

Audit Report 2023

for the fiscal year ended June 30, 2023



**THE UNIVERSITY OF
NEW MEXICO®**

THE UNIVERSITY OF NEW MEXICO

June 30, 2023

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THE UNIVERSITY OF NEW MEXICO

June 30, 2023

BOARD OF REGENTS AND PRINCIPAL OFFICERS

Board of Regents

Appointed Members

	<i>Title:</i>	<i>Term Expires:</i>
Kimberly Sanchez Rael	Chair	12/31/2024
Jack L. Fortner	Vice Chair	12/31/2026
Robert L. Schwartz	Secretary Treasurer	12/31/2024
William H. Payne	Member	12/31/2026
Paul Blanchard	Member	12/31/2028
Paula Tackett	Member	12/31/2028
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

Cris Elder	President, Faculty Senate
Krystah Pacheco	President, Associated Students of the University of New Mexico
Justin Lauriano	President, Graduate & Professional Student Association
Grace Faustino	President, Staff Council
Jaymie Roybal	President, UNM Alumni Association
Les McFadden	President, UNM Retiree Association
Felicia Finston	Chair, UNM Foundation
Caroline Weaver and Liz Abeyta, co-chairs	President, UNM Parent & Family Association

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 Administrative Officials

Principal Financial Officials

Main Campus

Norma Allen	University Controller
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Health Sciences Center

Joseph Wrobel	Chief Budget and Facilities Officer, HSC
Jason Galloway	Chief Financial Services Officer, HSC

UNM Hospitals

Bonnie White	Chief Financial Officer
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KPMG LLP
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Albuquerque, NM 87110-8179

Independent Auditors' Report

The Board of Regents
University of New Mexico
and
Mr. Joseph M. Maestas, P.E.
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 year ended June 30, 2023, 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, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the fiduciary activities, and the aggregate discretely presented component units of the University, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the departmental financial statements of UNM Hospitals and UNM Behavioral Operations, nor the blended component unit financial statements of UNM Medical Group, Inc., Sandoval Regional Medical Center (SRMC), UNM Rainforest Innovations, Lobo Development Corporation, and Lobo Energy, Inc., which represent 45% and 61%, respectively, of the assets and revenues of the primary institution totals as of and for the year ended June 30, 2023. We also did not audit the discretely presented component unit financial statements of UNM Lobo Club and UNM Alumni Association, which represent 4% and 13%, respectively, of the assets and revenues of the discretely presented component units totals as of and for the year ended June 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those other entities, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit 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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 audits. 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, the changes in financial position, and where applicable, cash flows 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. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in fiscal year 2023, the University adopted new accounting guidance, Governmental Auditing Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Other Matter

The financial statements of the University as of and for the year ended June 30, 2022, were audited by other auditors, who expressed unmodified opinions on those statements on October 26, 2022.

Responsibilities of Management for the Financial Statements

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

Auditors' 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 auditors' 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 the 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 the 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

U.S. generally accepted accounting principles require that management's discussion and analysis, Schedule of the 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 for the year ended June 30, 2023. 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 (Schedules 5, 7, 9, 11, and 13), budget comparisons (Schedule 15 through 17), schedule of pledged collateral (Schedule 18), and schedule of individual deposit and investment accounts (Schedule 19) for the year ended June 30, 2023 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 for the year ended June 30, 2023 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

The University's basic financial statements for the year ended June 30, 2022 were audited by other auditors whose report thereon dated October 26, 2022, expressed unmodified opinions on the financial statements. The report of the other auditors dated October 26, 2022, stated that the blended and discretely presented component unit combining schedules (Schedules 6, 8, 10, 12, and 14), for the year ended June 30, 2022 were subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 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 GAAS and, in their



opinion, was fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of pledged revenues – University only (Schedule 21), Board of Regents and Principal Officers, and Exit Conference but does not include the basic financial statements and our auditors' 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 December 21, 2023 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.

