900	\$ -	\$ 1,149,900	\$ -	\$ 1,149,900
-	-	7,335,396	7,335,396	-	7,335,396
-	26,887,823	5,301,960	32,189,783	-	32,189,783
-	-	-	-	-	-
5,971	-	4,614	(1,579,019)	-	(1,579,019)
(18,610)	(937,198)	(2,813,474)	(4,146,265)	386,849	(3,759,416)
-	-	-	(598,660)	598,660	-
-	-	-	-	-	-
-	7,107,437	4,372	7,129,272	-	7,129,272
\$ (12,639)	\$ 34,207,962	\$ 9,832,868	\$ 41,480,407	\$ 985,509	\$ 42,465,916
\$ 666,478	\$ 20,425,207	\$ 627,470	\$ 19,303,076	\$ 195,611,888	\$ 214,914,964
7,050,612	77,244,144	24,036,981	130,086,592	-	130,086,592
-	(404)	-	192,103	-	192,103
\$ 7,717,090	\$ 97,668,947	\$ 24,664,451	\$ 149,581,771	\$ 195,611,888	\$ 345,193,659

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2021 (as restated) – Blended Component Units

	UNM Rainforest Innovations	Innovate ABQ, Inc.	Lobo Development Corporation
REVENUES			
Operating revenues			
Net patient service	\$ -	\$ -	\$ -
Sales and services	-	-	348,098
Operational support	2,034,000	-	-
Other operating revenues	55,733,707	-	1,761,558
Total operating revenues	\$ 57,767,707	\$ -	\$ 2,109,656
EXPENSES			
Operating expenses			
General and administrative	\$ 38,077,852	\$ -	\$ 702,046
Depreciation expense	9,596	-	469,489
Program expenses	14,211,304	-	99,925
Total operating expenses	\$ 52,298,752	\$ -	\$ 1,271,460
Net operating income (loss)	\$ 5,468,955	\$ -	\$ 838,196
NONOPERATING REVENUES (EXPENSES)			
State appropriations	\$ -	\$ -	\$ -
Sandoval county mill levy	-	-	-
Federal CARES Act grants	-	-	-
Federal bond subsidy	-	-	-
Investment income	1,675,043	-	47,159
Interest expense	-	-	(454,775)
Distributions to the University of New Mexico	-	-	(650,000)
Discontinued operations (note 2(A))	-	(7,481,562)	-
Other nonoperating revenues and expenses, net	-	-	96,688
Net nonoperating revenues (expenses)	\$ 1,675,043	\$ (7,481,562)	\$ (960,928)
Income (loss) before capital contributions	\$ 7,143,998	\$ (7,481,562)	\$ (122,732)
Change in net position	\$ 7,143,998	\$ (7,481,562)	\$ (122,732)
Net position at beginning of year	7,622,945	7,481,562	7,110,644
Net position at end of year	\$ 14,766,943	\$ -	\$ 6,987,912

SCHEDULE 8

Lobo Energy, Inc.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ -	\$ 206,163,252	\$ 84,893,742	\$ 291,056,994	\$ -	\$ 291,056,994
2,171,065	38,876,057	-	41,395,220	(2,171,065)	39,224,155
-	-	-	2,034,000	(2,034,000)	-
-	4,399,741	1,602,187	63,497,193	(2,065,178)	61,432,015
\$ 2,171,065	\$ 249,439,050	\$ 86,495,929	\$ 397,983,407	\$ (6,270,243)	\$ 391,713,164
\$ 225,143	\$ 248,203,763	\$ 89,110,825	\$ 376,319,629	\$ (169,946,324)	\$ 206,373,305
424,796	1,434,946	5,452,586	7,791,413	-	7,791,413
712,481	-	-	15,023,710	(4,118,113)	10,905,597
\$ 1,362,420	\$ 249,638,709	\$ 94,563,411	\$ 399,134,752	\$ (174,064,437)	\$ 225,070,315
\$ 808,645	\$ (199,659)	\$ (8,067,482)	\$ (1,151,345)	\$ 167,794,194	\$ 166,642,849
\$ -	\$ 1,149,900	\$ -	\$ 1,149,900	\$ -	\$ 1,149,900
-	-	7,149,790	7,149,790	-	7,149,790
-	-	7,017,914	7,017,914	-	7,017,914
-	-	7,333	7,333	-	7,333
5,799	12,864	4,913	1,745,778	-	1,745,778
(47,805)	-	(2,314,784)	(2,817,364)	399,483	(2,417,881)
-	-	-	(650,000)	650,000	-
-	-	-	(7,481,562)	-	(7,481,562)
-	6,632,121	(372,138)	6,356,671	-	6,356,671
\$ (42,006)	\$ 7,794,885	\$ 11,493,028	\$ 12,478,460	\$ 1,049,483	\$ 13,527,943
\$ 766,639	\$ 7,595,226	\$ 3,425,546	\$ 11,327,115	\$ 168,843,677	\$ 180,170,792
\$ 766,639	\$ 7,595,226	\$ 3,425,546	\$ 11,327,115	\$ 168,843,677	\$ 180,170,792
6,283,973	69,648,918	20,611,435	118,759,477	-	118,759,477
\$ 7,050,612	\$ 77,244,144	\$ 24,036,981	\$ 130,086,592	\$ 168,843,677	\$ 298,930,269

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Cash Flows as of June 30, 2022 – Blended Component Units

	UNM Rainforest Innovations	Innovate ABQ, Inc.	Lobo Development Corporation
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from insurance and patients	\$ -	\$ -	\$ -
Cash payments to employees	-	-	(271,708)
Cash payments for benefits	-	-	-
Cash payments to suppliers	(5,174,880)	-	(620,900)
Other cash receipts (payments)	(1,295,594)	-	2,131,691
Net cash provided by (used in) operating activities	\$ (6,470,474)	\$ -	\$ 1,239,083
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from state appropriations	\$ -	\$ -	\$ -
Cash received from Sandoval County mill levy	-	-	-
Cash received from federal CARES Act grants	-	-	-
Other nonoperating cash receipts (payments)	-	-	(587,095)
Net cash provided by (used in) noncapital financing activities	\$ -	\$ -	\$ (587,095)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from mortgage refinancing	\$ -	\$ -	\$ -
Cash received from federal bond subsidy	-	-	-
Principal payments of bonds	-	-	-
Principal payments on mortgage	-	-	-
Interest payments on bonds	-	-	-
Interest and insurance payments on mortgage	-	-	-
Cash payments for mortgage reserve fund	-	-	-
Other cash receipts (payments)	(158,730)	-	(1,350,056)
Net cash provided by (used in) capital and related financing activities	\$ (158,730)	\$ -	\$ (1,350,056)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	\$ 2,741,179	\$ -	\$ -
Purchases of investments	(2,316,808)	-	-
Investment income	-	-	354,969
Other cash receipts	-	-	-
Net cash provided by investing activities	\$ 424,371	\$ -	\$ 354,969
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents – beginning of year	\$ (6,204,833)	\$ -	\$ (343,099)
	9,148,216	-	3,875,978
Cash and cash equivalents – end of year	\$ 2,943,383	\$ -	\$ 3,532,879

See accompanying independent auditors' report.

SCHEDULE 9

Lobo Energy, Inc.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ -	\$ 270,610,674	\$ 95,492,789	\$ 366,103,463	\$ -	\$ 366,103,463
(595,824)	(22,653,189)	(36,911,613)	(60,432,334)	-	(60,432,334)
-	(3,493,676)	-	(3,493,676)	-	(3,493,676)
(497,803)	(39,347,763)	(57,588,332)	(103,229,678)	139,431	(103,090,247)
2,171,329	(195,543,871)	(4,976,833)	(197,513,278)	126,305,504	(71,207,774)
<u>\$ 1,077,702</u>	<u>\$ 9,572,175</u>	<u>\$ (3,983,989)</u>	<u>\$ 1,434,497</u>	<u>\$ 126,444,935</u>	<u>\$ 127,879,432</u>
\$ -	\$ 1,149,900	\$ -	\$ 1,149,900	\$ -	\$ 1,149,900
-	-	7,381,981	7,381,981	-	7,381,981
-	26,887,823	1,134,200	28,022,023	-	28,022,023
-	-	357,896	(229,199)	598,660	369,461
<u>\$ -</u>	<u>\$ 28,037,723</u>	<u>\$ 8,874,077</u>	<u>\$ 36,324,705</u>	<u>\$ 598,660</u>	<u>\$ 36,923,365</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(5,708,461)	(5,708,461)	-	(5,708,461)
-	-	-	-	-	-
-	-	(2,600,785)	(2,600,785)	-	(2,600,785)
-	-	(182,309)	(182,309)	-	(182,309)
(1,139,065)	(867,886)	(4,585,918)	(8,101,655)	782,463	(7,319,192)
<u>\$ (1,139,065)</u>	<u>\$ (867,886)</u>	<u>\$ (13,077,473)</u>	<u>\$ (16,593,210)</u>	<u>\$ 782,463</u>	<u>\$ (15,810,747)</u>
\$ -	\$ 7,119,949	\$ -	\$ 9,861,128	\$ -	\$ 9,861,128
-	(8,033,942)	-	(10,350,750)	-	(10,350,750)
5,971	100,489	-	461,429	-	461,429
-	11,097,623	-	11,097,623	-	11,097,623
<u>\$ 5,971</u>	<u>\$ 10,284,119</u>	<u>\$ -</u>	<u>\$ 11,069,430</u>	<u>\$ -</u>	<u>\$ 11,069,430</u>
\$ (55,392)	\$ 47,026,131	\$ (8,187,385)	\$ 32,235,422	\$ 127,826,058	\$ 160,061,480
885,649	41,926,280	27,906,640	83,742,763	-	83,742,763
<u>\$ 830,257</u>	<u>\$ 88,952,411</u>	<u>\$ 19,719,255</u>	<u>\$ 115,978,185</u>	<u>\$ 127,826,058</u>	<u>\$ 243,804,243</u>

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Cash Flows as of June 30, 2021 (as restated) – Blended Component Units

	UNM Rainforest Innovations	Innovate ABQ, Inc.	Lobo Development Corporation
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from insurance and patients	\$ -	\$ -	\$ -
Cash payments to employees	-	-	(256,842)
Cash payments for benefits	-	-	-
Cash payments to suppliers	(38,577,817)	-	(410,145)
Other cash receipts (payments)	47,947,868	-	2,109,656
Net cash provided by (used in) operating activities	\$ 9,370,051	\$ -	\$ 1,442,669
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from state appropriations	\$ -	\$ -	\$ -
Cash received from Sandoval County mill levy	-	-	-
Cash received from federal CARES Act grants	-	-	-
Other nonoperating cash receipts	-	-	-
Net cash provided by noncapital financing activities	\$ -	\$ -	\$ -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from mortgage refinancing	\$ -	\$ -	\$ -
Cash received from federal bond subsidy	-	-	-
Principal payments of bonds	-	-	-
Principal payments on mortgage	-	-	-
Interest payments on bonds	-	-	-
Interest and insurance payments on mortgage	-	-	-
Cash payments for mortgage reserve fund	-	-	-
Other cash receipts (payments)	(12,373)	-	(1,958,863)
Net cash provided by (used in) capital and related financing activities	\$ (12,373)	\$ -	\$ (1,958,863)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	\$ -	\$ -	\$ -
Purchases of investments	(7,814,744)	-	-
Investment income	741,093	-	47,159
Other cash receipts	-	-	971,268
Net cash provided by (used in) investing activities	\$ (7,073,651)	\$ -	\$ 1,018,427
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 2,284,027	\$ -	\$ 502,233
Cash and cash equivalents – beginning of year	6,864,189	-	3,373,745

SCHEDULE 10

Lobo Energy, Inc.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ -	\$ 226,382,095	\$ 83,520,597	\$ 309,902,692	\$ -	\$ 309,902,692
(550,250)	(20,715,599)	(34,537,849)	(56,060,540)	-	(56,060,540)
-	(3,297,762)	-	(3,297,762)	-	(3,297,762)
(385,210)	(33,218,398)	(45,526,199)	(118,117,769)	204,528	(117,913,241)
2,170,777	(162,475,338)	(6,240,625)	(116,487,662)	92,683,887	(23,803,775)
\$ 1,235,317	\$ 6,674,998	\$ (2,784,076)	\$ 15,938,959	\$ 92,888,415	\$ 108,827,374
\$ -	\$ 1,149,900	\$ -	\$ 1,149,900	\$ -	\$ 1,149,900
-	-	6,878,846	6,878,846	-	6,878,846
-	-	3,400,000	3,400,000	-	3,400,000
-	-	195,903	195,903	-	195,903
\$ -	\$ 1,149,900	\$ 10,474,749	\$ 11,624,649	\$ -	\$ 11,624,649
\$ -	\$ -	\$ 111,440,227	\$ 111,440,227	\$ -	\$ 111,440,227
-	-	877,713	877,713	-	877,713
-	-	(113,280,000)	(113,280,000)	-	(113,280,000)
-	-	(5,134,468)	(5,134,468)	-	(5,134,468)
-	-	(2,573,150)	(2,573,150)	-	(2,573,150)
-	-	(2,162,787)	(2,162,787)	-	(2,162,787)
-	-	(187,827)	(187,827)	-	(187,827)
(1,139,066)	(2,063,948)	(7,146,620)	(12,320,870)	1,503,232	(10,817,638)
\$ (1,139,066)	\$ (2,063,948)	\$ (18,166,912)	\$ (23,341,162)	\$ 1,503,232	\$ (21,837,930)
\$ -	\$ 12,158,097	\$ -	\$ 12,158,097	\$ -	\$ 12,158,097
-	(11,040,558)	-	(18,855,302)	-	(18,855,302)
5,799	(204,181)	104	589,974	-	589,974
-	5,135,351	-	6,106,619	(971,268)	5,135,351
\$ 5,799	\$ 6,048,709	\$ 104	\$ (612)	\$ (971,268)	\$ (971,880)
\$ 102,050	\$ 11,809,659	\$ (10,476,135)	\$ 4,221,834	\$ 93,420,379	\$ 97,642,213
783,599	30,116,621	38,382,775	79,520,929	-	79,520,929

Combining Statement of Net Position as of June 30, 2022 – Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	UNM Lobo Club	The University of New Mexico Alumni Association	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 14,720,193	\$ -	\$ 6,544,133	\$ 825,286	\$ 22,089,612
Short-term investments	-	-	-	9,043,207	9,043,207
Accounts receivable, net	1,181,362	-	14,091	39,025	1,234,478
Due from The University of New Mexico	-	-	-	-	-
Other current assets	892,427	-	6,712	36,789	935,928
Total current assets	\$ 16,793,982	\$ -	\$ 6,564,936	\$ 9,944,307	\$ 33,303,225
Noncurrent assets					
Investments	\$ 353,407,891	\$ -	\$ -	\$ -	\$ 353,407,891
Beneficial interest in irrevocable split interest agreements	18,719,224	-	-	-	18,719,224
Other noncurrent assets	4,541,898	-	-	-	4,541,898
Capital assets, net	147,867	-	-	-	147,867
Total noncurrent assets	\$ 376,816,880	\$ -	\$ -	\$ -	\$ 376,816,880
Total assets	\$ 393,610,862	\$ -	\$ 6,564,936	\$ 9,944,307	\$ 410,120,105
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	\$ 1,765,772	\$ -	\$ 91,496	\$ 18,773	\$ 1,876,041
Notes payable	-	-	-	-	-
Advance funding received	547,188	-	-	-	547,188
Due to The University of New Mexico	3,379,744	-	3,060,626	-	6,440,370
Annuities payable	325,729	-	-	-	325,729
Other current liabilities	8,161,109	-	-	-	8,161,109
Total current liabilities	\$ 14,179,542	\$ -	\$ 3,152,122	\$ 18,773	\$ 17,350,437
Noncurrent liabilities					
Due to The University of New Mexico	\$ 64,360,849	\$ -	\$ -	\$ -	\$ 64,360,849
Annuities payable	1,784,101	-	-	-	1,784,101
Total noncurrent liabilities	\$ 66,144,950	\$ -	\$ -	\$ -	\$ 66,144,950
Total liabilities	\$ 80,324,492	\$ -	\$ 3,152,122	\$ 18,773	\$ 83,495,387
DEFERRED INFLOWS OF RESOURCES					
Beneficial interest in irrevocable split interest agreements	\$ 18,951,584	\$ -	\$ -	\$ -	\$ 18,951,584
Unearned revenue	-	-	644,670	-	644,670
Total deferred inflows of resources	\$ 18,951,584	\$ -	\$ 644,670	\$ -	\$ 19,596,254
NET POSITION					
Net investment in capital assets	\$ 147,867	\$ -	\$ -	\$ -	\$ 147,867
Restricted nonexpendable	263,699,944	-	-	-	263,699,944
Restricted expendable	23,232,465	-	-	-	23,232,465
Unrestricted	7,254,510	-	2,768,144	9,925,534	19,948,188
Total net position	\$ 294,334,786	\$ -	\$ 2,768,144	\$ 9,925,534	\$ 307,028,464

See accompanying independent auditors' report.

Combining Statement of Net Position as of June 30, 2021 (as restated) – Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	UNM Lobo Club	The University of New Mexico Alumni Association	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 9,009,615	\$ 1,188,972	\$ 4,067,283	\$ 1,174,231	\$ 15,440,101
Short-term investments	-	3,133,018	-	10,422,838	13,555,856
Accounts receivable, net	1,374,579	-	8,596	289	1,383,464
Due from The University of New Mexico	-	144,383	-	-	144,383
Other current assets	571,878	-	19,544	28,559	619,981
Total current assets	\$ 10,956,072	\$ 4,466,373	\$ 4,095,423	\$ 11,625,917	\$ 31,143,785
Noncurrent assets					
Investments	\$ 305,681,372	\$ -	\$ -	\$ -	\$ 305,681,372
Beneficial interest in irrevocable split interest agreements	22,990,912	-	-	-	22,990,912
Other noncurrent assets	4,495,568	-	-	-	4,495,568
Capital assets, net	189,974	-	-	-	189,974
Total noncurrent assets	\$ 333,357,826	\$ -	\$ -	\$ -	\$ 333,357,826
Total assets	\$ 344,313,898	\$ 4,466,373	\$ 4,095,423	\$ 11,625,917	\$ 364,501,611
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	\$ 1,444,529	\$ 2,211	\$ -	\$ 16,352	\$ 1,463,092
Notes payable	1,316,825	-	-	-	1,316,825
Advance funding received	757,772	-	-	-	757,772
Due to The University of New Mexico	5,275,569	-	1,309,770	-	6,585,339
Annuities payable	318,395	-	-	-	318,395
Other current liabilities	556,810	-	-	-	556,810
Total current liabilities	\$ 9,669,900	\$ 2,211	\$ 1,309,770	\$ 16,352	\$ 10,998,233
Noncurrent liabilities					
Due to The University of New Mexico	\$ 3,193,588	\$ -	\$ -	\$ -	\$ 3,193,588
Annuities payable	2,192,421	-	-	-	2,192,421
Total noncurrent liabilities	\$ 5,386,009	\$ -	\$ -	\$ -	\$ 5,386,009
Total liabilities	\$ 15,055,909	\$ 2,211	\$ 1,309,770	\$ 16,352	\$ 16,384,242
DEFERRED INFLOWS OF RESOURCES					
Beneficial interest in irrevocable split interest agreements	\$ 23,295,038	\$ -	\$ -	\$ -	\$ 23,295,038
Unearned revenue	-	-	632,123	-	632,123
Total deferred inflows of resources	\$ 23,295,038	\$ -	\$ 632,123	\$ -	\$ 23,927,161
NET POSITION					
Net investment in capital assets	\$ 189,974	\$ -	\$ -	\$ -	\$ 189,974
Restricted nonexpendable	275,007,796	-	-	-	275,007,796
Restricted expendable	25,330,723	950,758	-	-	26,281,481
Unrestricted	5,434,458	3,513,404	2,153,530	11,609,565	22,710,957
Total net position	\$ 305,962,951	\$ 4,464,162	\$ 2,153,530	\$ 11,609,565	\$ 324,190,208