KPMG LLP

Albuquerque, New Mexico
December 21, 2023

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

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, 2023, 2022, and 2021. 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 2023, 2022, and 2021. 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*, GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, and 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, 2023

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, 2023, 2022, and 2021 is as follows:

	2023	2022 (as restated)	2021
Assets			
Current assets	\$1,302,733,625	\$ 1,359,184,106	\$ 1,505,629,174
Capital assets, net	1,796,513,343	1,530,236,881	1,373,471,494
Other noncurrent assets	767,836,124	796,249,769	703,130,976
Total assets	\$ 3,867,083,092	\$ 3,685,670,756	\$ 3,582,231,644
Deferred Outflows of Resources	\$ 417,608,801	\$ 958,060,366	\$ 1,511,275,677
Liabilities			
Current liabilities	\$ 565,147,618	\$ 597,951,838	\$ 644,917,449
Noncurrent liabilities	2,194,200,922	1,857,109,205	3,876,965,926
Total liabilities	\$ 2,759,348,540	\$ 2,455,061,043	\$ 4,521,883,375
Deferred Inflows of Resources	\$ 857,205,877	\$ 1,650,176,269	\$ 143,908,283
Net Position			
Net investment in capital assets	\$ 1,156,050,064	\$ 993,638,442	\$ 858,830,314
Restricted - nonexpendable	157,607,006	150,615,863	162,500,995
Restricted - expendable	94,946,171	84,206,103	104,318,977
Unrestricted	(740,465,765)	(689,966,598)	(697,934,623)
Total net position	\$ 668,137,476	\$ 538,493,810	\$ 427,715,663

Assets

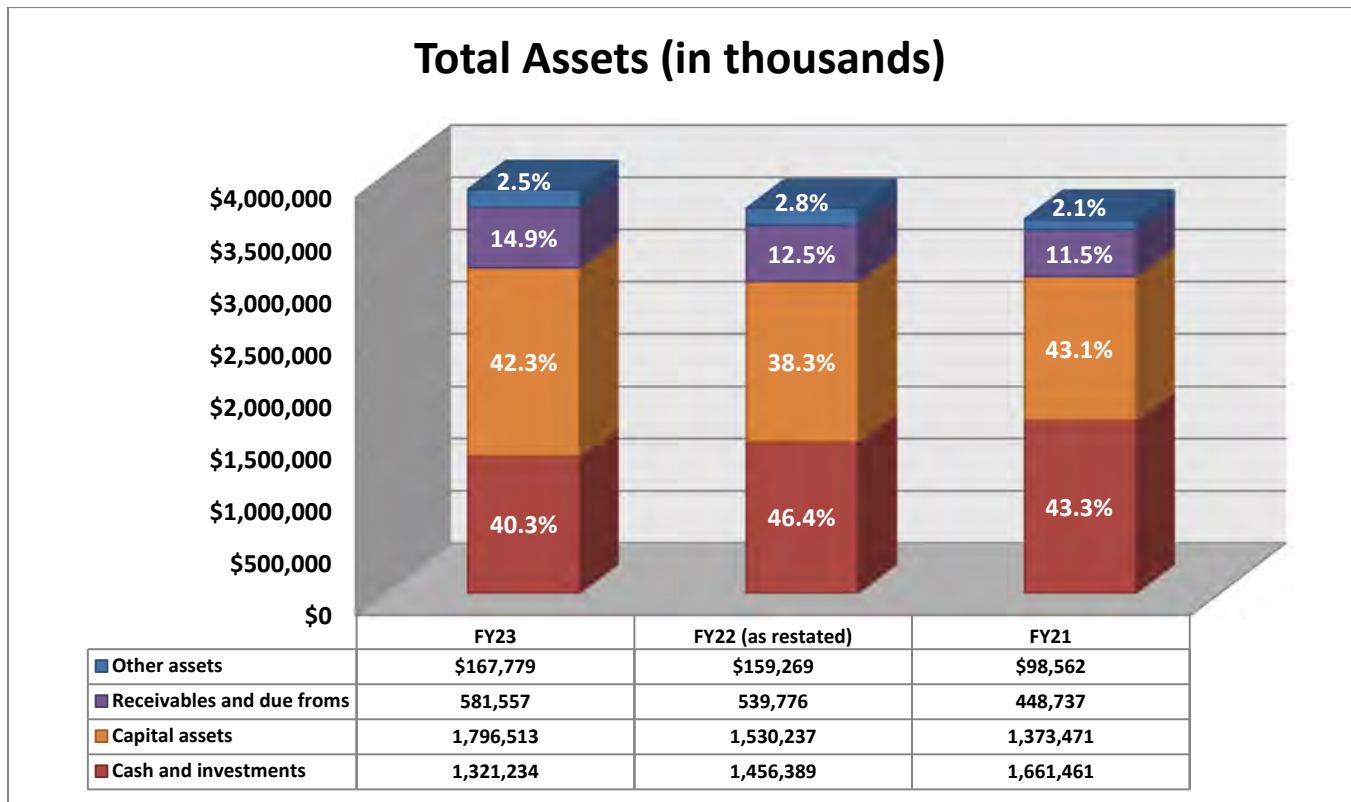
Current assets include cash and other assets that are deemed to be consumed or convertible to cash within one year. The most significant current assets of the University are cash and cash equivalents, net receivables consisting of accounts receivable, patient receivables, and third-party settlements, 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, due from component units, and capital assets, net of accumulated depreciation.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2023

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



Total assets increased by \$181.4 million from FY22 (restated) to FY23 and \$103.4 million from FY21 to FY22 (restated). Of the \$103.4 million, FY21 to FY22 increased \$42.3 million and FY22 to FY22 (restated) increased \$61.1 million due to implementation of GASB 96, Subscription-Based Information Technology Arrangements. The increase in total assets from FY22 (restated) to FY23 consisted of other assets increasing \$8.5 million, receivables and due froms increasing \$41.8 million, capital assets increasing \$266.3 million, and cash and investments decreasing \$135.2 million. The decrease in cash and investments is primarily a result of the University of New Mexico Hospital (“Hospital”) expending \$121.8 million for construction of the critical care tower, which is expected to be completed by June 30, 2025. This is the most significant project in the Hospital’s construction in-progress balance, which increased by \$239.0 million and is largely responsible for the overall increase in capital assets.

The increase in total assets from FY21 to FY22 included a decrease of \$205.1 million in cash and investments and increases of \$91.0 million in receivables and due froms and \$156.8 million in capital assets. The decrease in cash and investments was mostly the result of a decrease of \$111.1 million in the Hospital’s unrestricted cash balance expended for the new critical care tower.

Capital Assets and Commitments: Capital assets are the largest category of noncurrent assets and are shown net of accumulated depreciation, at \$1.8 billion, \$1.5 billion, and \$1.4 billion as of June 30, 2023, 2022, and 2021, respectively. During FY23, the largest increase within capital assets for the University was construction in-progress (CIP), which increased by \$243.3 million. As discussed, the Hospital CIP increased \$239.0 million due to the critical care tower. In addition, the University of New Mexico Behavioral Health Operations (BHO) CIP increased \$16.8 million due to expansion of the psychiatric