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 13

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2022 –
Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	UNM Lobo Club	The University of New Mexico Alumni Association	Total
REVENUES					
Operating revenues					
Nongovernmental grants, bequests, and contributions	\$ 52,081,082	\$ -	\$ 6,340,883	\$ -	\$ 58,421,965
Sales and services	-	-	65,191	-	65,191
Operational support	8,405,901	-	-	-	8,405,901
Other operating revenues	693,689	-	-	517,366	1,211,055
Total operating revenues	\$ 61,180,672	\$ -	\$ 6,406,074	\$ 517,366	\$ 68,104,112
EXPENSES					
Operating expenses					
General and administrative	\$ 13,800,770	\$ -	\$ 264,186	\$ 321,325	\$ 14,386,281
Program expenses	-	-	5,549,460	412,109	5,961,569
Distributions to the University of New Mexico	64,012,806	-	-	-	64,012,806
Total operating expenses	\$ 77,813,576	\$ -	\$ 5,813,646	\$ 733,434	\$ 84,360,656
Net operating income (loss)	\$ (16,632,904)	\$ -	\$ 592,428	\$ (216,068)	\$ (16,256,544)
NONOPERATING REVENUES (EXPENSES)					
Investment income	\$ (12,308,293)	\$ -	\$ 22,186	\$ (1,387,229)	\$ (13,673,336)
Other nonoperating revenues and expenses, net	-	-	-	(83,338)	(83,338)
Discontinued operations	-	(4,464,162)	-	-	(4,464,162)
Distributions to the University of New Mexico	1,318,786	-	-	2,604	1,321,390
Net nonoperating revenues (expenses)	\$ (10,989,507)	\$ (4,464,162)	\$ 22,186	\$ (1,467,963)	\$ (16,899,446)
Income (loss) before other revenues	\$ (27,622,411)	\$ (4,464,162)	\$ 614,614	\$ (1,684,031)	\$ (33,155,990)
Contributions to permanent endowments	\$ 15,994,246	\$ -	\$ -	\$ -	\$ 15,994,246
Total other revenues	\$ 15,994,246	\$ -	\$ -	\$ -	\$ 15,994,246
Change in net position	\$ (11,628,165)	\$ (4,464,162)	\$ 614,614	\$ (1,684,031)	\$ (17,161,744)
Net position at beginning of year	305,962,951	4,464,162	2,153,530	11,609,565	324,190,208
Net position at end of year	\$ 294,334,786	\$ -	\$ 2,768,144	\$ 9,925,534	\$ 307,028,464

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 14

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2021 (as restated) –
Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	The Robert O. Anderson Schools of Management Foundation	UNM Lobo Club	The University of New Mexico Alumni Association	Total
REVENUES					
Operating revenues					
Nongovernmental grants, bequests, and contributions	\$ 23,221,504	\$ 114,600	\$ 3,287,497	\$ -	\$ 26,623,601
Sales and services	-	-	87,720	3,865	91,585
Operational support	7,851,392	-	-	-	7,851,392
Other operating revenues	121,500	2,366	-	601,482	725,348
Total operating revenues	\$ 31,194,396	\$ 116,966	\$ 3,375,217	\$ 605,347	\$ 35,291,926
EXPENSES					
Operating expenses					
General and administrative	\$ 11,529,575	\$ 48,711	\$ 195,187	\$ 250,418	\$ 12,023,891
Program expenses	-	-	2,321,899	313,955	2,635,854
Distributions to the University of New Mexico	33,383,432	-	-	-	33,383,432
Total operating expenses	\$ 44,913,007	\$ 48,711	\$ 2,517,086	\$ 564,373	\$ 48,043,177
Net operating income (loss)	\$ (13,718,611)	\$ 68,255	\$ 858,131	\$ 40,974	\$ (12,751,251)
NONOPERATING REVENUES (EXPENSES)					
Investment income	\$ 71,458,531	\$ 347,666	\$ 11,505	\$ 1,920,403	\$ 73,738,105
Other nonoperating revenues and expenses, net	-	424,907	-	4,377	429,284
Distributions to the University of New Mexico	-	-	-	(60,000)	(60,000)
Net nonoperating revenues	\$ 71,458,531	\$ 772,573	\$ 11,505	\$ 1,864,780	\$ 74,107,389
Income before other revenues	\$ 57,739,920	\$ 840,828	\$ 869,636	\$ 1,905,754	\$ 61,356,138
Contributions to permanent endowments	\$ 16,119,005	\$ -	\$ -	\$ -	\$ 16,119,005
Total other revenues	\$ 16,119,005	\$ -	\$ -	\$ -	\$ 16,119,005
Change in net position	\$ 73,858,925	\$ 840,828	\$ 869,636	\$ 1,905,754	\$ 77,475,143
Net position at beginning of year	232,104,026	3,623,334	1,283,894	9,703,811	246,715,065
Net position at end of year	\$ 305,962,951	\$ 4,464,162	\$ 2,153,530	\$ 11,609,565	\$ 324,190,208

See accompanying independent auditors' report.

Budget Comparison – Unrestricted and Restricted – All Operations
Year Ended June 30, 2022

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable (Unfavorable)
Unrestricted and Restricted Beginning Net Position	\$ 326,836,826	\$ 422,388,948	\$ 422,388,945	\$ (3)
Unrestricted and Restricted Revenues:				
Tuition and Fees	\$ 197,125,773	\$ 192,985,106	\$ 199,248,361	\$ 6,263,255
Federal Government Appropriations	44,500	44,500	147,463	102,963
State Government Appropriations	345,010,916	347,603,816	346,551,041	(1,052,775)
Local Government Appropriations	9,288,694	9,503,694	9,598,739	95,045
Federal Government Contracts/Grants	302,764,374	374,489,913	323,994,359	(50,495,554)
State Government Contracts/Grants	63,770,998	64,879,006	64,718,519	(160,487)
Local Government Contracts/Grants	6,063,494	4,431,664	3,241,123	(1,190,541)
Private Contracts/Grants	29,047,908	32,176,940	28,131,563	(4,045,377)
Endowments and Private Gifts	26,916,084	31,564,799	62,426,419	30,861,620
Land and Permanent Fund	10,750,000	10,750,000	11,813,409	1,063,409
Sales and Services	516,259,463	556,566,972	537,804,713	(18,762,259)
Other	156,246,480	178,364,307	167,525,476	(10,838,831)
Total Unrestricted and Restricted Revenues	<u>\$ 1,663,288,684</u>	<u>\$ 1,803,360,717</u>	<u>\$ 1,755,201,185</u>	<u>\$ (48,159,532)</u>
Unrestricted and Restricted Expenditures:				
Instruction	\$ 296,920,808	\$ 288,847,608	\$ 274,366,774	\$ 14,480,834
Academic Support	58,619,351	61,000,908	57,003,242	3,997,666
Student Services	34,273,932	36,191,628	32,870,335	3,321,293
Institutional Support	74,255,979	79,074,113	72,794,111	6,280,002
Operations and Maintenance	46,681,660	46,830,700	43,767,458	3,063,242
Student Social and Cultural	10,181,241	10,188,982	9,654,052	534,930
Research	263,128,058	300,270,590	265,551,363	34,719,227
Public Service	479,522,173	512,363,724	471,578,592	40,785,132
Internal Services	4,672,796	16,727,729	11,676,267	5,051,462
Student Aid, Grants, and Stipends	151,298,607	176,752,305	139,586,189	37,166,116
Auxiliary Services	48,327,585	44,768,089	36,801,510	7,966,579
Intercollegiate Athletics	33,236,418	33,496,350	32,573,672	922,678
Independent Operations	104,631,700	107,337,244	104,806,832	2,530,412
Capital Outlay	96,028,736	92,301,895	73,148,112	19,153,783
Building Renewal and Replacement	11,600,000	11,600,000	7,475,475	4,124,525
Retirement of Indebtedness	36,536,292	36,536,292	35,425,657	1,110,635
Total Unrestricted and Restricted Expenditures	<u>\$ 1,749,915,336</u>	<u>\$ 1,854,288,157</u>	<u>\$ 1,669,079,641</u>	<u>\$ 185,208,516</u>
Net Transfers	<u>\$ 8,227,549</u>	<u>\$ 7,423,386</u>	<u>\$ 9,148,510</u>	<u>\$ 1,725,124</u>
Change in Net Position (Budgetary Basis)	<u>\$ (78,399,103)</u>	<u>\$ (43,504,054)</u>	<u>\$ 95,270,054</u>	<u>\$ 138,774,108</u>
Ending Net Position	<u>\$ 248,437,723</u>	<u>\$ 378,884,894</u>	<u>\$ 517,658,999</u>	<u>\$ 138,774,105</u>

Under title 5 of the New Mexico Administrative Code, chapter 3, part 4, paragraph 10 – Items of Budgetary Control: The total expenditures in each of the following budgetary functions will be used as the items of budgetary control. Total expenditures or transfers in each of these items of budgetary control may not exceed the amounts shown in the approved budget: A. Unrestricted expenditures and restricted expenditures, B. Instruction and general, C. Each budget function in current funds other than instruction and general, D. Within the plant funds budget: major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements, and debt service, 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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	<u>Final Budget vs Actuals Favorable (Unfavorable)</u>
Unrestricted Beginning Net Position	\$ 63,169,343	\$ 94,296,450	\$ 94,296,449	\$ (1)
Unrestricted Revenues:				
Tuition and Fees	\$ 175,365,043	\$ 171,367,585	\$ 177,240,913	\$ 5,873,328
Federal Government Appropriations	-	-	27,297	27,297
State Government Appropriations	291,941,700	294,058,900	294,058,800	(100)
Local Government Appropriations	9,288,694	9,503,694	9,598,739	95,045
Federal Government Contracts/Grants	180,000	5,229,537	12,008,771	6,779,234
State Government Contracts/Grants	2,000	10,955	19,844	8,889
Local Government Contracts/Grants	-	-	-	-
Private Contracts/Grants	-	-	-	-
Endowments and Private Gifts	10,750,000	10,750,000	11,813,409	1,063,409
Land and Permanent Fund	-	-	14,331	14,331
Sales and Services	1,205,384	1,159,272	1,393,611	234,339
Other	58,281,861	59,412,421	71,835,847	12,423,426
Total Unrestricted Revenues	<u>\$ 547,014,682</u>	<u>\$ 551,492,364</u>	<u>\$ 578,011,562</u>	<u>\$ 26,519,198</u>
Unrestricted Expenditures:				
Instruction	\$ 286,977,737	\$ 280,381,517	\$ 270,874,914	\$ 9,506,603
Academic Support	57,805,919	60,126,453	56,724,338	3,402,115
Student Services	33,645,516	35,578,853	32,647,476	2,931,377
Institutional Support	73,863,507	78,697,850	72,759,154	5,938,696
Operations and Maintenance	46,659,160	46,808,200	43,767,458	3,040,742
Total Unrestricted Expenditures	<u>\$ 498,951,839</u>	<u>\$ 501,592,873</u>	<u>\$ 476,773,340</u>	<u>\$ 24,819,533</u>
Net Transfers	<u>\$ (53,427,946)</u>	<u>\$ (69,852,343)</u>	<u>\$ (81,961,152)</u>	<u>\$ (12,108,809)</u>
Change in Net Position (Budgetary Basis)	<u>\$ (5,365,103)</u>	<u>\$ (19,952,852)</u>	<u>\$ 19,277,070</u>	<u>\$ 39,229,922</u>
Ending Net Position	<u>\$ 57,804,240</u>	<u>\$ 74,343,598</u>	<u>\$ 113,573,519</u>	<u>\$ 39,229,921</u>

See accompanying independent auditors' report.

Budget Comparison - Restricted - Instruction & General
Year Ended June 30, 2022

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable (Unfavorable)
Restricted Beginning Net Position	\$ -	\$ -	\$ -	\$ -
Restricted Revenues:				
Tuition and Fees	\$ -	\$ -	\$ -	\$ -
Federal Government Appropriations	-	-	-	-
State Government Appropriations	-	-	-	-
Local Government Appropriations	-	-	-	-
Federal Government Contracts/Grants	7,340,946	7,375,735	2,624,125	(4,751,610)
State Government Contracts/Grants	2,793,866	2,599,106	1,363,547	(1,235,559)
Local Government Contracts/Grants	1,416,090	98,962	(779)	(99,741)
Private Contracts/Grants	117,184	146,997	42,208	(104,789)
Endowments and Private Gifts	-	-	-	-
Land and Permanent Fund	-	-	-	-
Sales and Services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	<u>\$ 11,668,086</u>	<u>\$ 10,220,800</u>	<u>\$ 4,029,101</u>	<u>\$ (6,191,699)</u>
Restricted Expenditures:				
Instruction	\$ 9,943,071	\$ 8,466,091	\$ 3,491,860	\$ 4,974,231
Academic Support	813,432	874,455	278,904	595,551
Student Services	628,416	612,775	222,859	389,916
Institutional Support	392,472	376,263	34,957	341,306
Operations and Maintenance	22,500	22,500	-	22,500
Total Restricted Expenditures	<u>\$ 11,799,891</u>	<u>\$ 10,352,084</u>	<u>\$ 4,028,580</u>	<u>\$ 6,323,504</u>
Net Transfers	\$ 131,805	\$ 131,284	\$ (521)	\$ (131,805)
Change in Net Position (Budgetary Basis)	\$ -	\$ -	\$ -	\$ -
Ending Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO

Reconciliation of Budgetary Basis to Financial Statement Basis
 Unrestricted and Restricted - All Operations
 Year Ended June 30, 2022

Total Unrestricted and Restricted Revenues:

Budgetary Basis	\$ 1,755,201,185
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	1,461,056,872
University of New Mexico Behavioral Health Operations (amount not in budgetary basis)	74,546,047
Blended component units (amount not in budgetary basis)	434,431,847
Intercompany eliminations (amount not in budgetary basis)	(469,969,973)
Scholarship allowance (amount not in budgetary basis)	(92,455,643)
Endowment fund items (amount not in budgetary basis)	12,017,012
Investment in plant items (amount not in budgetary basis)	(468,187)
Institutional fund items (amount not in budgetary basis)	(24,246,772)
Bond proceeds (amount not in financial statements)	(1,829,339)
Revenue/expenditure classification differences	(36,552,786)
Other	6,358,337
Total reconciling items	<u>\$ 1,362,887,415</u>
Total reconciled unrestricted and restricted revenues per budgetary basis	<u>\$ 3,118,088,600</u>
Basic Financial Statements	
Operating revenues	\$ 2,407,143,361
Nonoperating revenues	683,639,067
Nonoperating revenues netted in other nonoperating revenues and expenses	12,331,819
Capital contributions	14,974,351
Total unrestricted and restricted revenues per financial statements	<u>\$ 3,118,088,599</u>
Difference	<u>\$ -</u>

Total Unrestricted and Restricted Expenditures:

Budgetary Basis	\$ 1,669,079,641
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	1,458,909,098
University of New Mexico Behavioral Health Operations (amount not in budgetary basis)	70,983,843
Blended component units (amount not in budgetary basis)	415,128,771
Intercompany eliminations (amount not in budgetary basis)	(468,384,903)
Scholarship allowance (amount not in budgetary basis)	(92,455,643)
Endowment fund items (amount not in budgetary basis)	1,938,268
Investment in plant items (amount not in financial statements)	(1,558,593)
Depreciation expense (amount not in budgetary basis)	64,574,843
Capitalized expenditures (amount not in financial statements)	(58,629,640)
Bond principal payments (amount not in financial statements)	(23,025,000)
GASB 68 pension expense (amount not in budgetary basis)	4,429,160
GASB 75 other postemployment benefits expense (amount not in budgetary basis)	(9,433,100)
Revenue/expenditure classification differences	(36,552,786)
Other	12,443,923
Total reconciling items	<u>\$ 1,338,368,241</u>
Total reconciled unrestricted and restricted expenditures per budgetary basis	<u>\$ 3,007,447,882</u>
Basic Financial Statements	
Operating expenditures	\$ 2,958,318,616
Nonoperating expenditures	44,646,383
Nonoperating expenditures netted in other nonoperating revenues and expenses	4,482,883
Total unrestricted and restricted expenditures per financial statements	<u>\$ 3,007,447,882</u>
Difference	<u>\$ -</u>

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Collateral as of June 30, 2022 - Primary Institution

Financial Institution	Account Type	Account Name	Book Balance	Bank Balance	
Compass Bank	Checking	*Lobo Development - Business Checking	\$ 3,532,879	\$ 253,406	
	Checking	*Lobo Energy - Business Checking	830,257	416,788	
			\$ 4,363,136	\$ 670,194	
		Less FDIC Insurance		(500,000)	
		Uninsured Public Funds		\$ 170,194	
Enterprise Bank	Checking	Los Alamos Campus Depository	\$ 629	\$ 629	
		Less FDIC Insurance		(629)	
		Uninsured Public Funds		\$ 0	
U.S. Bank	Checking	General Depository	\$ 31,231,133	\$ 40,900,174	
			\$ 31,231,133	\$ 40,900,174	
		Less FDIC Insurance		(250,000)	
		Uninsured Public Funds		\$ 40,650,174	
		Collateral Requirement (50%)		\$ 20,325,087	
		Fair Value of Collateral		\$ 65,000,000	
		Over (Under) Collateralized		\$ 44,674,913	
	Wells Fargo	Checking	UNMH Operating Account	\$ 388,358,091	\$ 415,236,077
		Savings	UNMH Operating Account	21,982	21,982
				\$ 388,380,073	\$ 415,258,059
		Less FDIC Insurance		(250,000)	
		Uninsured Public Funds		\$ 415,008,059	
		Collateral Requirement (50%)		\$ 207,504,030	
		Fair Value of Collateral		\$ 415,561,935	
		Over (Under) Collateralized		\$ 208,057,906	
Checking		*UNMMG Operating Account	\$ 88,663,403	\$ 88,170,231	
Checking		*UNMMG Cancer Center	34,988	34,988	
Checking	*UNMMG Truman RX	75,000	75,000		
		\$ 88,773,391	\$ 88,280,219		
	Less FDIC Insurance		(250,000)		
	Uninsured Public Funds		\$ 88,030,219		
	Collateral Requirement (50%)		\$ 44,015,110		
	Fair Value of Collateral		\$ 117,498,269		
	Over (Under) Collateralized		\$ 73,483,160		
Other		Commercial Paper	\$ 40,786,300		
		Interest-Bearing Cash Sweep (ICS)	60,744,123		
		UNMMG Money Markets	179,020		
		VEBA Trust	305,520		
		Petty Cash/Other	104,648		
		Component Unit deposits held by UNM	(6,148,656)		
		Rainforest Innovations	2,943,383	\$ -	
		**Sandoval Regional Medical Center	19,719,255	-	
			\$ 118,633,593	\$ -	
	Total Cash and Cash Equivalents – Primary Institution			\$ 631,381,955	\$ 545,109,275

*Blended Component Units - Public Money Entities

**Blended Component Units - Non-Public Money Entities

See accompanying independent auditors' report.