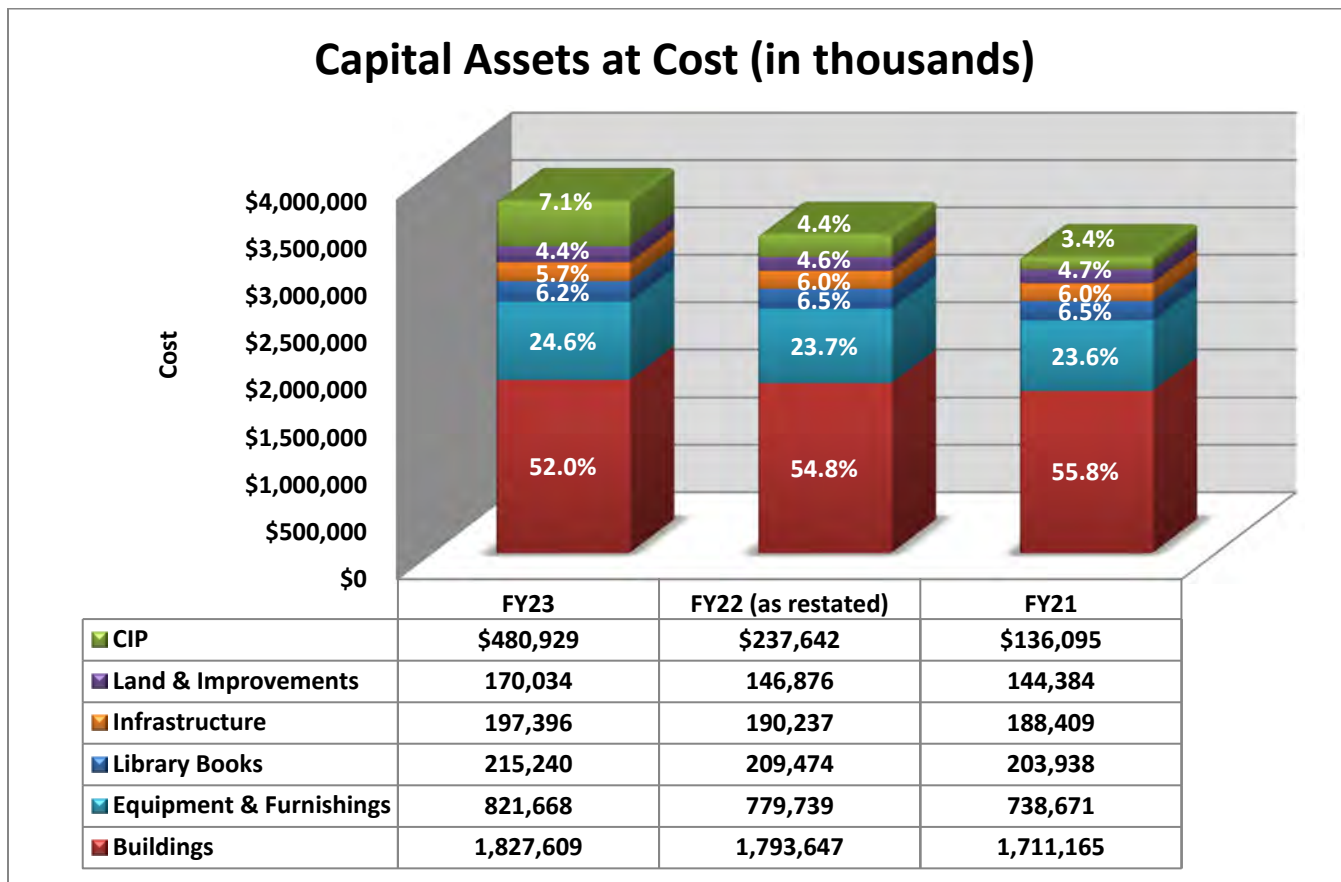
THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

emergency services unit at the Adult Center and new buildings at the Children's Center. These increases were offset by a \$12.9 million decrease in the University CIP (excluding component units) for capital assets placed into service. The remaining \$0.4 million increase comes from the rest of the University's blended component units.

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 \$69.6 million, UNM ROTC Renovation which had a CIP increase of \$4.8 million in FY22, UNM Taos Pathways which increased CIP by \$4.0 million, and University Health Sciences Center of Excellence which increased CIP by \$5.1 million.



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

- The Hospital continues to operate at physical capacity for adult patients. The new critical care tower is scheduled to open in FY25. The tower will contain 9 floors, of which 2 of the floors will be completed at a later date. It will contain an additional 96 Intensive Care Unit beds as well as 18 new operating rooms. The adult emergency room will also move to the new tower.
- The UNM College of Nursing and Public Health Excellence Building began construction in FY23 and is targeted for completion at the end of FY24. This 93,740 square-foot building will increase the University's capacity to graduate students and help alleviate pressure on the state's health care workforce deficit. The project's total projected cost of \$43.0 million comes from \$32.5 million of state funding, with the remainder covered by the University.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

- The University of New Mexico Behavioral Health Operations (BHO) began construction on a Crisis Triage Center and Adult Psychiatric Replacement Hospital during the year ended June 30, 2022. The total budgeted cost of the project is \$40.0 million, to be funded by a \$20.0 million capital investment from Bernalillo County and a \$20.0 million capital expenditure by BHO. As of June 30, 2023, the total construction cost incurred on the project is \$16.4 million with an estimated \$23.6 million committed budget remaining. BHO has incurred costs of \$9.1 million with an estimated \$10.9 million committed budget remaining as of June 30, 2023.

Capital assets for the Hospital and BHO, net of accumulated depreciation, were \$700.3 million, \$439.2 million, and \$232.1 million as of June 30, 2023, 2022, and 2021, respectively. The most significant components of the \$261.1 increase from FY22 to FY23 are construction in-progress, including a \$239.0 million increase for the Hospital critical care tower and \$16.8 increase for the BHO Adult and Children's Center additions.

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.

Debt Activity: Bonds payable totaled \$448.1 million, \$423.7 million, and \$454.9 million at June 30, 2023, 2022, and 2021, respectively. The current portion of this debt was \$31.0 million, \$30.2 million, and \$29.1 million at June 30, 2023, 2022, and 2021, 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, 2023, 2022, and 2021 Single Audit.

On September 9, 2021, the Hospital closed on a mortgage loan to partially finance the construction of a new patient tower. The debt was issued under the HUD Section 242 loan guarantee program and is backed by GNMA securities. The mortgage will be drawn down as needed to fund the construction project, not to exceed \$320 million, and carries an interest rate of 3.275%. The terms of the loan require interest only payments through construction. Principal and interest payments will begin on October 1, 2024 with loan maturity occurring on September 1, 2049. During the years ended June 30, 2023 and 2022, the Hospital drew down \$114.8 million and \$51.7 million and incurred interest of \$3.5 million and \$0.9 million, respectively.

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 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. The Medical Center had mortgage liability of \$94.9 million at June 30, 2023 and \$100.7 million at June 30, 2022. The current portion of mortgage liability at June 30, 2023 and 2022 was \$5.9 million and \$5.8 million, respectively.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

Deferred Outflows of Resources

Deferred outflows of resources decreased by \$540.5 million from FY22 to FY23 and decreased by \$553.2 million from FY21 to FY22. The most significant deferred outflow of resources is related to pensions. The amount recognized as a deferred outflow of resources related to pensions was \$373.8 million, \$914.6 million, and \$1.5 billion as of June 30, 2023, 2022, and 2021, respectively. Deferred outflows of resources related to pensions decreased by \$540.9 million from FY22 to FY23 and decreased by \$570.4 million from FY21 to FY22.

Changes of assumptions in the actuarial valuation have significant impacts on the deferred outflows of resources related to pensions. The New Mexico Educational Retirement Board ("NM ERB") Schedules of Employer Allocations and Pension Amounts by Employer provides changes of assumptions for employers to use in financial reporting. From FY22 to FY23, the University's changes of assumptions balance decreased by \$521.2 million. From FY21 to FY22, the changes of assumptions balance decreased by \$536.3 million.

Actuarial assumptions and methods are set by the NM ERB Board of Trustees, 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. At that time, the Board adopted a number of demographic and economic assumption changes. There were no changes in actuarial assumptions since the prior valuation. A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2022; this is the same rate used for June 30, 2021. The 7.00% discount rate was based on a long-term expected rate of return on pension plan investments of 7.00%.