SCHEDULE 18

CUSIP Identification	Maturity Date	Type of Securities	Amount
Main Campus*			
530016	12/9/2022	LOC	\$ 65,000,000
<i>Total Pledged Collateral</i>			<u>\$ 65,000,000</u>

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

UNM Medical Group***			
3133K GK49	02/01/32	FMAC FEPC	\$ 6,132,279
3138N XE29	06/01/47	FNMA FNMS	3,114,147
31406 P U W6	07/01/47	FNMA FNMS	4,720,503
31406 T U H1	04/01/31	FNMA FNMS	4,039,655
3140K O Y J1	08/01/49	FNMA FNMS	3,540,620
3140X C F 29	02/01/50	FNMA FNMS	622,732
3140X C F Z6	12/01/41	FNMA FNMS	12,655,314
3140X G N J4	01/01/43	FNMA FNMS	6,957,071
36179 S W X I	04/01/43	GNMA G2SF	50,533,135
3617U L D K1	07/01/47	GNMA G2SF	2,268,387
3622A A t L6	03/01/50	GNMA G2SF	22,914,426
<i>Total Pledged Collateral</i>			<u>\$ 117,498,269</u>

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

CUSIP Identification	Maturity Date	Type of Securities	Amount
UNM Hospital**			
3140E W A 70	5/1/2031	FMAC	\$ 12,965,997
3140F C T G3	2/1/2047	FMAC	11,016,750
3140J Y K 62	11/1/2049	FMAC	12,400,561
3140K O Y Y8	1/1/2050	FMAC	5,522,313
3140K 16 J0	1/1/2050	FMAC	26,770,691
3140K 5 J R9	2/1/2050	FMAC	28,500,598
3140L N G H4	9/1/2051	FMAC	13,768,383
3140X C T K4	7/1/2047	FMAC	20,834,451
31418 B 5 E2	6/1/2031	FMAC	14,062,052
36179 S S Q1	12/20/2046	FNMA	891,487
36179 T N R2	12/20/2047	FNMA	28,610,949
36179 U C B6	9/20/2048	FNMA	44,920,144
36179 V M E7	5/20/2050	FNMA	62,239,050
36179 X A A4	6/20/2052	FNMA	54,004,068
3617N A S R2	7/20/2050	FNMA	29,981,791
3622A A L L6	3/20/2050	FNMA	13,510,717
3622A B L 26	1/20/2052	FNMA	35,561,933
<i>Total Bank Of New York</i>			<u>\$ 415,561,935</u>

** - 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, 2022 - Discretely Presented Component Units

Financial Institution	Account Type	Account Name	Book Balance	Bank Balance	
*UNM Foundation					
Nusenda Federal Credit Union	Cash	General Fund	\$ 194,460	\$ 194,460	
		Less NCUA Insurance		(194,460)	
		Uninsured Public Funds		\$ -	
Wells Fargo Bank	Cash	UNM Foundation Operating	\$ 5,313,406	\$ 5,353,872	
	Cash	Development	6,540,867	6,455,345	
			\$ 11,854,273	\$ 11,809,217	
				(250,000)	
				\$ 11,559,217	
				\$ 5,779,609	
				\$ 14,129,503	
				\$ 8,349,895	
Washington Federal	Cash	UNM Foundation Operating	\$ 9,955	\$ 9,955	
		Less FDIC Insurance		(9,955)	
		Uninsured Public Funds		\$ -	
				\$ -	
				\$ -	
				\$ -	
Other			Foundation Money Market	\$ 2,661,505	\$ 2,661,505
Total Cash and Cash Equivalents – UNM Foundation			\$ 14,720,193	\$ 14,675,137	
			**UNM Lobo Club	6,544,133	6,561,401
			**UNM Alumni Association	825,286	825,286
Total Cash and Cash Equivalents – Discretely Presented Component Units			\$ 22,089,612	\$ 22,061,824	

*Discretely Presented Component Units - Public Money Entities

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

See accompanying independent auditors' report.

CUSIP Identification	Maturity Date	Type of Securities	Amount
UNM Foundation			
31418DXJ6	2/1/2051	FN-30	14,129,503
<i>Total Pledged Collateral</i>			\$ 14,129,503

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, 2022 - 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	\$ 253,406	\$ 3,532,879
	*Lobo Energy - Business Checking	Checking	416,788	830,257
Enterprise Bank	Los Alamos Campus Depository	Checking	629	629
U.S. Bank	General Depository	Checking	40,900,174	31,231,133
Wells Fargo	UNMH Operating Account	Checking	415,236,077	388,358,091
	UNMH Operating Account	Savings	21,982	21,982
	*UNMMG Operating Accounting	Checking	88,170,231	88,663,403
	*UNMMG Cancer Center	Checking	34,988	34,988
	*UNMMG Truman RX	Checking	75,000	75,000
Other	Commercial Paper	Sweep		40,786,300
	Insured Cash Sweep (ICS)	Sweep		60,744,123
	UNMMG Money Markets	Money Market	-	179,020
	VEBA Trust	Trust		305,520
	Petty Cash/Other	Cash on Hand		104,648
	Component Unit deposits held by UNM			(6,148,656)
		**Rainforest Innovations		-
	**Sandoval Regional Medical Center		-	19,719,255
Total Cash and Cash Equivalents - Primary Institution			\$ 545,109,275	\$ 631,381,955

*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	\$ 1,952	\$ 1,952	
		Certificate of Deposit	-	-	
		U.S. Treasury Securities	2,422,856	2,422,856	
	VEBA Trust	Money Market	1,205,624	1,205,624	
		Mutual Funds - Fixed Income	18,785,331	18,785,331	
		Mutual Funds - Equity	31,909,192	31,909,192	
Fidelity Investments	ASM Student Portfolio Account	Cash	206,871	206,871	
		Exchange-Traded Funds	3,991,243	3,991,243	
		Equity	-	-	
Northern Trust	Consolidated Investment Fund	Money Market	39,083,966	39,083,966	
		Mutual Funds - Fixed	51,571,301	51,571,301	
		Mutual Funds - Equity	190,929,297	190,929,297	
		International Equity Fund	115,872,779	115,872,779	
		Illiquid Real Assessts	25,285,094	25,285,094	
		Private Equity	140,984,109	140,984,109	
		Marketable Alternatives	40,376,813	40,376,813	
US Bank	Operating Investment Accounts	Cash	3,934,478	3,934,478	
		U.S. Treasury Securities	186,176,960	186,176,960	
		US Government Agencies	-	-	
		Foreign Issued	63,321,418	63,321,418	
		Corporate Bonds	133,226,863	133,226,863	
		Municipal Bonds	6,031,193	6,031,193	
		UNMH Short-Term Investment Accounts	Money Market	318,474	318,474
	UNMH Short-Term Investment Accounts	U.S. Treasury Securities	35,679,411	35,679,411	
	*UNMMG Investment Account	U.S. Treasury Securities	13,686,223	13,686,319	
	*UNMMG Investment Account	Corporate Bonds	13,129,794	13,129,794	
	*UNMMG Investment Account	Municipal Bonds	322,304	322,304	
	Wells Fargo	Bldg, Renewal & Replacement	Money Market	131,944	131,944
			U.S. Government Agencies	7,720,386	7,720,386
		Retirement of Indebtedness	Money Market	2,539,287	2,539,287
Certificate of Deposit			2,499,913	2,499,913	
U.S. Government Agencies			1,806,000	1,806,000	
UNMH Trust Accounts (Short term)		Money Market	210,410	210,410	
UNMH Trust Accounts (Long term)		Money Market	17,965,789	17,965,789	
Investment in TLSC		UNMH Other Investments	Equity	6,718,460	6,718,460
Investment in TriWest		UNMH Other Investments	Equity	5,000,000	5,000,000
Investment in TRL (TriCore)		UNMH Other Investments	Equity	25,352,987	25,352,987
	Less: Foundation Interest in CIF		(348,818,603)	(348,818,603)	
	**Rainforest Innovations		10,278,353	10,278,353	
	**Sandoval Regional Medical Center		15,462,780	15,462,780	
Total Investments - Primary Institution			\$ 865,321,252	\$ 865,321,348	

*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, 2022 - Discretely Presented Component Units

Individual Deposit Accounts

Name of Bank/Broker	Account Type	Balance per Bank Statement	Reconciled Balance per Books
Component Units – Public Money Entities			
*UNM Foundation, Inc.			
Fidelity	Restricted Fund	Money Market	
		\$ 40,613	\$ 40,613
Hilltop Securities	Charitable Trust Fund	Money Market	
		17,309	17,309
Morgan Stanley	Restricted Fund	Money Market	
		2,603,583	2,603,583
Nusenda Credit Union	General Fund	Cash	
		184,440	184,440
	Restricted Fund	Cash	
		10,020	10,020
Wells Fargo	Operating	Cash	
		5,353,872	5,313,406
	Development	Cash	
		6,455,345	6,540,867
Washington Federal	Operating	Cash	
		9,955	9,955
Total Cash and Cash Equivalents - UNM Foundation, Inc.		\$ 14,675,137	\$ 14,720,193
**Anderson Schools of Management Foundation		-	-
**UNM Lobo Club		6,561,401	6,544,133
**UNM Alumni Association		825,286	825,286
Total Cash and Cash Equivalents - Discretely Presented Component Units		\$ 22,061,824	\$ 22,089,612

*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	\$ 337,855	\$ 337,855
Hilltop Financial Services	Charitable Trust Fund	148,555	148,555
		213,760	213,760
UBS Financial Services	Endowed Chair	-	-
		-	-
	Endowed Professorship	-	-
Morgan Stanley Smith Barney	UNM Foundation Inc.	960,597	960,597
Vanguard Investments	Operating Fund	-	-
	Operating Fund	2,351,583	2,351,583
Cash Value Life Insurance Policies	Nonendowed Fund	507,035	507,035
CIF	Endowments	348,888,506	348,888,506
Total Investments - UNM Foundation, Inc.		\$ 353,407,891	\$ 353,407,891
**Anderson Schools of Management Foundation		-	-
**UNM Alumni Association		9,043,207	9,043,207
Total Investments - Discretely Presented Component Units		\$ 362,451,098	\$ 362,451,098

*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, 2022

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
MAJOR PROGRAMS					
Department of Education					
Direct Awards					
Covid-19 Education Stabilization Fund	84.425 E,F,L	Department of Education		\$ -	\$ 41,872,070
		Total Department of Education Direct Awards		-	41,872,070
Pass-Through Awards					
Covid-19 Education Stabilization Fund	84.425 E,F,L	New Mexico Higher Education Department	2RSG2	-	429,167
Covid-19 Education Stabilization Fund	84.425 E,F,L	State of New Mexico Early Childhood Education and Care Depar	2RUN8	-	24,078
	84.425 Subtotal			-	425,325,315
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	DHS	UNMH	5,339,306	5,339,306
		Total Department of Education Pass-Through Awards		5,339,306	5,792,551
		Total Department of Education		5,339,306	47,664,621
Department of Health & Human Services					
Direct Awards					
Shuttered Venue Operators Grant Program	59.075			-	4,438,332
Covid-19 - Provider Relief Fund & American Rescue Plan (ARP) Rural Distribution	93.498			-	64,916,918
	93.498 Subtotal			-	64,916,918
		Total Department of Health & Human Services Direct Awards		-	69,355,250
		Total Department of Health & Human Services		-	69,355,250
CCDF CLUSTER					
Department of Health & Human Services					
Pass-Through Awards					
COVID-19 - Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depar	7R193	-	(1)
COVID-19 - Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depar	2RTP1	-	396,492
	93.575	State of New Mexico Early Childhood Education and Care Depar	2RTU5	-	222,319
	93.575	State of New Mexico Early Childhood Education and Care Depar	7R201	-	148,806
	93.575	State of New Mexico Early Childhood Education and Care Depar	2RTH2	-	1,274,962
	93.575 Subtotal			-	2,042,578
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	New Mexico Children Youth and Families Department	2RKW6	-	(912)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	State of New Mexico Early Childhood Education and Care Depar	2RDV7	-	365,359
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	State of New Mexico Early Childhood Education and Care Depar	2RKY3	-	358
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	State of New Mexico Early Childhood Education and Care Depar	2RTH2	-	1,896,586
	93.596 Subtotal			-	2,261,391
		Total Department of Health & Human Services Pass-Through Awards		-	4,303,969
		Total Department of Health & Human Services		-	4,303,969
TOTAL CCDF CLUSTER					
RESEARCH AND DEVELOPMENT CLUSTER					
Department of Agriculture					
Direct Awards					
Department of Agriculture	10.RD			-	24,716
Agricultural Research Basic and Applied Research	10.001			-	27,945
Agriculture and Food Research Initiative (AFRI)	10.310			-	971,045
Rural Community Development Initiative	10.446			-	55,385
		Total Department of Agriculture Direct Awards		-	1,079,091
Pass-Through Awards					

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 20

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Department of Agriculture	10.RD	Presbyterian Healthcare Services	3RCN4	-	1,482
Specialty Crop Block Grant Program - Farm Bill	10.170	NM Department of Agriculture	2RST5	-	17,459
Cooperative Extension Service	10.500	New Mexico State University	3RGC3	-	33,013
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program-Pass Through	10.561	New Mexico Human Services	3RLK4	-	548,046
Partnership Agreements	10.699	Forest Services	2RNW6	-	13,606
		Total Department of Agriculture Pass-Through Awards		-	613,606
		Total Department of Agriculture		-	1,692,697
Department of Commerce					
Direct Awards					
Marine Mammal Data Program	11.439	Marine Mammal Commission		-	10,105
		Total Department of Commerce Direct Awards		-	10,105
Pass-Through Awards					
Economic Adjustment Assistance-Pass Through	11.307	Albuquerque Hispano Chamber of Commerce		-	4,844
				-	4,844
		Total Department of Commerce		-	14,949
Department of Defense					
Direct Awards					
Department of Defense	12.RD			677,533	2,769,849
Collaborative Research and Development	12.114			-	931,175
Basic and Applied Scientific Research	12.300			-	3,861,289
Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program	12.330			1,165,783	191,057
Scientific Research - Combating Weapons of Mass Destruction	12.351			177,207	1,002,104
Military Medical Research and Development	12.420			862,237	2,340,957
Basic Scientific Research	12.431			36,992	731,203
Centers for Academic Excellence	12.598			54,421	275,324
Research and Technical Assistance	12.615			-	396,031
Basic, Applied, and Advanced Research in Science and Engineering	12.630			-	381,596
Air Force Defense Research Sciences Program	12.800			1,320,691	4,125,670
Research and Technology Development	12.910			29,885	785,220
		Total Department of Defense Direct Awards		4,324,749	17,791,475
Pass-Through Awards					
COVID-19 - Department of Defense	12.RD	Johns Hopkins University	3RJP2	-	(6,893)
COVID-19 - Department of Defense	12.RD	Los Alamos National Laboratory	3RFF9	-	70,327
COVID-19 - Department of Defense	12.RD	Los Alamos National Laboratory	3RKX5	-	70,199
Department of Defense	12.RD	Advanced Technology International	3RGU4	1,198,223	1,699,266
Department of Defense	12.RD	Applied Research Association Inc	2RTX1	-	23,687
Department of Defense	12.RD	Axient LLC	2RTX5	-	58,034
Department of Defense	12.RD	Brandywine Photonics	2RSV4	-	154,728
Department of Defense	12.RD	Charles River Analytics, Inc.	2RNR7	-	62,144
Department of Defense	12.RD	Clemson University	2RUA4	-	77,921
Department of Defense	12.RD	Engenius Micro	2RUA8	-	13,024
Department of Defense	12.RD	Leidos Inc	2RKQ6	-	3,617
Department of Defense	12.RD	LoadPath	2RPQ0	-	10,820
Department of Defense	12.RD	Massachusetts Institute of Technology	2RTT9	-	103,404
Department of Defense	12.RD	New Mexico Military Affairs Department	2RQT7	-	4,005
Department of Defense	12.RD	New Space New Mexico	2RTJ6	-	85,574
Department of Defense	12.RD	Nexus Photonics	2RUC0	-	45,528
Department of Defense	12.RD	Physical Sciences, Inc.	2RSQ7	-	(41)
Department of Defense	12.RD	Radiant Technology	2RQW5	-	(1,330)
Department of Defense	12.RD	Tau Technologies LLC	3REC3	-	(892)
Department of Defense	12.RD	Teledyne Scientific and Imaging	2RQY9	-	43,710
Department of Defense	12.RD	The Optical Sciences Company (TOSC)	2RNK5	-	(86,213)
Department of Defense	12.RD	Thorlabs Inc	2RNF3	-	87,206
Department of Defense	12.RD	Verus Research	2RNG6	-	14,226
Department of Defense	12.RD	Verus Research	2RQZ0	-	239,118
Department of Defense	12.RD	Verus Research	2RTS9	-	20,707
Department of Defense	12.RD	Wyle Laboratories, Inc.	2RTX3	-	63,686
		12.RD Subtotal		1,198,223	2,855,562
Basic and Applied Scientific Research	12.300	Carnegie Mellon University	2RSU9	-	78,939

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 20

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Basic and Applied Scientific Research	12.300	Clemson University	2RLF2	-	34,076
Basic and Applied Scientific Research	12.300	University of Texas Arlington	2RLG6	-	148,937
	12.300 Subtotal			-	261,952
Navy Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance	12.335	Physical Sciences, Inc.	2RPF4	-	16,272
Scientific Research - Combating Weapons of Mass Destruction	12.351	Pennsylvania State University	2RLB1	-	(15)
	12.351 Subtotal			-	(15)
Military Medical Research and Development	12.420	National Trauma Institute	3RCL1	-	(425)
Military Medical Research and Development	12.420	University of Pittsburgh	3REK1	-	2,614
	12.420 Subtotal			-	2,189
Basic Scientific Research	12.431	Leonard Wood Institute	2RSQ8	-	103,584
Basic Scientific Research	12.431	University of Missouri	2RNQ0	-	95,405
Basic Scientific Research	12.431	University of Southern California	2RNN9	-	46,809
	12.431 Subtotal			-	245,798
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	New Mexico Economic Development Dept	2RSS8	-	19,900
Basic, Applied, and Advanced Research in Science and Engineering	12.630	DexMat	2RQV5	-	12,725
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Army Educational Outreach Program	2RSJ8	-	1,674
Basic, Applied, and Advanced Research in Science and Engineering	12.630	MSI STEM Research Development Consortium	2RTZ1	-	28,480
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Technology Student Association	2RPR4	-	20,955
	12.630 Subtotal			-	63,834
COVID-19 - Uniformed Services University Medical Research Projects	12.750	The Geneva Foundation	3RJQ3	32,873	155,080
Air Force Defense Research Sciences Program	12.800	Board of Trustees of Michigan State University	2RTN2	-	254,558
Air Force Defense Research Sciences Program	12.800	Carnegie Mellon University	2RUJ2	-	17,449
Air Force Defense Research Sciences Program	12.800	Clarkson Aerospace Corp	2RTW2	-	72,813
Air Force Defense Research Sciences Program	12.800	New Mexico Institute of Mining	2RMB4	-	5,751
Air Force Defense Research Sciences Program	12.800	University of California Irvine	2RNP6	-	76,219
Air Force Defense Research Sciences Program	12.800	University of Illinois at Urbana-Champaign	2RUD2	-	7,630
Air Force Defense Research Sciences Program	12.800	University of Oklahoma	2RQK2	-	151,064
	12.800 Subtotal			-	585,484
Air Force Academy Athletic Programs	12.801	Prewitt Ridge Inc.	2RSV2	-	35,038
Research and Technology Development	12.910	Thermo Dynamic Films	2RLZ3	-	66,843
Research and Technology Development	12.910	Thermo Dynamic Films	2RMX7	-	309,473
Research and Technology Development	12.910	Radiant Technology	2RTW9	-	31,885
	12.910 Subtotal			-	408,201
		Total Department of Defense Pass-Through Awards		1,231,096	4,649,295
		Total Department of Defense		5,555,845	22,440,770

Department of the Interior

Direct Awards

Department of the Interior	15.U			-	5,777
Education Enhancements	15.151			-	85,535
Cultural Resources Management	15.159			-	13,447
Cultural and Paleontological Resources Management	15.224			-	15,792
Fish, Wildlife and Plant Conservation Resource Management	15.231			-	62,021
Joint Fire Science Program	15.232			-	6,528
Fish and Wildlife Coordination Act	15.517			-	238,487
Upper Colorado and San Juan River Basins Endangered Fish Recovery	15.529			34,168	152,072
SECURE Water Act – Research Agreements	15.560			-	157,111
Fish and Wildlife Coordination and Assistance	15.664			-	84,308
Youth Engagement, Education, and Employment	15.676			-	(1,727)
Cooperative Ecosystem Studies Units	15.678			-	75,328
Mexican Wolf Recovery	15.680			-	14,973
Earthquake Hazards Program Assistance	15.807			-	59,382
U.S. Geological Survey Research and Data Collection	15.808			-	(2,550)
American Battlefield Protection	15.926			-	2,743
Cooperative Research and Training Programs – Resources of the National Park System	15.945			40,786	701,189

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**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