Liabilities

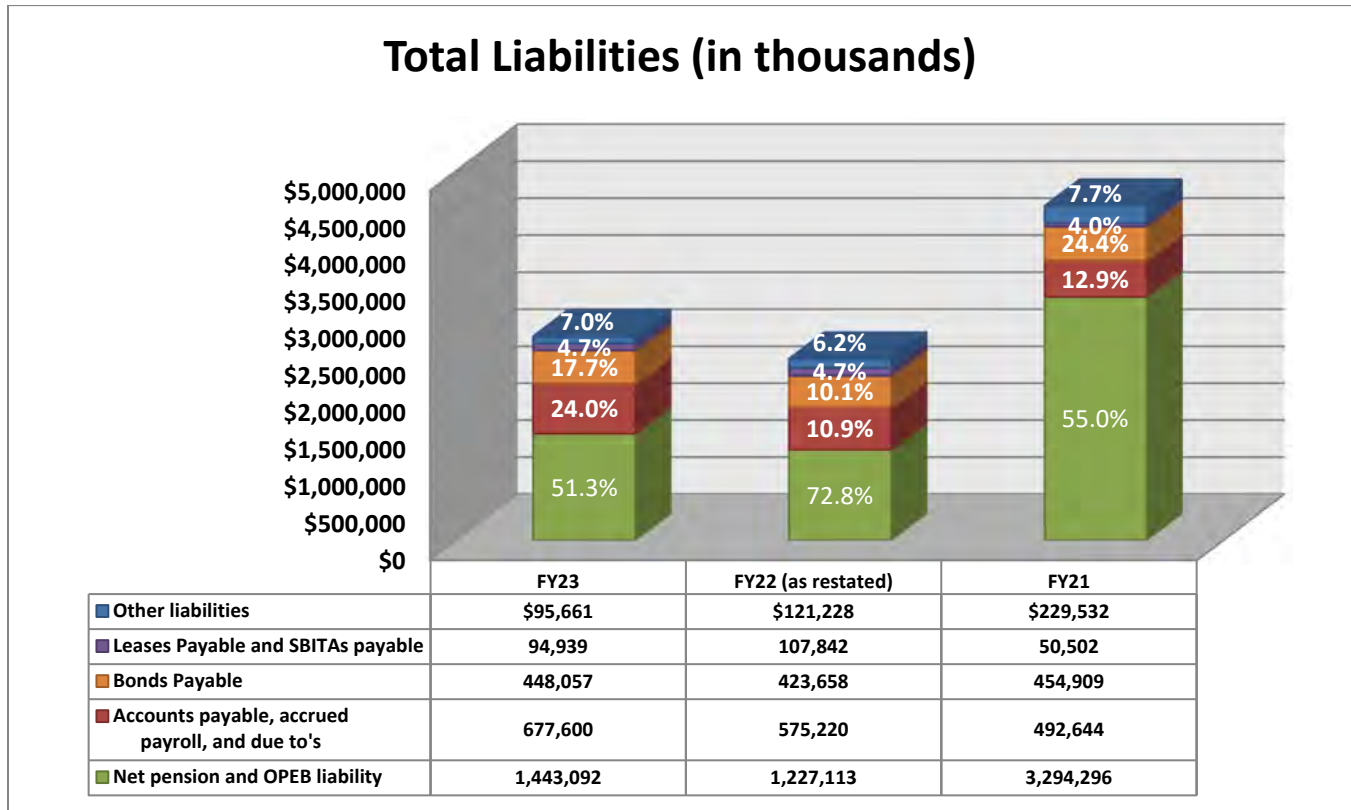
Current liabilities are generally defined as amounts due within one year. The most significant current liabilities of the University are accounts payable, accrued payroll, third-party settlements, unearned revenue, and accrued compensated absences.

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

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2023

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



Total liabilities increased by \$304.3 million from FY22 (restated) to FY23 and decreased by \$2.1 billion from FY21 to FY22 (restated). Implementation of GASB 96, Subscription-Based Information Technology Arrangements, increased FY22 to FY22 (restated) total liabilities by \$60.9 million. The increase in total liabilities from FY22 to FY23 consisted of other liabilities decreasing \$25.6 million; lease and SBITA payables decreasing by \$12.9 million; bonds payable increasing \$24.4 million; accounts payable, accrued payroll, and due to's increasing \$102.4 million; and net pension and OPEB liability increasing \$216.0 million. Net pension and OPEB liability increased based on actuarial reports according to The NM ERB Schedules of Employer Allocations and Aon Consulting Accounting Results for GASB 74 & GASB 75. Long-term debt is the most significant change in due to's, having increased by \$109.1 million from FY22 to FY23. This increase results from the Hospital drawing down \$114.8 of a mortgage loan, discussed further under debt activity, for continued work on the critical care tower.