National park Service Conservation, Protection, Outreach and Education	15.954				5,997	31,868
	15.954 Subtotal				46,783	733,057
		Total Department of the Interior Direct Awards			80,951	1,702,284
Pass-Through Awards						
Wildlife Resource Management	15.247	NatureServe	2RSW9	-		60,731
Fish and Wildlife Coordination Act	15.517	National Audubon Society Inc	2RPS1	-		149,429
Fish and Wildlife Coordination Act	15.517	Wayne State University	2RQX1	-		52,813
	15.517 Subtotal				-	202,242
Upper Colorado and San Juan River Basins Endangered Fish Recovery	15.529	Colorado State University	2RLH6	-		61,474
Assistance to State Water Resocurces Research Institute	15.805	New Mexico State University	2RTR5	-		20,702
Assistance to State Water Resocurces Research Institute	15.805	New Mexico Water Resources Research Institute	2RTV2	-		7,000
	15.805 Subtotal				-	27,702
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RPB9	-		82,187
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RQC5	-		(72)
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RSS9	-		44,183
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RTS4	-		9,426
	15.820 Subtotal				-	135,724
		Total Department of the Interior Pass-Through Awards			-	487,873
		Total Department of the Interior			80,951	2,190,157
Department of Justice						
Direct Awards						
Department of Justice	16.RD				-	882
State Justice Statistics Program for Statistical Analysis Centers	16.550				-	126,665
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560				-	126,098
		Total Department of Justice Direct Awards			-	253,645
Pass-Through Awards						
Department of Justice	16.RD	Research Triangle Institute	3RHZ9	-		54,497
Department of Justice	16.RD	Santa Clara Indian Pueblo	3RDK1	-		34,530
	16.RD Subtotal				-	89,027
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Rand Corp	3RLA1	-		92,945
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Research Triangle Institute	2RSA2	-		2,209
	16.560 Subtotal				-	95,154
COVID-19 Emergency Supplemental Funding Program	16.034	New Mexico Department of Health	3RKX7	-		99,997
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	New Mexico Human Services Department	3RKB2	-		89,421
		Total Department of Justice Pass-Through Awards			-	373,599
		Total Department of Justice			-	627,244
Department of Transportation						
Direct Awards						
Department of Transportation	20.RD				-	162,507
Highway Training and Education	20.215				-	29,248
		Total Department of Transportation Direct Awards			-	191,755
Pass-Through Awards						
Department of Transportation	20.RD	New Mexico Department of Transportation	2RLY9	-		99,439
Department of Transportation	20.RD	New Mexico Department of Transportation	2RMM3	-		505,139
Department of Transportation	20.RD	New Mexico Department of Transportation	2RMS8	-		48,272
Department of Transportation	20.RD	New Mexico Department of Transportation	2RNS1	-		921
Department of Transportation	20.RD	New Mexico Department of Transportation	2RNT1	-		80,307
Department of Transportation	20.RD	New Mexico Department of Transportation	2RPH8	-		248,281
Department of Transportation	20.RD	New Mexico Department of Transportation	2RPY0	-		44,389
Department of Transportation	20.RD	New Mexico Department of Transportation	2RQH9	-		131,394
	20.RD Subtotal				-	1,158,142
Highway Research and Development	20.200	University of Kansas Center for Research	2RSX1	-		33,106
Railroad Research and Development	20.313	National Academy of Sciences	2RMU9	-		9.00
Railroad Research and Development	20.313	National Academy of Sciences	2RSJ7	-		82,479

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

	20.313 Subtotal			-	82,488
University Transportation Centers Program	20.701	Louisiana State University	2RKR3	-	122,606
University Transportation Centers Program	20.701	Louisiana State University	2RTR1	-	129,932
University Transportation Centers Program	20.701	University of Colorado at Denver	2RUB9	-	18,071
	20.701 Subtotal			-	270,609
	Total Department of Transportation Pass-Through Awards			-	1,544,345
	Total Department of Transportation			-	1,736,100
National Aeronautics & Space Administration					
Direct Awards					
Science	43.001			287,655	2,129,812
Aeronautics	43.002			-	8,014
Office of Stem Engagement (OSTEM)	43.008			-	64,874
Space Technology	43.012			-	147,783
	Total National Aeronautics & Space Administration Direct Awards			287,655	2,350,483
Pass-Through Awards					
National Aeronautics and Space Administration	43.RD	Bluecom Systems and Consulting LLC	2RPS6	-	44,034
National Aeronautics and Space Administration	43.RD	Intelligent Automation, Inc.	2RSJ2	-	4,431
National Aeronautics and Space Administration	43.RD	Jet Propulsion Lab	2RJ72	-	182,940
National Aeronautics and Space Administration	43.RD	Lezner Research LLC	2RTC4	-	41,000
National Aeronautics and Space Administration	43.RD	New Mexico State University	2RTM6	-	70,872
National Aeronautics and Space Administration	43.RD	Qubitekk	2RTA4	-	46,971
National Aeronautics and Space Administration	43.RD	Space Telescope Science Institute	2RSG9	-	31,304
	43.RD Subtotal			-	421,552
Science	43.001	Blue Marble Space Institute of Science	2RKW5	-	2,329
Science	43.001	Colorado State University	2RMQ5	-	18,298
Science	43.001	Georgetown University	2RNC1	-	76,312
Science	43.001	Massachusetts Institute of Technology	2RSL2	-	10,178
Science	43.001	Michigan Technological University	2RSH7	-	9,501
Science	43.001	Ohio State University	2RPR9	-	2,660
Science	43.001	Pennsylvania State University	2RUM2	-	3,672
Science	43.001	Smithsonian Astrophysical Observatory	2RQJ4	-	9,396
Science	43.001	University of Chicago	2RMA7	-	22,209
Science	43.001	University of Colorado	2RQX7	-	35,223
Science	43.001	University of Wisconsin	2RUM9	-	33,371
	43.001 Subtotal			-	223,149
Aeronautics	43.002	Board of Trustees of the Leland Stanford Junior University	2RQU9	-	82,872
Aeronautics	43.002	Prewitt Ridge Inc.	2RSP8	-	22,317
	43.002 Subtotal			-	105,189
Exploration	43.003	University of Central Florida	2RPQ6	-	5,069
Exploration	43.003	Wyle Laboratories, Inc.	2RQB0	-	117,469
	43.003 Subtotal			-	122,538
Space Operations	43.007	Washington University	2RKG6	-	28,934
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RQF2	-	821
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RTC7	-	23,791
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RQN2	-	36,733
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RGG6	-	-
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RTL8	-	80,000
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RSF2	-	58,627
	43.008 Subtotal			-	199,972
Space Technology	43.012	University of Colorado	2RTV7	-	44,317
	Total National Aeronautics & Space Administration Pass-Through Awards			-	1,145,651
	Total National Aeronautics & Space Administration			287,655	3,496,134
National Science Foundation					
Direct Awards					
National Science Foundation	47.RD			-	142,389
Engineering	47.041			231,568	1,789,857
Mathematical and Physical Sciences	47.049			115,802	2,911,948
Geosciences	47.050			1,662,631	4,050,475
Computer and Information Science and Engineering	47.070			197,634	3,028,579

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**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Biological Sciences	47.074			267,276	4,395,021
Social, Behavioral, and Economic Sciences	47.075			-	572,021
Education and Human Resources	47.076			220,562	4,653,204
Polar Programs	47.078			-	39,251
Office of International Science and Engineering	47.079			-	98,792
Integrative Activities	47.083			1,680,961	4,159,084
			Total National Science Foundation Direct Awards	4,376,434	25,840,621
Pass-Through Awards					
National Science Foundation	47.RD	University of Southern California	2RPT7	-	85,897
Engineering	47.041	Arizona State University	2RJP1	-	(38,923)
Engineering	47.041	University of Texas Austin	2R913	-	294,259
Engineering	47.041	Trustees of Purdue University	2RKW0	-	594,460
Engineering	47.041	Trustees of Purdue University	2RPG2	-	6,508
Engineering	47.041	University Industry Demonstration Partnership (UIDP)	2RSU5	-	48,006
Engineering	47.041	University of Southern California	2RUB4	-	12,649
	47.041 Subtotal			-	916,959
Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RPD4	-	15,956
Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RTJ8	-	3,917
Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RTV6	-	2,824
Mathematical and Physical Sciences	47.049	Cornell University	2RQZ3	-	81,599
Mathematical and Physical Sciences	47.049	Duke University	2RMK1	-	128,425
Mathematical and Physical Sciences	47.049	University of Colorado	2RQT3	-	348,696
Mathematical and Physical Sciences	47.049	University of Notre Dame	2RND4	-	1,532
	47.049 Subtotal			-	582,949
Geosciences	47.050	Cornell University	2RKX8	-	10,114
Geosciences	47.050	Regents of the University of Idaho	2RSR4	-	25,947
Geosciences	47.050	University of Arizona	2RBT5	-	30,756
Geosciences	47.050	University of Colorado	2RKP4	-	218,523
Geosciences	47.050	University of Texas at San Antonio	SRUC7	-	3,839
	47.050 Subtotal			-	289,179
Computer and Information Science and Engineering	47.070	Santa Fe Institute	2RSS1	-	53,218
Computer and Information Science and Engineering	47.070	University of Tennessee	2RMP6	-	60,431
Computer and Information Science and Engineering	47.070	University of Vermont	2RSD3	-	119,655
	47.070 Subtotal			-	233,304
Biological Sciences	47.074	University of Washington	2RPK7	-	48,197
Biological Sciences	47.074	Washington State University	2RMT5	-	28,925
	47.074 Subtotal			-	77,122
Education and Human Resources	47.076	Arizona State University	2RHY8	-	86,521
Education and Human Resources	47.076	Arizona State University	2RHZ2	-	39,408
Education and Human Resources	47.076	New Mexico State University	2RMQ3	-	117,376
Education and Human Resources	47.076	Pasadena City College	2RQS7	-	106,408
	47.076 Subtotal			-	349,713
Polar Programs	47.078	Regents of the University of California	2RUL6	-	23,645
Office of International Science and Engineering	47.079	Institute for Learning Innovation	2RPN0	-	5,135
Integrative Activities	47.083	Brown University	2RTW3	-	35,138
Integrative Activities	47.083	Clemson University	3RBK3	-	(81)
Integrative Activities	47.083	Regents of the University of Idaho	2RUF3	-	12,898
Integrative Activities	47.083	University of Louisiana at Lafayette	2RTV5	-	80,224
Integrative Activities	47.083	University of Montana	2RTT8	-	35,331
	47.083 Subtotal			-	163,510
			Total National Science Foundation Pass-Through Awards	-	2,727,413
			Total National Science Foundation	4,376,434	28,568,034
Department of Veterans Affairs					
Direct Awards					
Department of Veterans Affairs	64.RD			-	246,644
		Total Department of Veterans Affairs Direct Awards		-	246,644
Pass-Through Awards					
Department of Veterans Affairs	64.RD	Biomedical Research Institute of New Mexico	3RFZ6	-	2,891
		Total Department of Veterans Affairs Pass-Through Awards		-	2,891
		Total Department of Veterans Affairs		-	249,535

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Environmental Protection Agency

Direct Awards					
Science To Achieve Results (STAR) Research Program	66.509			15,947	15,376
P3 Award: National Student Design Competition for Sustainability	66.516			-	13,528
Total Environmental Protection Agency Direct Awards				15,947	28,904
Pass-Through Awards					
Regional Wetland Program Development Grants	66.461	New Mexico Environment Department	2RPX2	-	23,207
Regional Wetland Program Development Grants	66.461	New Mexico Environment Department	2RQC6	-	19,691
Regional Wetland Program Development Grants	66.461	New Mexico Environment Department	2RSM1	-	47,448
Regional Wetland Program Development Grants	66.461	New Mexico Environment Department	2RTD1	-	11,412
	66.461 Subtotal			-	101,758
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements					
	66.802	Dine College	2RSX3	-	64,683
	66.802 Subtotal			-	64,683
Total Environmental Protection Agency Pass-Through Awards				-	166,441
Total Environmental Protection Agency				15,947	195,345

Department of Energy

Direct Awards					
Office of Science Financial Assistance Program	81.049			399,098	1,759,713
Renewable Energy Research and Development	81.087			-	79,817
Fossil Energy Research and Development	81.089			88,035	540,577
Stewardship Science Grant Program	81.112			-	218,690
Nuclear Energy Research, Development and Demonstration	81.121			261,969	627,071
Predictive Science Academic Alliance Program	81.124			354,671	659,879
Advanced Research Projects Agency - Energy	81.135			70,775	282,357
Minority Economic Impact	81.137			-	19,740
Total Department of Energy Direct Awards				1,174,548	4,187,844
Pass-Through Awards					
Department of Energy	81.RD	Battelle Memorial Institute	2RDM2	-	118,843
Department of Energy	81.RD	Battelle Memorial Institute	2RMT1	-	165,016
Department of Energy	81.RD	Battelle Memorial Institute	2RPX5	-	99,621
Department of Energy	81.RD	Battelle Memorial Institute	2RTP8	-	66,679
		Board of Trustees of the Leland Stanford Junior			
Department of Energy	81.RD	University	2RNC8	-	106,652
Department of Energy	81.RD	Brookhaven Science Associates LLC	2RPP9	-	51,813
Department of Energy	81.RD	Brookhaven Science Associates LLC	2RQH5	-	29,146
Department of Energy	81.RD	Honeywell Corporation	2RTW0	-	99,682
Department of Energy	81.RD	Honeywell Corporation	2RSJ6	-	22,066
Department of Energy	81.RD	Idaho National Laboratory	2RPX5	-	7,185
Department of Energy	81.RD	Lawrence Berkeley National Laboratory	2RQV7	-	320,785
Department of Energy	81.RD	Lawrence Berkeley National Laboratory	2RQZ1	-	326,292
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RSB7	-	6,132
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RSH4	-	20,525
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RTH5	-	43,189
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RTL7	-	85,999
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RUA7	-	19,101
Department of Energy	81.RD	Lawrence Livermore National Laboratory	3RLU8	-	47,000
Department of Energy	81.RD	Los Alamos National Laboratory	2RFG7	-	(30)
Department of Energy	81.RD	Los Alamos National Laboratory	2RMW3	-	111,334
Department of Energy	81.RD	Los Alamos National Laboratory	2RNG0	-	45,849
Department of Energy	81.RD	Los Alamos National Laboratory	2RNG1	-	(244)
Department of Energy	81.RD	Los Alamos National Laboratory	2RNU9	-	(1)
Department of Energy	81.RD	Los Alamos National Laboratory	2RPL6	-	114,007
Department of Energy	81.RD	Los Alamos National Laboratory	2RPP0	-	7,209
Department of Energy	81.RD	Los Alamos National Laboratory	2RPY3	-	123,865
Department of Energy	81.RD	Los Alamos National Laboratory	2RPZ0	-	93,489
Department of Energy	81.RD	Los Alamos National Laboratory	2RQN7	-	48,136
Department of Energy	81.RD	Los Alamos National Laboratory	2RSB5	-	215,784
Department of Energy	81.RD	Los Alamos National Laboratory	2RSB9	-	12,910
Department of Energy	81.RD	Los Alamos National Laboratory	2RSN2	-	68,210
Department of Energy	81.RD	Los Alamos National Laboratory	2RSQ6	-	71,796
Department of Energy	81.RD	Los Alamos National Laboratory	2RSU3	-	39,786
Department of Energy	81.RD	Los Alamos National Laboratory	2RSV7	-	59,146
Department of Energy	81.RD	Los Alamos National Laboratory	2RTD2	-	130,182
Department of Energy	81.RD	Los Alamos National Laboratory	2RTW5	-	28,423
Department of Energy	81.RD	Los Alamos National Laboratory	2RTW6	-	53,833

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Department of Energy	81.RD	Los Alamos National Laboratory	2RTX4	-	15,718
Department of Energy	81.RD	Los Alamos National Laboratory	2RUD1	-	29,191
Department of Energy	81.RD	Los Alamos National Laboratory	2RUD9	-	8,414
Department of Energy	81.RD	Los Alamos National Laboratory	2RUJ7	-	10,462
Department of Energy	81.RD	Los Alamos National Laboratory	3RJP6	-	354
Department of Energy	81.RD	Los Alamos National Laboratory	3RMA7	-	11,840
Department of Energy	81.RD	Los Alamos National Laboratory	3RMP5	-	799
Department of Energy	81.RD	Los Alamos National Laboratory	5R164	-	34,650
Department of Energy	81.RD	Los Alamos National Laboratory	5R165	-	140,856
Department of Energy	81.RD	MIND Research Network	2RH75	-	49,410
Department of Energy	81.RD	NMC Inc	2RMU1	-	45,029
Department of Energy	81.RD	NMC Inc	2RSG8	-	15,560
Department of Energy	81.RD	NMC Inc	2RTK6	-	24,658
Department of Energy	81.RD	NMC Inc	2RTT0	-	40,276
Department of Energy	81.RD	NMC Inc	2RUB1	-	5,335
Department of Energy	81.RD	Sandia National Laboratories	2RMT8	-	11,182
Department of Energy	81.RD	Sandia National Laboratories	2RNH0	-	637
Department of Energy	81.RD	Sandia National Laboratories	2RNH2	-	813
Department of Energy	81.RD	Sandia National Laboratories	2RNR9	-	19,507
Department of Energy	81.RD	Sandia National Laboratories	2RNZ8	-	75,247
Department of Energy	81.RD	Sandia National Laboratories	2RPC7	-	105,269
Department of Energy	81.RD	Sandia National Laboratories	2RPDZ	-	89,561
Department of Energy	81.RD	Sandia National Laboratories	2RPJ1	-	68,798
Department of Energy	81.RD	Sandia National Laboratories	2RPK0	-	91,613
Department of Energy	81.RD	Sandia National Laboratories	2RPK4	-	60,583
Department of Energy	81.RD	Sandia National Laboratories	2RPK5	-	16,471
Department of Energy	81.RD	Sandia National Laboratories	2RPL0	-	(4)
Department of Energy	81.RD	Sandia National Laboratories	2RPQ2	-	4,212
Department of Energy	81.RD	Sandia National Laboratories	2RPV7	-	41,011
Department of Energy	81.RD	Sandia National Laboratories	2RPV8	-	48,848
Department of Energy	81.RD	Sandia National Laboratories	2RPX4	-	394,658
Department of Energy	81.RD	Sandia National Laboratories	2RQA0	-	71,260
Department of Energy	81.RD	Sandia National Laboratories	2RQA8	-	42,611
Department of Energy	81.RD	Sandia National Laboratories	2RQB3	-	84,584
Department of Energy	81.RD	Sandia National Laboratories	2RQG1	-	34,345
Department of Energy	81.RD	Sandia National Laboratories	2RQG7	-	16,701
Department of Energy	81.RD	Sandia National Laboratories	2RQL1	-	21,703
Department of Energy	81.RD	Sandia National Laboratories	2RQL2	-	3,391
Department of Energy	81.RD	Sandia National Laboratories	2RQR9	-	46,598
Department of Energy	81.RD	Sandia National Laboratories	2RQS3	-	92,570
Department of Energy	81.RD	Sandia National Laboratories	2RQS4	-	27,223
Department of Energy	81.RD	Sandia National Laboratories	2RQU1	-	122,495
Department of Energy	81.RD	Sandia National Laboratories	2RQV3	-	62,799
Department of Energy	81.RD	Sandia National Laboratories	2RQV8	-	122,659
Department of Energy	81.RD	Sandia National Laboratories	2RQX3	-	135,179
Department of Energy	81.RD	Sandia National Laboratories	2RQY0	-	122,956
Department of Energy	81.RD	Sandia National Laboratories	2RQY1	-	(8)
Department of Energy	81.RD	Sandia National Laboratories	2RQY2	-	107,618
Department of Energy	81.RD	Sandia National Laboratories	2RQY3	-	6,169
Department of Energy	81.RD	Sandia National Laboratories	2RQY5	-	41,536
Department of Energy	81.RD	Sandia National Laboratories	2RSA5	-	7,951
Department of Energy	81.RD	Sandia National Laboratories	2RSA8	-	18,319
Department of Energy	81.RD	Sandia National Laboratories	2RSB4	-	50,736
Department of Energy	81.RD	Sandia National Laboratories	2RSB8	-	1,887
Department of Energy	81.RD	Sandia National Laboratories	2RSC5	-	78,882
Department of Energy	81.RD	Sandia National Laboratories	2RSC7	-	137,078
Department of Energy	81.RD	Sandia National Laboratories	2RSD8	-	89,626
Department of Energy	81.RD	Sandia National Laboratories	2RSF1	-	19,104
Department of Energy	81.RD	Sandia National Laboratories	2RSF3	-	29,072
Department of Energy	81.RD	Sandia National Laboratories	2RSF8	-	116,163
Department of Energy	81.RD	Sandia National Laboratories	2RSG5	-	79,151
Department of Energy	81.RD	Sandia National Laboratories	2RSG7	-	5,834
Department of Energy	81.RD	Sandia National Laboratories	2RSH1	-	61,652
Department of Energy	81.RD	Sandia National Laboratories	2RSH3	-	39,990
Department of Energy	81.RD	Sandia National Laboratories	2RSH6	-	12,288
Department of Energy	81.RD	Sandia National Laboratories	2RSK5	-	44,529
Department of Energy	81.RD	Sandia National Laboratories	2RSK9	-	73,530
Department of Energy	81.RD	Sandia National Laboratories	2RSM5	-	20,999
Department of Energy	81.RD	Sandia National Laboratories	2RSU1	-	7,583
Department of Energy	81.RD	Sandia National Laboratories	2RSU6	-	37,503
Department of Energy	81.RD	Sandia National Laboratories	2RSW4	-	39,393
Department of Energy	81.RD	Sandia National Laboratories	2RSW8	-	43,190

Schedule of Expenditures of Federal Awards
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Department of Energy	81.RD	Sandia National Laboratories	2RSY7	-	28,022
Department of Energy	81.RD	Sandia National Laboratories	2RTB1	-	43,874
Department of Energy	81.RD	Sandia National Laboratories	2RTC3	-	43,326
Department of Energy	81.RD	Sandia National Laboratories	2RTG4	-	6,732
Department of Energy	81.RD	Sandia National Laboratories	2RTH8	-	10,000
Department of Energy	81.RD	Sandia National Laboratories	2RTK8	-	22,754
Department of Energy	81.RD	Sandia National Laboratories	2RTQ3	-	43,145
Department of Energy	81.RD	Sandia National Laboratories	2RTS7	-	56,924
Department of Energy	81.RD	Sandia National Laboratories	2RTT2	-	62,281
Department of Energy	81.RD	Sandia National Laboratories	2RTT3	-	30,541
Department of Energy	81.RD	Sandia National Laboratories	2RTT4	-	32,357
Department of Energy	81.RD	Sandia National Laboratories	2RTT5	-	38,149
Department of Energy	81.RD	Sandia National Laboratories	2RTU0	-	39,222
Department of Energy	81.RD	Sandia National Laboratories	2RTU1	-	59,871
Department of Energy	81.RD	Sandia National Laboratories	2RTU7	-	91,430
Department of Energy	81.RD	Sandia National Laboratories	2RUC2	-	32,695
Department of Energy	81.RD	Sandia National Laboratories	2RUC4	-	37,049
Department of Energy	81.RD	Sandia National Laboratories	2RUD8	-	23,929
Department of Energy	81.RD	Sandia National Laboratories	2RUF6	-	31,915
Department of Energy	81.RD	Sandia National Laboratories	2RUH3	-	31,600
Department of Energy	81.RD	Sandia National Laboratories	2RUH9	-	26,781
Department of Energy	81.RD	Sandia National Laboratories	2RUI3	-	4,172
Department of Energy	81.RD	Sandia National Laboratories	2RUJ4	-	18,238
Department of Energy	81.RD	Sandia National Laboratories	2RUK3	-	17,499
Department of Energy	81.RD	Sandia National Laboratories	2RUL4	-	2,439
Department of Energy	81.RD	Sandia National Laboratories	2RUM5	-	8,791
Department of Energy	81.RD	Sandia National Laboratories	2RUN5	-	8,991
Department of Energy	81.RD	Sandia National Laboratories	2RUP6	-	7,488
Department of Energy	81.RD	Sandia National Laboratories	2RUP9	-	4,370
Department of Energy	81.RD	Sandia National Laboratories	2RUR4	-	9,079
Department of Energy	81.RD	Sandia National Laboratories	3RLY7	-	18,018
	81.RD Subtotal			-	7,388,899
Office of Science Financial Assistance Program	81.049	Lenzner Research LLC	2RTC9	-	118,938
Office of Science Financial Assistance Program	81.049	North Carolina State University	2RPN5	-	238,761
Office of Science Financial Assistance Program	81.049	XUV Lasers, Inc.	2RQX4	-	46,435
	81.049 Subtotal			-	404,134
Conservation Research and Development	81.086	Lumileds	2RQN6	-	112,834
Conservation Research and Development	81.086	Washington State University	2RSB1	-	147,235
	81.086 Subtotal			-	260,069
Renewable Energy Research and Development	81.087	Osazda Energy, Inc.	2RSN1	-	74,780
Fossil Energy Research and Development	81.089	New Mexico Institute of Mining and Technology	2RSB2	-	109,061
Fossil Energy Research and Development	81.089	University of Central Florida	2RTS3	-	31,179
	81.089 Subtotal			-	140,240
Environmental Remediation and Waste Processing and Disposal	81.104	Florida International University	2RTS8	-	20,538
Epidemiology and Other Health Studies Financial Assistance	81.108	Johns Hopkins University	3R51W	-	(1)
Stewardship Science Grant Program	81.112	Cornell University	2RLK8	-	59,377
Defense Nuclear Nonproliferation Research	81.113	Regents of the University of Michigan	2RPC9	-	321,250
Defense Nuclear Nonproliferation Research	81.113	University of California Berkely	2RTT6	-	95,098
	81.113 Subtotal			-	416,348
Nuclear Energy Research, Development and Demonstration	81.121	Colorado School of Mines	2RLD2	-	(4,342)
Nuclear Energy Research, Development and Demonstration	81.121	Utah State University	2RIQ8	-	11,782
	81.121 Subtotal			-	7,440
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Universidad Ana G. Méndez	2RQZ4	-	211,960
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Board of Regents Nevada System of Highed Education	2RTS2	-	44,671
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Savannah River Nuclear Solutions, LLC	2RUF7	-	124,071
	81.123 Subtotal			-	380,702
Advanced Research Projects Agency - Energy	81.135	HyperJet Fusion Corp.	2RSG3	-	160,620
Advanced Research Projects Agency - Energy	81.135	Julia Computing, Inc.	2RSL1	-	11,278
Advanced Research Projects Agency - Energy	81.135	Rensselaer Polytechnic Institute	2RMM2	-	195,996
Advanced Research Projects Agency - Energy	81.135	Rensselaer Polytechnic Institute	2RPH6	-	39,999
Advanced Research Projects Agency - Energy	81.135	University	2RTP3	-	45,845
	81.135 Subtotal			-	453,738

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		Total Department of Energy Pass-Through Awards	-	9,606,265
		Total Department of Energy	1,174,548	13,794,109
Department of Education				
Pass-Through Awards				
Child Care Access Means Parents in School	84.335	San Juan College	2RSQ2	- 9,902
Student Support and Academic Enrichment Program	84.424	NM Public Education Department	3RLN8	- 136,065
		Total Department of Education Pass-Through Awards	-	145,967
		Total Department of Education	-	145,967
National Archives and Records Administration				
Direct Awards				
National Historical Publications and Records Grants	89.003			- 117,423
		Total National Archives and Records Administration Direct Awards	-	117,423
		Total National Archives and Records Administration	-	117,423
Department of Health & Human Services				
Direct Awards				
Department of Health & Human Services	93.RD		690,923	4,094,071
Maternal and Child Health Federal Consolidated Programs	93.110		-	644,861
Environmental Health	93.113		492,761	2,941,072
Oral Diseases and Disorders Research	93.121		42,712	325,517
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135		-	1,029,803
Community Programs to Improve Minority Health Grant Program	93.137		-	352,451
NIEHS Superfund Hazardous Substances_Basic Research and Education	93.143		234,722	1,451,274
HIV-Related Training and Technical Assistance	93.145		2,545,884	4,289,596
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153		-	367,905
Research Related to Deafness and Communication Disorders	93.173		252,586	864,138
Telehealth Programs	93.211		-	571,910
Research on Healthcare Costs, Quality and Outcomes	93.226		-	413,427
Mental Health Research Grants	93.242		183,494	2,253,512
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		-	633,504
Advanced Nursing Education Workforce Grant Program	93.247		-	657,004
Grants for Education, Prevention, and Early Detection of Radiogenic Cancers and Diseases	93.257		-	244,242
Alcohol Research Programs	93.273		641,638	6,844,754
Drug Abuse and Addiction Research Programs	93.279		899,855	3,645,104
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		-	286,548
Minority Health and Health Disparities Research	93.307		726,014	3,734,178
Trans-NIH Research Support	93.310		1,714,917	7,503,914
National Center for Advancing Translational Sciences	93.350		-	3,838,691
Construction Support	93.352		-	43,211
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353		236,708	1,164,952
Nursing Research	93.361		-	111,067
Cancer Cause and Prevention Research	93.393		1,180,186	1,722,686
Cancer Detection and Diagnosis Research	93.394		44,137	403,742
Cancer Treatment Research	93.395		41,593	735,064
Cancer Biology Research	93.396		-	695,757
COVID-19 - Cancer Centers Support Grants	93.397		65,072	1,992,619
Cancer Research Manpower	93.398		-	301,771
Cancer Control	93.399		67,149	2,275,344
Child Care and Development Block Grant	93.575		-	351,714

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		-	584,101
Mental and Behavioral Health Education and Training Grants	93.732		-	274,391
Cardiovascular Diseases Research	93.837		33,237	446,059
Lung Diseases Research	93.838		-	869,543
Blood Diseases and Resources Research	93.839		-	325,294
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		228,193	1,240,478
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		213,461	3,784,383
Allergy and Infectious Diseases Research	93.855		316,671	4,871,732
Biomedical Research and Research Training	93.859		455,157	11,849,990
Child Health and Human Development Extramural Research	93.865		3,944	445,792
Aging Research	93.866		229,136	1,873,769
Vision Research	93.867		405,450	1,143,821
Block Grants for Community Mental Health Services	93.958		-	1,360,277
International Research and Research Training	93.989		-	30,238
Total Department of Health & Human Services Direct Awards			11,945,600	85,885,271
Pass-Through Awards				
Department of Health & Human Services	93.RD	Albuquerque Public Schools	3RGA6	7,352
Department of Health & Human Services	93.RD	Albuquerque Public Schools	3RKL1	60,727
Department of Health & Human Services	93.RD	American Association of Poison Control Centers	3RLF1	32,070
Department of Health & Human Services	93.RD	Biological Mimetics, Inc.	3RHD2	374
Department of Health & Human Services	93.RD	CDC Foundation	3RKL4	4,488
Department of Health & Human Services	93.RD	Children's Hospital of Philadelphia	3RDM4	2,903
Department of Health & Human Services	93.RD	Duke University	3REK9	534
Department of Health & Human Services	93.RD	Duke University	3RFH7	2,811
Department of Health & Human Services	93.RD	Duke University	3RFU6	3,187
Department of Health & Human Services	93.RD	Duke University	3RJW9	2,573
Department of Health & Human Services	93.RD	Dystonia Coalition	3RLF4	66.00
Department of Health & Human Services	93.RD	ECOG-ACRIN Cancer Research Group	3RX79	2,518
Department of Health & Human Services	93.RD	Elizabeth Glaser Pediatric AIDS Foundation	3RKR2	31,990
Department of Health & Human Services	93.RD	Elizabeth Glaser Pediatric AIDS Foundation	3RKV6	6,289
Department of Health & Human Services	93.RD	Elizabeth Glaser Pediatric AIDS Foundation	3RLG8	74,786
Department of Health & Human Services	93.RD	Elizabeth Glaser Pediatric AIDS Foundation	3RLU2	19,006
Department of Health & Human Services	93.RD	Falling Colors Corporation	3RNF5	17,571
Department of Health & Human Services	93.RD	Family Health Centers of San Diego	3RMD5	341,441
Department of Health & Human Services	93.RD	Fort Defiance Indian Hospital	3RKB4	(4)
Department of Health & Human Services	93.RD	Genentech Inc	3RKC1	139,810
Department of Health & Human Services	93.RD	International Association for Indigenous Aging	3RJY8	1,114
Department of Health & Human Services	93.RD	Lawson Health Research Institute	3RLK2	686
Department of Health & Human Services	93.RD	Leidos Inc	3RAQ5	37,539
Department of Health & Human Services	93.RD	Leidos Inc	3RJD3	496,346
Department of Health & Human Services	93.RD	Lynntech, Inc.	3RFD5	11,240
Department of Health & Human Services	93.RD	New Mexico Behavioral Health Collaborative	3RKQ7	51,307
Department of Health & Human Services	93.RD	New Mexico Institute of Mining and Technology	3RLX4	38,760
Department of Health & Human Services	93.RD	NRG Oncology Foundation, Inc.	3RGR5	513
Department of Health & Human Services	93.RD	Oregon Health & Science University	3RQ96	2,477
Department of Health & Human Services	93.RD	Pennsylvania State University	3RKF5	4,847
Department of Health & Human Services	93.RD	Presbyterian Healthcare Services	3RLK8	72,555
Department of Health & Human Services	93.RD	Research Triangle Institute	3RA39	29,946
Department of Health & Human Services	93.RD	RTI International	3RG40	2,263
Department of Health & Human Services	93.RD	Soutcentral Foundation	3RLY3	41,579
Department of Health & Human Services	93.RD	Taos Pueblo Administration	3RCL4	(121)
Department of Health & Human Services	93.RD	Taos Pueblo Administration	3RKM2	39,990
Department of Health & Human Services	93.RD	University of Arizona	3RJR8	(1,778)
Department of Health & Human Services	93.RD	University of Arkansas	3RMA1	6,933
Department of Health & Human Services	93.RD	VisionQuest Biomedical LLC	3RJR4	382,242
Department of Health & Human Services	93.RD	Westat Inc	3RJY5	(14,042)
93.RD Subtotal			139,810	1,987,104
Global AIDS	93.067	Elizabeth Glaser Pediatric AIDS Foundation	3RKN5	10,528
Global AIDS	93.067	FHI 360	3RMU5	16,286
93.067 Subtotal			-	26,814
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	Baylor College of Medicine	3REX5	11,349

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 20

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Cooperative Agreements to Promote Adolescent Health	93.079	New Mexico Department of Health	3RKL2	-	310,273
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	Oregon Health & Science University	3RDC1	-	16,688
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	Oregon Health & Science University	3RLA6	-	28,879
	93.080 Subtotal			-	45,567
Food and Drug Administration Research	93.103	Institute for Advanced Clinical Trials for Children, Inc.	3REU9	-	3,198
Food and Drug Administration Research	93.103	Institute for Advanced Clinical Trials for Children, Inc.	3RNA2	-	959
	93.103 Subtotal			-	4,157
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	Mescalero Apache Tribal Council	3RBL9	-	29,216
Maternal and Child Health Federal Consolidated Programs	93.110	Oregon Health & Science University	3REF6	-	210,511.00
Maternal and Child Health Federal Consolidated Programs	93.110	Oregon Health & Science University	3RNB6	-	25,183.00
Maternal and Child Health Federal Consolidated Programs	93.110	Childrens Hospital of Los Angeles	3RLY1	-	623.00
	93.110 Subtotal			-	236,317.00
Environmental Health	93.113	State University of Iowa	3RLZ2	-	35,950
Environmental Health	93.113	University of Louisville	3RGB1	-	7,838
	93.113 Subtotal			-	43,788
Injury Prevention and Control Research and State and Community Based Programs	93.136	Board of Regents Nevada System of Higher Ed	3RLZ7	-	70,457
Injury Prevention and Control Research and State and Community Based Programs	93.136	New Mexico Department of Health	2RQU4	-	8
Injury Prevention and Control Research and State and Community Based Programs	93.136	New Mexico Department of Health	2RSZ9	-	263,743
Injury Prevention and Control Research and State and Community Based Programs	93.136	New Mexico Department of Health	3RCG8	-	380,187
Injury Prevention and Control Research and State and Community Based Programs	93.136	New Mexico Department of Health	3RKL2	-	117,852
Injury Prevention and Control Research and State and Community Based Programs	93.136	New Mexico Department of Health	3RKN2	-	878
Injury Prevention and Control Research and State and Community Based Programs	93.136	New Mexico Department of Health	3RLC2	-	1,181
Injury Prevention and Control Research and State and Community Based Programs	93.136	New Mexico Department of Health	3RMT6	-	5,657
Injury Prevention and Control Research and State and Community Based Programs	93.136	State of New Mexico	3RKU8	-	12,550
	93.136 Subtotal			-	852,513
Human Genome Research	93.172	Armonica Technologies, LLC	2RST2	-	21,004
Human Genome Research	93.172	President and Fellows of Harvard College	2RMC3	-	56,727
	93.172 Subtotal			-	77,731
Research Related to Deafness and Communication Disorders	93.173	University of North Carolina at Chapel Hill	2RTH1	-	76,378
Research and Training in Complementary and Integrative Health	93.213	Pacific University	2RNG2	-	76,078
	93.213 Subtotal			-	76,078
Research on Healthcare Costs, Quality and Outcomes	93.226	Regents of the University of Colorado	3RX42	-	-
Research on Healthcare Costs, Quality and Outcomes	93.226	Vanderbilt University Medical Center	3RFJ5	-	54,771
	93.226 Subtotal			-	54,771
National Center on Sleep Disorders Research	93.233	Ohio State University	3RJW7	-	4,466
	93.233 Subtotal			-	4,466
Mental Health Research Grants	93.242	Georgia State University	3RFZ8	-	9,826
Mental Health Research Grants	93.242	Georgia State University	3RGW3	-	20,715
Mental Health Research Grants	93.242	Kaiser Foundation Research Institute	2RSA1	-	54,513
Mental Health Research Grants	93.242	Rand Corp	3RGS4	-	1,041,912
Mental Health Research Grants	93.242	Rand Corp	3RKU5	-	345,854
Mental Health Research Grants	93.242	University of California- San Diego	3RAP5	-	438
Mental Health Research Grants	93.242	University of Colorado at Denver	3RED4	3,147	85,315
Mental Health Research Grants	93.242	University of Colorado at Denver	3RKB8	-	51,031
Mental Health Research Grants	93.242	University of Washington	3RJJ1	-	9,412
	93.242 Subtotal			3,147	1,619,016
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Bernalillo County	3RFB2	-	45,098
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Falling Colors Corporation	3RHJ2	-	2,103.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Falling Colors Corporation	3RHL9	-	(70.00)

Schedule of Expenditures of Federal Awards
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Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Falling Colors Corporation	3RHR3	-	462,451.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Falling Colors Corporation	3RKL7	-	114,463.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Falling Colors Corporation	3RKL9	-	25,834.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Falling Colors Corporation	3RKM6	-	153,636.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Montclair State University	2RSF5	-	9,998.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Montclair State University	3RLM3	-	7,562.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Montclair State University	3RLM4	-	3,622.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	New Mexico Behavioral Health Collaborative (HSD)	3RHX4	-	79,435
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	New Mexico Children Youth and Families Department	3RGP2	-	133,086
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	New Mexico Children Youth and Families Department	3RHB1	-	489,363
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	NM Public Education Department	3RLQ8	-	105,916
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Pueblo of San Felipe	3RFC8	-	97,097
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Pueblo of San Felipe	3RFC9	-	224,632
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Pueblo of San Felipe	3RGY9	-	117,422
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Quartz Valley Indian Reservation	3RGB6	-	115,941
	93.243 Subtotal			-	2,187,589
COVID-19 - Occupational Safety and Health Program	93.262	University of Texas Health Center at Tyler	3RJT5	-	-
Occupational Safety and Health Program	93.262	University of Texas Health Center at Tyler	3RFF2	1,057	96,295
Occupational Safety and Health Program	93.262	University of Texas Health Center at Tyler	3RJZ9	-	7,256
	93.262 Subtotal			1,057	103,551
Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief	93.266	JHPIEGO Corporation	3REB2	-	70,682
Alcohol Research Programs	93.273	Arizona State University	2RQD2	-	-
Alcohol Research Programs	93.273	Klein Buendel Inc	2RMV1	-	-
Alcohol Research Programs	93.273	Medical University of South Carolina	2RNF7	-	29,917
Alcohol Research Programs	93.273	MIND Research Network	2RGC2	-	10,163
Alcohol Research Programs	93.273	Old Dominion University	2RGL8	-	(65)
Alcohol Research Programs	93.273	University of Arkansas	2RMT4	-	93,068
Alcohol Research Programs	93.273	University of North Carolina at Chapel Hill	2RPF0	-	37,202
	93.273 Subtotal			-	170,285
Drug-Free Communities Support Program	93.276	Montclair State University	2RMU5	-	8,054
Drug-Free Communities Support Program	93.276	Montclair State University	3RLM5	-	4,927
	93.276 Subtotal			-	12,981
Drug Abuse and Addiction Research Programs	93.279	Arizona State University	3RJD4	-	55,244
Drug Abuse and Addiction Research Programs	93.279	FYR Diagnostics, Inc.	3RLT2	-	23,678
Drug Abuse and Addiction Research Programs	93.279	Hennepin Healthcare Research Institute	2RTP6	-	8,693
Drug Abuse and Addiction Research Programs	93.279	McLean Hospital	3RHU2	-	(7,468)
Drug Abuse and Addiction Research Programs	93.279	New York University School of Medicine Oregon Research Behavioral Intervention Strategies	3RLT5	-	297,998
Drug Abuse and Addiction Research Programs	93.279	Texas Christian University	3RHZ8	-	9,619
Drug Abuse and Addiction Research Programs	93.279	University of Cincinnati	2RPC8	-	331,153
Drug Abuse and Addiction Research Programs	93.279	University of Cincinnati	3RJM2	-	20,590
Drug Abuse and Addiction Research Programs	93.279	University of Utah	2RPM9	-	2,402
Drug Abuse and Addiction Research Programs	93.279	Yale University	3RJL4	-	289,658
Drug Abuse and Addiction Research Programs	93.279	Yale University	3RNE3	-	109,624
	93.279 Subtotal			-	1,141,191
COVID-19 - Minority Health and Health Disparities Research	93.307	Washington State University	3RET1	-	46,367
Minority Health and Health Disparities Research	93.307	Pacific Institute for Research & Evaluation	2RFQ9	-	6,088
Minority Health and Health Disparities Research	93.307	University of Colorado at Denver	3REL9	-	27,915
	93.307 Subtotal			-	80,370
COVID-19 - Trans-NIH Research Support	93.310	Washington State University	3RJY9	-	30,901
Trans-NIH Research Support	93.310	Duke University	3RLR1	-	242,125
Trans-NIH Research Support	93.310	Jackson Laboratory	3RMJ7	-	118,445

Schedule of Expenditures of Federal Awards
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Trans-NIH Research Support	93.310	Jackson Laboratory	3RGD7	-	2,707
Trans-NIH Research Support	93.310	University of Arkansas	3RKR3	-	13,223
Trans-NIH Research Support	93.310	University of Arkansas	3RKY4	-	10,278
Trans-NIH Research Support	93.310	University of Arkansas	3RKY5	-	10,048
Trans-NIH Research Support	93.310	University of Arkansas	3RLU5	-	7,130
Trans-NIH Research Support	93.310	University of Arkansas	3RMD9	-	31,961
Trans-NIH Research Support	93.310	University of Arkansas	3RME1	-	33,625
Trans-NIH Research Support	93.310	University of Arkansas	3RNA7	-	3,566
Trans-NIH Research Support	93.310	University of Arkansas	3RNE6	-	4,147
Trans-NIH Research Support	93.310	University of Miami	3RDZ3	-	258,208
	93.310 Subtotal			-	766,364
COVID-19 - Emerging Infections Programs	93.317	New Mexico Department of Health	3RHW3	-	3,582
Emerging Infections Programs	93.317	New Mexico Department of Health	3RGL8	-	10,270
Emerging Infections Programs	93.317	New Mexico Department of Health	2RQU4	-	11
	93.317 Subtotal			-	13,863
COVID-19 - CSELS Partnership: Strengthening Public Health Laboratories	93.322	Association of Public Health Laboratories	3RKV2	-	(2,404)
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	New Mexico Department of Health	3RHW3	-	428
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	New Mexico Department of Health	2RSS3	-	404
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	New Mexico Department of Health	3RMH1	-	139,637
	93.323 Subtotal			-	140,469
COVID-19 - National Center for Advancing Translational Sciences	93.350	University of Washington	3RHW8	-	16,821
COVID-19 - National Center for Advancing Translational Sciences	93.350	Vanderbilt University Medical Center	3RJW6	-	86,216
National Center for Advancing Translational Sciences	93.350	Cedars Sinai Medical Center	3RJE2	-	257,938
	93.350 Subtotal			-	360,975
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	National Network of Public Health Institutes	3RGU2	-	(7,283)
Cancer Cause and Prevention Research	93.393	Colorado School of Public Health	3RLC7	-	120,920
Cancer Cause and Prevention Research	93.393	Indiana University	3REN1	-	9,878
Cancer Cause and Prevention Research	93.393	Klein Buendel Inc	3RGE7	-	3,164
Cancer Cause and Prevention Research	93.393	Lawrence Berkeley National Laboratory	3RCG3	-	2,779
Cancer Cause and Prevention Research	93.393	Lawrence Berkeley National Laboratory	3RLK5	-	58,030
Cancer Cause and Prevention Research	93.393	Lovelace Respiratory Research Institute	3RFS1	-	92,824
Cancer Cause and Prevention Research	93.393	Rutgers the State University	3REP8	-	9,619
Cancer Cause and Prevention Research	93.393	Trustees of the University of Pennsylvania	3RKT6	-	122,583
Cancer Cause and Prevention Research	93.393	University of North Carolina at Chapel Hill	3RJB1	-	44,087
	93.393 Subtotal			-	463,884
Cancer Detection and Diagnosis Research	93.394	Rector & Visitors of the University of Virginia	3RGA9	-	92,008
Cancer Detection and Diagnosis Research	93.394	SRI International	2RPS5	-	9,107
	93.394 Subtotal			-	101,115
Cancer Treatment Research	93.395	Brigham & Women's Hospital	3RGX5	-	70,222
Cancer Treatment Research	93.395	Children's Hospital of Philadelphia	3RHD6	-	792
Cancer Treatment Research	93.395	Children's Hospital of Philadelphia	3RHV3	-	224,605
Cancer Treatment Research	93.395	Rutgers the State University	2RMR9	-	205,803
	93.395 Subtotal			-	501,422
Cancer Biology Research	93.396	Yale University	3RJT1	-	201,379
Cancer Research Manpower	93.398	University of Texas HSC Houston	3RHB7	-	7,057
Cancer Control	93.399	NRG Oncology Foundation, Inc.	3RKB5	-	28,254
Cancer Control	93.399	Wake Forest University Health Sciences	3RKC7	-	48,221
	93.399 Subtotal			-	76,475
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	New Mexico Department of Health	2RQU4	-	24
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	University of Wisconsin	3RLQ4	-	37,118
Indian Self-Determination	93.441	Northwest Portland Area Indian Health Board	3RDL8	-	176,899
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	New Mexico Department of Health	3RHH3	-	18,001
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	New Mexico Department of Health	3RJE1	-	29,833
	93.478 Subtotal			-	47,834

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SCHEDULE 20

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Child Care and Development Block Grant	93.575	State of NM Early Childhood Education and Care	2RTQ2	-	67,783
Child Care and Development Block Grant	93.575	State of NM Early Childhood Education and Care	3RLS1	-	468,791
		93.575 Subtotal		-	536,574
Based	93.639	New Mexico Human Services Department	3RLT8	-	71,615
Accountable Health Communities	93.650	Presbyterian Healthcare Services	3RDH4	-	117,423
Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act	93.664	Falling Colors Corporation	3RKQ4	-	103,725
Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act	93.664	New Mexico Human Services Department	3RHN5	-	100,288
		93.664 Subtotal		-	204,013
Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	Falling Colors Corporation	3RJA4	-	9,329
Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	New Mexico Behavioral Health Collaborative (HSD)	3RKQ5	-	99,078
		93.665 Subtotal		-	108,407
Mental and Behavioral Health Education and Training Grants	93.732	University of Mississippi Center	3RNE2	-	46,525
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	93.738	Presbyterian Healthcare Services	3RX07	-	103,897
Medical Assistance Program	93.778	New Mexico Human Services Department	3RD90	-	(181)
Medical Assistance Program	93.778	New Mexico Human Services Department	3RHN4	-	35,081
Medical Assistance Program	93.778	New Mexico Human Services Department	3RJZ2	-	23,298
Medical Assistance Program	93.778	New Mexico Human Services Department	3RKE8	-	2,127,750
		93.778 Subtotal		-	2,185,948
Opioid STR	93.788	Falling Colors Corporation	3RFF7	-	15,444
Opioid STR	93.788	Falling Colors Corporation	3RJM3	-	6,559
Opioid STR	93.788	Falling Colors Corporation	3RKM7	-	1,031,367
Opioid STR	93.788	New Mexico Behavioral Health Collaborative (HSD)	3RJP8	-	44,752
		93.788 Subtotal		-	1,098,122
Cardiovascular Diseases Research	93.837	Duke University	3RFT5	-	1,341
Cardiovascular Diseases Research	93.837	Exhalix, LLC	3RFD7	-	19,392
Cardiovascular Diseases Research	93.837	University of Connecticut	3RJT8	-	30,236
		93.837 Subtotal		-	50,969
Lung Diseases Research	93.838	Brigham & Women's Hospital	3RJK1	-	37,624
Lung Diseases Research	93.838	Exhalix, LLC	3RHU6	-	10,906
Lung Diseases Research	93.838	New York University	3RLG3	-	7,056
Lung Diseases Research	93.838	New York University	3RMA3	-	158,082
Lung Diseases Research	93.838	New York University School of Medicine	3RLE1	-	19,012
Lung Diseases Research	93.838	Regents of University of Michigan	3RKH8	-	4,251
Lung Diseases Research	93.838	Trustees of the University of Pennsylvania	3RMZ3	-	9,693
Lung Diseases Research	93.838	University of Arkansas	3RLV6	-	84,188
Lung Diseases Research	93.838	University of Utah	3RLV2	-	96,421
Lung Diseases Research	93.838	Westat Inc.	3RKX4	93,897	1,075,386
		93.838 Subtotal		93,897	1,502,619
Blood Diseases and Resources Research	93.839	University of Utah	3RGN1	-	145,466
		93.839 Subtotal		-	145,466
Translation and Implementation Science for Research for Heart, Lung, Blood Diseases and Sleep Disorders	93.840	Vanderbilt University Medical Center	3RLD4	-	595,002
Translation and Implementation Science for Research for Heart, Lung, Blood Diseases and Sleep Disorders	93.840	Vanderbilt University Medical Center	3RMB1	-	55,602
		93.840 Subtotal		-	650,604
Strengthening Public Health Systems and Services through National Partnership to Improve and Protect the Nation's Health	93.421	The Task Force for Global Health	3LH50	-	169,777
Strengthening Public Health Systems and Services through National Partnership to Improve and Protect the Nation's Health	93.421	Assoc of State & Territorial Health	3MA20	-	301,366
		93.421 Subtotal		-	471,143
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Boston University	2RSS2	-	21,585
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Baylor College of Medicine	3RHC1	-	71,895
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Bessor Pharmaceuticals	3RLB6	-	46,776
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Case Western Reserve University	3RFP9	-	(250)
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Case Western Reserve University	3RHD8	-	1,010
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Case Western Reserve University	3RLG1	-	88,111

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Case Western Reserve University	3RLN9	-	6,545
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	George Washington University	3RCT8	-	55,697
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	GPER G-1 Development Group LLC	3RJZ4	-	(9,676)
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Medical College of Wisconsin	3RLX8	-	1,512
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Nationwide Childrens Hospital	3RJR6	-	4,781
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	The Children's Mercy Hospital	3REQ1	-	16,200
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	The Children's Mercy Hospital	3REQ2	-	8,632
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	The Children's Mercy Hospital	3RMW8	-	24,697
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Trustees of the University of Pennsylvania	3RDJ6	-	80,764
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Trustees of the University of Pennsylvania	3RKC9	-	42,365
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Colorado at Denver	3RBQ3	-	510
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Colorado at Denver	3RKH9	-	5,584
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Pittsburgh	3RDL5	-	102,563
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Washington	3RHC3	-	115,301
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Washington	3REL2	-	79,830
	93.847 Subtotal			-	742,847
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Emory University	3RGV1	-	162,788
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	MIND Research Network	3RAZ8	-	61,939
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	State University of Iowa	2RTV8	-	26,975
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of California San Francisco	3RBV3	-	16,016
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of California San Francisco	3RGV3	-	121,527
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of California San Francisco	3RLC5	-	31
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Chicago	3REJ9	-	7,710
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Cincinnati	3RDN4	-	320
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Cincinnati	3RFN4	-	16,835
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Cincinnati	3RGZ8	-	8,222
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Cincinnati	3RHE4	-	196
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of South Carolina	3RLP5	-	24,482
	93.853 Subtotal			-	447,041
Allergy and Infectious Diseases Research	93.855	Albert Einstein College of Medicine	3RGC2	-	364,693
Allergy and Infectious Diseases Research	93.855	Arkansas Children's Research Institute	3RKU1	-	39,193
Allergy and Infectious Diseases Research	93.855	Boston Children's Hospital	3RFX1	-	22,179
Allergy and Infectious Diseases Research	93.855	Fred Hutchinson Cancer Research Center	3RLJ9	-	37,215
Allergy and Infectious Diseases Research	93.855	General Hospital Corp	3REW5	-	71,339
Allergy and Infectious Diseases Research	93.855	Henry M Jackson Foundation	3RGH3	-	334,853
Allergy and Infectious Diseases Research	93.855	State of Maryland	3RED1	-	(162)
Allergy and Infectious Diseases Research	93.855	Trustees of Tufts College	3RJR1	-	5,342
Allergy and Infectious Diseases Research	93.855	University of California Irvine	3RLD1	-	95,747
Allergy and Infectious Diseases Research	93.855	University of Colorado	2RST4	-	20,014
Allergy and Infectious Diseases Research	93.855	University of Colorado	3RKU6	-	20,622
	93.855 Subtotal			-	1,011,035
Biomedical Research and Research Training	93.859	Arkansas Children's Hospital Research Institute	3RKT9	-	1,332
Biomedical Research and Research Training	93.859	Arkansas Children's Hospital Research Institute	3RMX9	-	12,764
Biomedical Research and Research Training	93.859	Carnegie Mellon University	3RY09	-	(420)
Biomedical Research and Research Training	93.859	East Carolina University, Brody School of Medicine	3RFS6	-	989
Biomedical Research and Research Training	93.859	Exhalix, LLC	3RLS7	-	75,463
Biomedical Research and Research Training	93.859	MIND Research Network	3REY5	-	119,822
Biomedical Research and Research Training	93.859	New Mexico INBRE	2RSW5	-	34,926
Biomedical Research and Research Training	93.859	New Mexico State University	2RNU6	-	50,084
Biomedical Research and Research Training	93.859	New Mexico State University	2RPD5	-	(717)
Biomedical Research and Research Training	93.859	New Mexico State University	2RSV6	-	26,601
Biomedical Research and Research Training	93.859	New Mexico State University	3RGA4	-	448,355
Biomedical Research and Research Training	93.859	ODMR Technologies, Inc	2RTU4	-	54,329
Biomedical Research and Research Training	93.859	San Diego State University Foundation	2RNH1	-	84,350
Biomedical Research and Research Training	93.859	Trustees of the University of Pennsylvania	2RPA7	-	64,459
Biomedical Research and Research Training	93.859	Trustees of Tufts College	3RKP3	-	1,206
Biomedical Research and Research Training	93.859	Univ of Nevada Las Vegas	3REV2	-	37,723
Biomedical Research and Research Training	93.859	Univ of Nevada Las Vegas	3REV3	-	180,660

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Biomedical Research and Research Training	93.859	Univ of Nevada Las Vegas	3REV4	-	27,701
Biomedical Research and Research Training	93.859	Univ of Nevada Las Vegas	3REV5	-	14,918
Biomedical Research and Research Training	93.859	Univ of Nevada Las Vegas	3RHA1	-	9,462
Biomedical Research and Research Training	93.859	Univ of Nevada Las Vegas	3RHB4	-	8,701
Biomedical Research and Research Training	93.859	Univ of Nevada Las Vegas	3RKV1	-	(10,554)
Biomedical Research and Research Training	93.859	Univ of Nevada Las Vegas	3RMR6	-	34,202
Biomedical Research and Research Training	93.859	University of Utah	2RSP5	-	28,541
Biomedical Research and Research Training	93.859	Virtici, LLC	3REV9	216,610	457,392
Biomedical Research and Research Training	93.859	Virtici, LLC	3RJN4	-	7,232
	93.859 Subtotal			216,610	1,769,521
Emerging Infections Sentinel Networks	93.860	University of California Los Angeles	3RJ57	-	4,545
Child Health and Human Development Extramural Research	93.865	Pacific Institute for Research & Evaluation	3RBC3	-	3,754
Child Health and Human Development Extramural Research	93.865	Research Triangle Institute	3RHK1	-	117,318
Child Health and Human Development Extramural Research	93.865	Research Triangle Institute	3RHT4	-	16,964
Child Health and Human Development Extramural Research	93.865	University of Arkansas	3RFX6	-	(256)
	93.865 Subtotal			-	137,780
Aging Research	93.866	Boston Medical Center	3RJU6	-	71,764
Aging Research	93.866	Chapman University	2RLH0	-	25,636
Aging Research	93.866	Columbia University	3RFC6	-	3,014
Aging Research	93.866	Florida State University	2RSP6	-	32,308
Aging Research	93.866	Ohio State University	3RLT7	-	33,407
Aging Research	93.866	University of Southern California	3RCM9	-	126
Aging Research	93.866	Washington State University	3RLU9	-	23,251
	93.866 Subtotal			-	189,506
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	State of New Mexico Early Childhood Education and Care Depar	2RHU5	-	271,370
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	State of New Mexico Early Childhood Education and Care Depar	2RSW2	-	224,607
	93.870 Subtotal			-	
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	3RGV8	-	6,285
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	3RHR4	-	20,586
	93.898 Subtotal			-	26,871
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	Taos Health Systems	3RJM8	-	29,147
Block Grants for Community Mental Health Services	93.958	New Mexico Human Services Department	3RHM2	-	350,454
Coal Miners Respiratory Impairment Treatment Clinics	93.965	Miners Coalfax Medical Center	3RLW1	-	39,252
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	NM Public Education Department	3RFB2	-	(3,126)
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	NM Public Education Department	3RKL3	-	77,623
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	NM Public Education Department	3RLJ7	-	22,748
	93.981 Subtotal			-	97,245
Mental Health Disaster Assistance and Emergency Mental Health	93.982	New Mexico Behavioral Health Collaborative	3RJZ5	-	(86)
Mental Health Disaster Assistance and Emergency Mental Health	93.982	New Mexico Behavioral Health Collaborative	3RKM1	-	77,680
	93.982 Subtotal			-	77,594
International Research and Research Training	93.989	President and Fellows of Harvard College	3RDF8	-	13,899
Maternal and Child Health Services Block Grant to the States	93.994	New Mexico Department of Health	2RQU4	-	6
Maternal and Child Health Services Block Grant to the States	93.994	New Mexico Department of Health	3RGD8	-	195
Maternal and Child Health Services Block Grant to the States	93.994	New Mexico Department of Health	3RHH3	-	18,001
Maternal and Child Health Services Block Grant to the States	93.994	New Mexico Department of Health	3RHL5	-	1,559
Maternal and Child Health Services Block Grant to the States	93.994	New Mexico Department of Health	3RKK9	-	132
Maternal and Child Health Services Block Grant to the States	93.994	New Mexico Department of Health	3RMC2	-	292
	93.994 Subtotal			-	20,185
Assisted Outpatient Treatment	93.997	City of Albuquerque	2RPF7	-	89,351
Total Department of Health & Human Services Pass-Through Awards				454,521	24,964,538
Total Department of Health & Human Services				12,400,121	110,849,809

Department of Homeland Security
Direct Awards

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 20

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Cooperating Technical Partners	97.045			-	374,150
		Total Department of Homeland Security Direct Awards		-	374,150
		Total Department of Homeland Security		-	374,150
International Development					
Direct Awards					
Agency for International Development	98.000			-	26,976
		Total International Development		-	26,976
United States Agency for International Development					
Pass-Through Awards					
COVID-19 - USAID Foreign Assistance for Programs Overseas	98.001	Regents of the University of California	3RGV2	-	178,340
USAID Foreign Assistance for Programs Overseas	98.001	JHPIEGO Corporation	3RHP7	-	122,812
USAID Foreign Assistance for Programs Overseas	98.001	JHPIEGO Corporation		-	205,184
	98.001 Subtotal			-	506,336
		Total United States Agency for International Development		-	506,336
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				23,891,501	187,025,735
TOTAL MAJOR PROGRAMS				\$ 29,230,807	\$ 308,349,575
NONMAJOR PROGRAMS					
STUDENT FINANCIAL ASSISTANCE CLUSTER					
Department of Education					
Direct Awards					
Federal Supplemental Educational Opportunity Grants	84.007			\$ -	\$ 2,061,060
Federal Work-Study Program	84.033			-	818,097
Federal Perkins Loans	84.038			-	2,936,442
Federal Pell Grant Program	84.063			-	32,786,601
Federal Direct Student Loans	84.268			-	76,032,041
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			-	85,741
		Total Department of Education Direct Awards		-	114,719,982
		Total Department of Education		-	114,719,982
Department of Health & Human Services					
Direct Awards					
Nurse Faculty Loan Program	93.264			-	731,527
Health Professions Student Loans	93.342			-	565,870
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			-	1,262,353
		Total Department of Health & Human Services Direct Awards		-	2,559,750
		Total Department of Health & Human Services		-	2,559,750
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				-	117,279,732
477 CLUSTER					
Department of Health & Human Services					
Pass-Through Awards					
Temporary Assistance for Needy Families	93.558	New Mexico Human Services Department	6R196	-	402,335
		Total Department of Health & Human Services Pass-Through Awards		-	402,335
		Total Department of Health & Human Services		-	402,335
TOTAL 477 CLUSTER				-	402,335
CLEAN WATER STATE REVOLVING FUND CLUSTER					
Environmental Protection Agency					
Pass-Through Awards					
Capitalization Grants for Clean Water State Revolving Funds	66.458	Tennessee Department of Environment and Conservation	2RPN2	-	24,534
		Total Environmental Protection Agency Pass-Through Awards		-	24,534
		Total Environmental Protection Agency		-	24,534
TOTAL CLEAN WATER STATE REVOLVING FUND CLUSTER				-	24,534
DRINKING WATER STATE REVOLVING FUND CLUSTER					

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 20

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Environmental Protection Agency

Pass-Through Awards

Capitalization Grants for Drinking Water State Revolving Funds	66.468	Vermont Department of Environmental Conservation	2RPX3	-	29,770
		Total Environmental Protection Agency Pass-Through Awards		-	29,770
		Total Environmental Protection Agency		-	29,770
TOTAL DRINKING WATER STATE REVOLVING FUND CLUSTER					
				-	29,770

Economic Development Cluster

Pass-Through Awards

Economic Adjustment Assistance	11.307	New Mexico Trade Alliance	2TN90	-	5,250
		Total Economic Adjustment Assistance Pass-Through Awards		-	5,250
		Total Economic Development Cluster		-	5,250

Head Start Cluster

Pass-Through Awards

Head Start	93.600	State of New Mexico Early Childhood Education and Care	2UB50	-	22,132
		Total Head Start Pass-Through Awards		-	22,132
		Total Head Start Cluster		-	22,132

Highway Safety Cluster

Pass-Through Awards

National Priority Safety Programs	20.616	New Mexico Department of Transportation	3LS40	-	175,342
		Total National Priority Safety Program Pass-Through Awards		-	175,342
		Total Highway Safety Cluster		-	175,342

Maternal, Infant, and Early Childhood Home

Pass-Through Awards

Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	Falling Colors Corporation	3RD28	-	786,429
Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	New Mexico Children Youth and Families Department	3RFV9	-	394,610
	93.870 Subtotal			-	1,181,039
		Total Maternal, Infant and Early Childhood Home Pass-Through Awards		-	1,181,039
		Total Maternal, Infant and Early Childhood Home		-	1,181,039

MEDICAID CLUSTER

Department of Health & Human Services

Pass-Through Awards

Medical Assistance Program	93.778	New Mexico Human Services Department	3RLE3	-	292,509
Medical Assistance Program	93.778	New Mexico Human Services Department	3RCA5	-	(8,878)
Medical Assistance Program	93.778	New Mexico Human Services Department	3RHK4	-	158
Medical Assistance Program	93.778	New Mexico Human Services Department	3RLB7	-	17,728
	93.778 Subtotal			-	301,517
		Total Department of Health & Human Services Pass-Through Awards		-	301,517
		Total Department of Health & Human Services		-	301,517

TOTAL MEDICAID CLUSTER

- **301,517**

SNAP CLUSTER

Department of Agriculture

Pass-Through Awards

State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	New Mexico Human Services Department	3RGR3	-	(5,617)
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	New Mexico Human Services Department	3RJN8	-	286,911
	10.561 Subtotal			-	281,294
		Total Department of Agriculture Pass-Through Awards		-	281,294
		Total Department of Agriculture		-	281,294

TOTAL SNAP CLUSTER

- **281,294**

SPECIAL EDUCATION CLUSTER (IDEA)

Department of Education

Pass-Through Awards

Special Education Grants to States	84.027	NM Public Education Department	3RHL3	-	(31,230)
Special Education Grants to States	84.027	NM Public Education Department	3RKJ3	-	350,080
	84.027 Subtotal			-	318,850
Special Education Preschool Grants	84.173	NM Public Education Department	3RHJ4	-	12
Special Education Preschool Grants	84.173	NM Public Education Department	3RFU9	-	1,077
Special Education Preschool Grants	84.173	NM Public Education Department	3RKF7	-	120,556

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SCHEDULE 20

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Special Education Preschool Grants	84.173	NM Public Education Department	3RKJ3	-	142,990
Special Education Preschool Grants	84.173	State of New Mexico Early Childhood Education and Care Depar	3RKF6	-	295,454
	84.173 Subtotal			-	560,089
		Total Department of Education Pass-Through Awards		-	878,939
		Total Department of Education		-	878,939
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				-	878,939
TRIO CLUSTER					
Department of Education					
Direct Awards					
TRIO Student Support Services	84.042			-	1,073,636
TRIO Upward Bound	84.047			-	1,710,537
Educational Opportunity Centers, TRIO_Educational Opportunity Centers	84.066			-	255,260
TRIO McNair Post-Baccalaureate Achievement	84.217			-	276,630
		Total Department of Education Direct Awards		-	3,316,063
		Total Department of Education		-	3,316,063
TOTAL TRIO CLUSTER				-	3,316,063
OTHER NONMAJOR PROGRAMS					
Department of Agriculture					
Direct Awards					
Hispanic Serving Institutions Education Grants	10.223			17,204	182,382
		Total Department of Agriculture Direct Awards		17,204	182,382
		Total Department of Agriculture		17,204	182,382
Department of Defense					
Direct Awards					
Kirtland Air Force Base	12.000			-	11,856
Basic, Applied, and Advanced Research in Science and Engineering	12.630			-	9,914
		Total Department of Defense Direct Awards		-	21,770
Pass-Through Awards					
CyberSecurity Core Curriculum	12.905	University of Colorado	2RSK4	-	47,765
		Total Department of Defense Pass-Through Awards		-	47,765
		Total Department of Defense		-	69,535
Department of Housing and Urban Development					
Direct Awards					
Mortgage Insurance_Hospitals - Loans	14.128			-	186,740,667
		Total Department of Housing and Urban Development Direct Awards		-	186,740,667
		Total Department of Housing and Urban Development		-	186,740,667
Department of the Interior					
Direct Awards					
Department of the Interior	15.U01			-	2,540,005
		Total Department of the Interior Direct Awards		-	2,540,005
		Total Department of the Interior		-	2,540,005
Department of Justice					
Direct Awards					
Department of Justice	16.U00			-	2,282
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525			-	35,302
		Total Department of Justice Direct Awards		-	37,584
Pass-Through Awards					
Justice Systems Response to Families	16.021	Enlace Comunitario	2RPN4	-	24,985
Judicial Training on Child Maltreatment for Court Personnel	16.757	New Mexico Crime Victims Reparation Commission	3RMD3	-	81,190
Juveniel Justice Programs	16.757			-	81,190
Crime Victim Assistance	16.575	New Mexico Crime Victims Reparation Commission	3RJP9	-	25,401

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Crime Victim Assistance	16.575	New Mexico Crime Victims Reparation Commission	3RJW4	-	25,166
Crime Victim Assistance	16.575	New Mexico Crime Victims Reparation Commission	3RMB9	-	44,789
	16.575 Subtotal			-	95,356
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	New Mexico Public Safety Department	3RHV7	-	20,720
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	New Mexico Public Safety Department	3RHX8	-	639
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	New Mexico Public Safety Department	3RKY6	-	55,288
	16.742 Subtotal			-	76,647
		Total Department of Justice Pass-Through Awards		-	278,178
		Total Department of Justice		-	315,762
Department of Labor					
Pass Through Awards					
Department of Labor	17.U01	Del-Jen Inc.	3RLQ7	-	58,192
		Total Department of Labor		-	58,192
Department of State					
Direct Awards					
Public Diplomacy Programs	19.040			32,142	82,989
		Total Department of State Direct Awards		32,142	82,989
		Total Department of State Direct Awards		32,142	82,989
Emergency Rental Assistance					
Pass Through Awards					
COVID-19 Emergency Rental Assistance	21.023	City of Albuquerque	3RLN6	-	241,859
		Total Emergency Rental Assistance Pass Through Awards		-	241,859
National Foundation on the Arts & Humanities					
Direct Awards					
Promotion of the Humanities Division of Preservation and Access	45.149			-	707
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162			-	7,130
Promotion of the Humanities Professional Development	45.163			-	85,340
Museums for America	45.301			-	526
National Leadership Grants	45.312			6,000	45,498
		Total National Foundation on the Arts & Humanities Direct Awards		6,000	139,201
Promotion of the Humanities Federal/State Partnership	45.129				9,960
		Total National Foundation on the Arts & Humanities Pass-Through Awards			9,960
		Total National Foundation on the Arts & Humanities		6,000	149,161
Department of Veterans Affairs					
Direct Awards					
Department of Veterans Affairs	64.U03			-	33,459
		Total Department of Veterans Affairs Direct Awards		-	33,459
		Total Department of Veterans Affairs		-	33,459
Environmental Protection Agency					
Direct Awards					
Environmental Finance Center Grants	66.203			-	398,798
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water	66.424			182,908	638,093
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water	66.436			84,682	243,561
Technical Assistance for Treatment Works	66.446				4,474
		Total Environmental Protection Agency Direct Awards		267,590	1,284,926
Pass-Through Awards					
Environmental Protection Agency	66.000	PG Environmental	2RLR8	-	72,107
Environmental Protection Agency	66.000	The Cadmus Group, Inc.	2RMF9	-	260,984
	66.000 Subtotal			-	333,091
Environmental Finance Center Grants	66.203	University of North Carolina at Chapel Hill	2RPY5	-	-
Environmental Finance Center Grants	66.203	Wichita State University	2RPS4	-	31,526
	66.203 Subtotal			-	31,526
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water	66.424	University of North Carolina at Chapel Hill	2RMT2	-	280,895
Innovative Water Infrastructured Workforce Development Program	66.445	Wichita State University	2RUS3	-	234

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	Kansas State University	2RLG2	-	26,697
		Total Environmental Protection Agency Pass-Through Awards		-	672,443
		Total Environmental Protection Agency		267,590	1,957,369
Department of Energy					
Pass-Through Awards					
Epidemiology and Other Health Studies Financial Assistance Program	81.108	Johns Hopkins University	3RHG3	-	6,844
Department of Energy	81.U06	Los Alamos National Laboratory	5R090	-	5,752
Department of Energy	81.U07	Sandia National Laboratories	2RNX2	-	19,270
Department of Energy	81.U07	Sandia National Laboratories	2RSW1	-	13,223
Department of Energy	81.U07	Sandia National Laboratories	2RTB3	-	13,856
Department of Energy	81.U07	Sandia National Laboratories	2RTB8	-	8,723
	81.U07 Subtotal			-	55,072
Department of Energy	81.U08	Oak Ridge Associated Universities	3RLH4	-	6,910
Department of Energy	81.U09	NMC Inc	5R160	-	1,825
		Total Department of Energy Pass-Through Awards		-	76,403
		Total Department of Energy		-	76,403
Department of Education					
Direct Awards					
Undergraduate International Studies and Foreign Language Programs	84.016			8,265	74,031
Higher Education Institutional Aid	84.031			106	2,495,560
Migrant Education High School Equivalency Program	84.141			-	408,472
Migrant Education College Assistance Migrant Program	84.149			-	435,165
Indian Education -- Special Programs for Indian Children	84.299			-	52,491
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			-	173,395
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326			-	98,058
Child Care Access Means Parents in School	84.335			-	551,722
		Total Department of Education Direct Awards		8,371	4,288,894
Pass-Through Awards					
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	4R215	-	144,176
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	5R166	-	88,306
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	5R168	-	14,906
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R193	-	1,040
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R203	-	165,517
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R205	-	14,902
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R208	-	86,992
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R195	-	107,131
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R197	-	19,587
	84.002 Subtotal			-	642,557
Higher Education Institutional Aid	84.031	Adams State University	7R137	-	-
Higher Education Institutional Aid	84.031	Eastern New Mexico University Roswell	7R135	-	2,519
	84.031 Subtotal			-	2,519
Career and Technical Education -- Basic Grants to States	84.048	NM Public Education Department	4R217	-	108,785
Career and Technical Education -- Basic Grants to States	84.048	NM Public Education Department	4R218	-	32,018
Career and Technical Education -- Basic Grants to States	84.048	NM Public Education Department	5R169	-	4,471
Career and Technical Education -- Basic Grants to States	84.048	NM Public Education Department	6R207	-	55,214
Career and Technical Education -- Basic Grants to States	84.048	NM Public Education Department	6R209	-	48,884
Career and Technical Education -- Basic Grants to States	84.048	NM Public Education Department	7R187	-	-
	84.048 Subtotal			-	249,372
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	New Mexico Division of Vocational Rehabilitation	3RFB4	-	3
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	New Mexico Division of Vocational Rehabilitation	3RHS1	-	163,758
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	New Mexico Division of Vocational Rehabilitation	3RKG3	-	323,172
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	New Mexico Division of Vocational Rehabilitation	3RMB4	-	148,912
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	New Mexico Division of Vocational Rehabilitation	3RMP1	-	3,377

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SCHEDULE 20

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

	84.126 Subtotal			-	639,222
Technology Applications for Individuals with Disabilities	84.180	New Mexico Department of Health	3RKJ7	-	468,519
	84.18 Subtotal			-	468,519
Special Education-Grants for Infants and Families	84.181	New Mexico Department of Health	3RFU3	-	1,825
Special Education-Grants for Infants and Families	84.181	New Mexico Department of Health	3RFU8	-	58
Special Education-Grants for Infants and Families	84.181	New Mexico Department of Health	3RFW3	-	599
Special Education-Grants for Infants and Families	84.181	New Mexico Department of Health	3RGP3	-	2,146
Special Education-Grants for Infants and Families	84.181	New Mexico Department of Health	3RHF8	-	(1,280)
Special Education-Grants for Infants and Families	84.181	New Mexico Department of Health	3RHJ3	-	(230,308)
Special Education-Grants for Infants and Families	84.181	New Mexico Department of Health	3RHR6	-	1,883
Special Education-Grants for Infants and Families	84.181	State of New Mexico	3RGP4	-	(2,624)
	84.181 Subtotal			-	(227,701)
School Safety National Activities	84.184	High Plains Regional Education Cooperative	2RTR4	-	25,504
	84.184 Subtotal			-	25,504
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RST6	-	243,176
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RPP2	-	973,170
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RSY9	-	397,320
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RTY5	-	90,040
	84.295 Subtotal			-	1,703,706
Department of Education	84.U10	State of New Mexico	3RHS5	-	2,918
		Total Department of Education Pass-Through Awards		-	3,506,616
		Total Department of Education		8,371	7,795,510
Department of Health & Human Services					
Direct Awards					
Department of Health & Human Services	93.000			-	215,778
Area Health Education Centers	93.107			262,024	366,731
COVID-19 - Preventive Medicine Residency	93.117			-	279,746
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			-	185,375
Poison Center Support and Enhancement Grant	93.253			-	130,389
Nurse Education, Practice Quality and Retention Grants	93.359			-	408,608
Covid-19 - Testing for the Uninsured	93.461			-	2,411,860
Health Careers Opportunity Program	93.822			-	601,028
Grants for Primary Care Training and Enhancement	93.884			63,489	641,582
COVID-19 - Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918			-	616,185
National Organizations of State and Local Officials	93.011			-	474,045
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924			-	258,662
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946			-	74,454
		Total Department of Health & Human Services Direct Awards		325,513	6,664,443
Pass-Through Awards					
COVID-19 - Public Health Emergency Preparedness	93.069	New Mexico Department of Health	3RHV2	-	354,258
COVID-19 - Public Health Emergency Preparedness	93.069	New Mexico Department of Health	3RMZ8	-	737
	93.069 Subtotal			-	354,995
Injury Prevention and Control Research and State and Community Based Programs	93.136	New Mexico Department of Health	3RHN1	-	5,876
Public Health Emergency Response	93.354	New Mexico Department of Health	3RMZ8	-	1,851
Activities to Support State, Tribal, Local and Territorial Health	93.391	New Mexico Department of Health	3RMK2	-	122,150
Activities to Support State, Tribal, Local and Territorial Health	93.391	New Mexico Department of Health	3RLH8	-	534,479
	93.391 Subtotal			-	656,629
Developmental Disabilities Basic Support and Advocacy Grants	93.630	New Mexico Developmental Disabilities	3RKF8	-	5,036
Developmental Disabilities Basic Support and Advocacy Grants	93.630	New Mexico Developmental Disabilities	3RLQ1	-	5,165
	93.630 Subtotal			-	10,201
Indian Health Service Behavioral Health Programs	93.654	Pueblo of San Felipe	3RMZ6	-	10,781
Medical Library Assistance	93.879	University of Utah	3RMD2	-	49,027

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Coal Miners Respiratory Impairment Treatment Clinics	93.965	Miners Coalfax Medical Center	3RKD6	-	133,941
Community Programs to Improve Minority Health Grant Program	93.137	City of Albuquerque	3RLJ1	-	343,990
Maternal and Child Health Federal Consolidated Programs	93.110	New Mexico Department of Health	3RMA6	-	136,947
Advanced Nursing Education Workforce Grant Program	93.247	Presbyterian Healthcare Services	3RGW5	-	30,526
Immunization Cooperative Agreements	93.268	New Mexico Department of Health	3RFR1	-	469
Immunization Cooperative Agreements	93.268	New Mexico Department of Health	3RHS2	-	1,832
Immunization Cooperative Agreements	93.268	New Mexico Department of Health	3RKJ1	-	105,418
Immunization Cooperative Agreements	93.268	New Mexico Department of Health	3RLH8	-	549,750
	93.268 Subtotal			-	657,469
Emerging Infections Programs	93.317	New Mexico Department of Health	3RKW6	-	1,501,314
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	New Mexico Department of Health	3RHV2	-	363,632
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	New Mexico Department of Health	3RKW6	-	46,432
	93.323 Subtotal			-	410,064
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	Assoc of State & Territorial Health	3LK30	-	33,598
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	The Task Force for Global Health	3MF50	-	39,996
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	Association of University Centers of Disabilities	3JG10	-	1,162
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	Association of University Centers of Disabilities	3LX90	-	2,657
	93.421 Subtotal			-	77,413
1332 State Innovation Waivers	93.423	New Mexico Department of Health	3RFU7	-	1,328,187
Public Health Training Centers Program	93.516	Tulane University	3RFF1	-	38,419
MaryLee Allen Promoting Safe and Stable Families Program	93.556	New Mexico Children Youth and Families Department	3RJR5	-	1,266
State Court Improvement Program	93.586	New Mexico Administrative Office of the Courts	2RUC5	-	57,135
State Court Improvement Program	93.586	New Mexico Administrative Office of the Courts	2RSU0	-	77,015
	93.586 Subtotal			-	134,150
COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	Falling Colors Corporation	3RJA4	-	(1,120)
Tribal Maternal, Infant, and Early Childhood Home Visiting	93.872	Pueblo of San Felipe	3RBK9	-	26,676
National Bioterrorism Hospital Preparedness Program	93.889	New Mexico Department of Health	3RMZ8	-	1,851
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	Dept of Health	UNMH	-	85,000
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	NM CYFD	3RLQ2	-	5,317
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	2RQX6	-	(8,567)
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	2RTD6	-	22,013
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	3RFV4	-	78,738
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	3RLK1	-	43,063
	93.898 Subtotal			-	225,564
Block Grants for Community Mental Health Services	93.958	BHSD	UNMH	-	698,800
Block Grants for Community Mental Health Services	93.958	New Mexico Behavioral Health Collaborative	3RMB6	-	108,266
Block Grants for Community Mental Health Services	93.958	NM CYFD	3RKL8	-	22,104
	93.958 Subtotal			-	829,170
Block Grants for Prevention and Treatment of Substance Abuse	93.959	BHSD	UNMH	-	105,242
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	NM Public Education Department	2RSD6	-	5,500
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	NM Public Education Department	2RTK3	-	26,075
	93.981 Subtotal			-	31,575
Maternal and Child Health Services Block Grant to the States	93.994	New Mexico Department of Health	UNMH	-	116,809
Maternal and Child Health Services Block Grant to the States	93.994	New Mexico Department of Health	3REC7	-	105,519

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 20

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Maternal and Child Health Services Block Grant to the States	93.994	New Mexico Department of Health	3RKM4	-	47,777
	93.994 Subtotal			-	270,105
Department of Health & Human Services	93.U11	Association for Prevention Teaching & Research	3RMD6	-	7,000
Department of Health & Human Services	93.U12	New Mexico Department of Health	3RBX2	-	2,501
Department of Health & Human Services	93.U13	California State University	3RME6	-	9,987
Department of Health & Human Services	93.U14	Falling Colors Corporation	3RHP9	-	355
Department of Health & Human Services	93.U15	Falling Colors Corporation	3RKH4	-	141,823
Department of Health & Human Services	93.U20	Santo Domingo Pueblo	3RKS3	-	19,346
Department of Health & Human Services	93.U21	First Choice Community Healthcare	3RW55	-	173,289
		Total Department of Health & Human Services Pass-Through Awards		-	7,726,410
		Total Department of Health & Human Services		325,513	14,390,853
United States Agency for International Development					
Pass-Through Awards					
COVID-19 - USAID Foreign Assistance for Programs Overseas	98.001	Regents of the University of California	3RGV2	-	38
		Total United States Agency for International Development Pass-Through Awards		-	38
		Total United States Agency for International Development		-	38
TOTAL OTHER NONMAJOR PROGRAMS				656,820	214,634,184
TOTAL NONMAJOR PROGRAMS				\$ 656,820	\$ 338,532,131
TOTAL FEDERAL AWARDS				\$ 29,887,627	\$ 646,881,706

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

Federal awards revenue (per Exhibit B):		
Federal grants and contracts revenue	\$	343,071,519
Federal pell grant revenue		32,786,601
Federal CARES Act revenue		66,863,971
Federal capital grants and gifts revenue		43,211
Total federal awards revenue		<u>442,765,302</u>
Reconciling items:		
Department of Housing and Urban Development loan guarantees		186,740,667
Federal Direct loans advanced to students		76,032,041
Perkins loans outstanding		2,936,446
Nurse faculty loans outstanding		731,527
Health professions student loans outstanding		565,870
Federal CARES Act revenue - Provider Relief Funds not reportable on schedule 20		(8,802,961)
Fee for service federal contract revenues - not reportable on schedule 20		(66,363,812)
Federal CARES Act Revenue - HEERF III Institutional Portion		14,053,348
Residual balances on federal grants and contracts		(1,776,722)
Total federal expenditures per schedule 20	\$	<u>646,881,706</u>

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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, 2022. 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, 2022 consists of:

Federal Assistance Listing and Program Name	Outstanding Balance at June 30, 2022
84.038 - Federal Perkins Loans	\$1,529,583
93.264 - Nurse Faculty Loan Program	\$ 644,637
93.342 - Health Professions Student Loans	\$ 502,560

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 Federal Assistance Listing 14.128, issued a loan guarantee for the mortgage amount. As of June 30, 2022, \$74,250,000 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 Federal Assistance Listing 14.128, issued a loan guarantee for the mortgage amount. As of June 30, 2022, \$100,677,206 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, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 26, 2022. 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.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 2022-001 through 2022-005.

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 other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 results 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.



Albuquerque, New Mexico
October 26, 2022

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

Opinion on Each Major Federal Program

We have audited the University of New Mexico's (the University) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the University of New Mexico complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
October 26, 2022

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2022

Section I – Summary of Auditor Results

Basic Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: **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:

Research and Development Cluster – Various Federal Assistance Listing Numbers
COVID-19 Education Stabilization Fund – Federal Assistance Listing Number 84.425
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution – Federal Assistance Listing Number 93.498
Shuttered Venue Operators Grant Program – Federal Assistance Listing Number 59.075
Child Care and Development Fund Cluster – Various Federal Assistance Listing Numbers
Disaster Grants – Public Assistance (Presidentially Declared Disaster) – Federal Assistance Listing Number 97.036

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

\$3,000,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Section II – Basic Financial Statement Findings

None

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Section III – Federal Award Findings and Questioned Costs

None

THE UNIVERSITY OF NEW MEXICO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2022

Finding 2021-001. Asset Disposal – Other Matters as Required by Section 12-6-5 NMSA 1978

Current Status: Modified and repeated as 2022-001

Finding 2021-002 (2017-001). User Access Review (Modified and repeated – 2017-001, 2018-004, 2019-004, and 2020-002) – Other Matters as Required by Section 12-6-5 NMSA 1978 – UNM Hospital, UNM Behavioral Health Operations, Sandoval Regional Medical Center, and UNM Medical Group

Current Status: Modified and repeated as 2022-003

THE UNIVERSITY OF NEW MEXICO

SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2022

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

2022-001 (2021-001). Asset Disposal (Modified and repeated – 2021-001) (Other Non-Compliance)

Condition

During our test work over state audit rule compliance, we noted two assets totaling \$12,915, were removed from the University's asset listing without notification to the Office of the State Auditor.

In the first quarter of FY23, we have implemented more rigorous processes governing these transactions to prevent this finding from reoccurring.

Criteria

NMSA 1978, Section 13-6-1(B)(2) and Section 2.2.2.10(U) NMAC requires entities to notify the Office of the State Auditor thirty days prior to making a deletion of any property from its capital asset listing.

Effect

Non-compliance with State statute and Administrative Code.

Failure to follow required rules, regulations and policies weaken internal controls in place to safeguard assets. This diminishes the opportunity for other state agencies to benefit from repurposing surplus property, potentially resulting in unnecessary expenditures.

Cause

Improper adherence to procedures established to notify the Office of the State Auditor of deletion of assets from the University's assets listing.

Recommendation

We recommend UNM implement more rigorous monitoring procedures to ensure notification to the Office of the State Auditor is completed at least 30 days prior to deleting items, or as soon as practicable, from its public inventory listing for all deleted assets in compliance with NMSA 1978, Section 13-6-1 (B)(2).

University Response

We agree that increased rigor of existing monitoring procedures governing the notification of the Office of the State Auditor in compliance with NMSA 1978, Section 13-6-1(B)(2) and Section 2.2.2.10 will be implemented by the Associate Director of University Services by June 30, 2023.

THE UNIVERSITY OF NEW MEXICO

SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2022

2022-002. Asset Inventory Control (Other Non-Compliance)

Condition

During our test work over state audit rule compliance, we noted one out of twenty departments reviewed did not complete a physical inventory during the fiscal year.

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

The University disagrees that we lack the internal controls necessary to safeguard assets, but we do agree that we need increased measures to ensure timely completion of annual inventory reporting requirements. We will work together with executive leadership to review and strengthen existing mechanisms to ensure a timely completion of annual inventory reporting requirements in future reporting periods. We have updated our property management and control policy to stronger align with existing statutes and improve the campus experience, which will result in increased compliance in annual inventory completions. Responsible party is the Deputy Controller, Financial Services.

THE UNIVERSITY OF NEW MEXICO

SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2022

2022-003 (2017-001). User Access Review (Modified and repeated - 2017-001, 2018-004, 2019-004, 2020-002 and 2021-002) (Other Non-compliance) – UNM Medical Group

Condition

In our testwork related to the controls over user access reviews, we noted in the one sampled quarter for the IDX and Lawson systems that lookback procedures or impact assessments 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 was noted/requested to the time the user(s) was removed from the application.

In prior years we identified certain controls over user access reviews were not operating effectively. Management has continued to update processes and procedures to address the specific deficiencies identified in prior years. The root cause of prior year deficiencies related to departmental leadership training of account disable requirements and the employee termination checklist when employees leave the organization, as well as the training of application administration personnel on accurate documentation and timely completion of disabling accounts.

Management has implemented the following changes over the past several years to address the control deficiencies: updated documented procedures for the Cerner account audits and increased the audit sample sizes; developed more specific training for IT analysts; utilized a nightly safety net report from the HR department to identify employee records that were terminated; and emphasized IT and HR collaborations on the termination processes and procedures. In addition, in fiscal year 2022 a monthly distribution of a termination listing to application owners was implemented and this new procedure is in the review stage.

Management is still in process of refining the policy, process and procedures for lookback or impact assessments. After the 2022 audit period, instructions have been communicated to the application analysts for the IDX and Lawson systems to include account last login dates to support the lookback requirements during quarterly audit for all exceptions identified.

Criteria

The entity's systems process, record, and store information that is vital to the entity's daily operations, and certain systems contain protected health information of the entity's patients. It is critical that access to these systems is properly maintained to prevent inappropriate transactions from occurring, data from being lost, and protected health information from being released. The entity has 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, three business days from terminations per the entity's policy.

THE UNIVERSITY OF NEW MEXICO

SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2022

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.

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 entity develop lookback procedures to ensure no inappropriate activity has occurred due to access changes. 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.

Management Response

User Access Reviews will continue to be performed by the IDX team, and additional lookback analysis will be performed as part of the quarterly account audit process. For accounts identified as active after the employee termination date, or where inappropriate access has been identified, an assessment of login dates and user activity will be performed. The date that any inappropriate access is identified will be documented, along with the date that the access was granted. Notes will be made regarding any activity during that timeframe, and a risk evaluation will be performed related to that activity. The monthly, quarterly, and annual account audits will be documented and retained for review by UH and UNMMG leadership.

The Chief Information Officer and the Chief Financial Officer will be responsible for the corrective action plan, with a completion date of December 31, 2022.

THE UNIVERSITY OF NEW MEXICO

SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2022

2022-004. Controls Over Financial Close and Reporting (Other Non-Compliance) – UNM Lobo Club

Criteria

NMAC 2.20.5.8 requires agencies and local public bodies to ensure that all reporting of financial information be timely, complete, and accurate. In order to provide an accurate accounting, Lobo Club should review all year-end and audit adjustments are posted as part of the year-end closing process.

Condition

During our audit, we noted beginning net position balances did not agree to prior year audited ending balances by approximately \$34,901. This resulted in an audit entry that adjusted revenues and expenses by \$60,707 and \$25,806, respectively.

Cause

Lack of effective internal control procedures surrounding the financial close and reporting process.

Effect

Lobo Club had to record an adjustment to agree to the balances provided in the prior year audit.

Repeat Finding

This is not a repeat finding.

Recommendation

Lobo Club should evaluate its financial reporting processes to determine whether additional controls over the preparation of the annual trial balance can be implemented to provide reasonable assurance that financial statements are prepared timely, completely, and accurately. An additional control should be implemented to ensure net position properly rolls forward and all prior year adjustments are posted.

Management Response

Lobo Club recognizes missed entries from the conclusion of the fiscal year 21 audit. Management did not feel entry adjustment communication was strong enough last audit by auditors for implementation to take place, but also did not self-identify the needed adjustments as reflected in the final financials. Moving forward Lobo Club will actively engage with external auditors to request all adjustments from auditors directly, as well as establish internal controls to identify all necessary adjustments. Lobo Club feels very confident in the actions needed to be sure that this will not be an issue in the future. These measures were implemented by the Director of Finance in early FY23 to ensure they are fully operational for the FY23 financial statement audit.

THE UNIVERSITY OF NEW MEXICO

SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2022

2022-005. Financial Close and Reporting Process (Other Non-Compliance at the Institution Level) (Material Weakness at the Individual Component Unit Level) – UNM Rainforest Innovations

Condition – We noted the following items that indicated a material weakness in controls over the financial close and reporting process:

- The implementation of GASB No. 87 (Leases) was not properly assessed as part of the year-end close procedures. An audit adjustment of approximately \$1.12 million was required to record the right-to-use asset, lease liability, and related expenses.
- Accounts receivable were not adequately or timely reviewed for collectability as of year-end. An audit adjustment of approximately \$432,000 was required to accrue an estimated allowance for doubtful accounts.
- Certain license and royalty revenues were not recognized as of year-end. An audit adjustment of approximately \$35,000 was required to accrue the revenue earned.
- Royalty sharing distributions due to UNM and inventors under various ongoing licensing and royalty agreements had not been accrued for in the same period that the related royalty and licensing revenue was recognized. An audit adjustment of approximately \$308,000 was required to accrue for the amounts payable at June 30, 2022.
- Expenses incurred related to a fully paid license agreement resulting from a patent claim settlement during the year under audit had not been estimated and accrued at year-end. An audit adjustment of approximately \$3.68 million was required to accrue the expenses in the same period the related revenue was recognized. In addition, the associated payable to UNM main campus for their share of the fully paid licensing agreement proceeds had also not been accrued at year-end. An audit adjustment of approximately \$130,000 was required to accurately state the amounts due to UNM.

Criteria

All organizations should establish and implement effective internal control procedures over financial close and reporting to ensure that all reporting of financial information be timely, complete, and accurate.

Cause

Insufficient training, lack of knowledge related to accounting principles, and lack of effective review and approval by management over the financial close and reporting process.

Effect

Misstatements of the financial statements and untimely financial reporting.

THE UNIVERSITY OF NEW MEXICO

SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2022

Recommendation

We recommend that UNMRI's accounting policies, procedures and internal controls be re-examined to establish effective internal controls and procedures to ensure timely and accurate financial statements.

Management's Response

UNMRI recognizes that certain information was not timely available to properly make the necessary adjustments. In certain cases, the information or circumstances were evolving and were not received until the audit close process had started. Management has been concerned on the very short-time line available to prepare and present UNMRI financial statements and UNMRI plans to address this concern in next year's audit planning process. FY22 has been unique in the accounting section. In this case, there was 100 percent turn-over in accounting staff with a short learning curve between the time staff was hired and start of the audit. All of the above audit items have been corrected and processed in the first quarter of the current FY to reflect the prior year financial statements. Management has developed internal processes that will review key areas of the financials on a quarterly basis going forward.

Responsible Persons

UNMRI Chief Executive Officer, Chief Financial Officer

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THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Revenues for the year ended June 30, 2022 — University Only Unaudited

	Tuition and fees	Net patient service	Grants and contracts	Sales, services, and auxiliary enterprises
Revenues	\$ 125,958,824	\$ 1,657,610,012	\$ 494,860,809	\$ 122,224,023
Excluded Revenues:				
State appropriations				
Local appropriations				
Distributions to UNM from UNMMG		(199,606,365)		
Distributions to UNM from SRMC		(746,555)		
Restricted funds	19,153,854			10,105,393
Federal grants & contracts			392,481,632	
State grants & contracts			42,633,596	
Nongovernmental grants & contracts			35,738,098	
Facilities and administrative cost recovery			(59,085,235)	
University of New Mexico Hospital (Hospital)		1,285,155,652	6,274,738	
University of New Mexico Behavioral Health Operations (BHO)		45,232,423	3,438,856	
Blended component units		325,005,560	375,261,302	43,643,892
Total Excluded Revenues	<u>\$ 19,153,854</u>	<u>\$ 1,455,040,715</u>	<u>\$ 796,742,987</u>	<u>\$ 53,749,285</u>
Pledged Revenues	<u>\$ 106,804,970</u>	<u>\$ 202,569,297</u>	<u>\$ (301,882,178)</u>	<u>\$ 68,474,738</u>

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

Pledged Revenues	\$ 474,864,579
Less FY22 debt service for the University:	
University's interest payments on debts	9,675,608
University's principal repayments on debts	<u>23,025,000</u>
Excess of pledged revenues over debt service	<u>\$ 442,163,971</u>
University's future average annual debt service through year ended June 30, 2047	\$ 17,548,998
University's future highest annual debt service year ended June 30, 2023	\$ 35,397,995

See accompanying independent auditors' report.

SCHEDULE 21

State and local appropriations	County mill levies	Investments	Capital	Gifts	Other	Total
\$ 363,569,839	\$ 122,165,497	\$ (27,933,275)	\$ 14,974,352	\$ 68,464,831	\$ 143,777,529	\$ 3,085,672,441
-	-					-
-						-
						(199,606,365)
						(746,555)
		1,224,544	14,035,851	61,690,503	32,561,064	138,771,210
						392,481,632
						42,633,596
						35,738,098
						(59,085,235)
6,330,200	97,605,586	(746,973)		3,681,350	46,445,865	1,444,746,418
7,631,101	17,224,515			14,167	(249,880)	73,291,182
1,149,900	-	(1,579,019)		14,544	(912,298)	742,583,881
<u>\$ 15,111,201</u>	<u>\$ 114,830,101</u>	<u>\$ (1,101,448)</u>	<u>\$ 14,035,851</u>	<u>\$ 65,400,564</u>	<u>\$ 77,844,751</u>	<u>\$ 2,610,807,862</u>
\$ 348,458,638	\$ 7,335,396	\$ (26,831,827)	\$ 938,501	\$ 3,064,267	\$ 65,932,778	\$ 474,864,579

THE UNIVERSITY OF NEW MEXICO

EXIT CONFERENCE

June 30, 2022

The financial statements were prepared by the financial officials of the University of New Mexico. An exit conference was conducted on October 21, 2022, 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
William H. Payne	Vice Chair, UNM Board of Regents Audit Committee
Randy Ko	UNM Board of Regents Audit Committee
Garnett S. Stokes	UNM President
Douglas Ziedonis	Executive Vice President for UNM Health Sciences
Teresa Costantinidis	Executive Vice President for Finance & Administration
Norma Allen	University Controller
Michael Schwantes	Senior Executive Officer for Finance & Administration, University Health Sciences
Joseph Wrobel	Sciences
Angela Vigil	Chief Compliance Officer, University Health Sciences
Terry Babbitt	Chief of Staff
Duane Arruti	Chief Information Officer
Bonnie White	Chief Financial Officer, UNM Hospitals
Ari Vazquez	Deputy University Counsel
Mallory Reviere	Special Assistant to the Board of Regents
Victor Griego	Internal Audit Director
Staff	University Internal Audit Department

MOSS ADAMS LLP

Lisa Todd	Partner
Sujan Bhandari	Senior Manager

KPMG LLP

John Kennedy	Partner
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