The \$2.1 billion decrease in total liabilities from FY21 to FY22 resulted from a \$2.1 billion decrease in net pension liability due to an overall decrease reported by the State of New Mexico Educational Retirement Board. This decrease was due to new assumptions 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 7.00% and the assumed annual wage inflation rate from 3.25% to 3.00%.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

Deferred Inflows of Resources

Deferred inflows of resources decreased by \$793.0 million from FY22 to FY23 and increased \$1.5 billion from FY21 to FY22. The most significant deferred inflow of resources is related to pensions. The amount recognized as a deferred inflow of resources related to pensions was \$800.0 million, \$1.6 billion, and \$66.1 million as of June 30, 2023, 2022, and 2021, respectively.

Changes in assumptions within the actuarial valuation significantly impact deferred inflows of resources linked to pensions, much like how deferred outflows of resources are influenced. The NM ERB Schedules of Employer Allocations and Pension Amounts by Employer provides changes of assumptions for employers to use in financial reporting.

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.

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, 2023, 2022, and 2021 is as follows:

	2023	2022 (as restated)	2021
Operating Revenues			
Tuition and fees, net	\$ 110,120,466	\$ 125,958,824	\$ 130,344,997
Net patient service	1,651,779,834	1,657,610,012	1,592,975,818
Grants and contracts	399,335,007	427,996,838	384,083,671
Sales and services, net	139,642,275	122,224,023	90,800,380
Other operating revenues	45,698,401	73,353,664	117,985,419
Total operating revenues	\$ 2,346,575,983	\$ 2,407,143,361	\$ 2,316,190,285
Operating Expenses			
Instruction	\$ 260,748,645	\$ 253,282,983	\$ 242,992,467
Research	233,411,061	251,903,738	258,755,275
Public service	1,873,551,660	1,839,319,639	1,675,932,773
Academic support	54,872,186	47,693,813	43,201,530
Student services	34,504,952	30,402,504	28,739,834
Institutional support	72,876,694	65,352,230	60,460,362
Operation of plant	227,235,140	197,943,237	193,002,289
Student aid and activities	41,917,080	40,611,797	23,120,200

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

Intercollegiate athletics	34,948,601	31,199,909	24,458,665
Auxiliary enterprises	48,361,535	34,756,762	33,329,867
GASB 68 pension expense	64,210,366	84,357,435	766,700,778
GASB 75 OPEB expense	3,992,200	229,400	(2,882,000)
Other operating expenses	81,554,331	81,265,169	116,093,346
Total operating expenses	\$ 3,032,184,451	\$ 2,958,318,616	\$ 3,463,905,386
Nonoperating Revenues			
Appropriations	\$414,605,700	\$ 363,569,839	\$ 343,973,371
Mill levies	128,748,434	122,165,497	119,282,236
Federal pell grants	36,000,515	32,786,601	33,495,135
NM Opportunity Scholarship	68,137,326	-	-
Gifts	41,008,943	68,464,831	40,576,948
Investment income	60,283,527	(27,933,275)	78,944,518
Other nonoperating revenues and expenses, net	15,356,375	87,788,126	74,061,931
Net nonoperating revenues	\$ 764,140,820	\$ 646,841,619	\$ 690,334,139
Income (loss) before capital contributions	78,532,352	95,666,364	(457,380,962)
Capital contributions	51,111,314	14,974,351	10,158,227
Change in net position	\$ 129,643,666	\$ 110,640,715	\$ (447,222,735)
Net position - beginning of year	538,493,810	427,715,663	875,390,600
GASB 87 restatement impact	-	-	(452,202)
GASB 96 restatement impact	-	137,432	-
Net position - end of year	\$ 668,137,476	\$ 538,493,810	\$ 427,715,663

Revenues

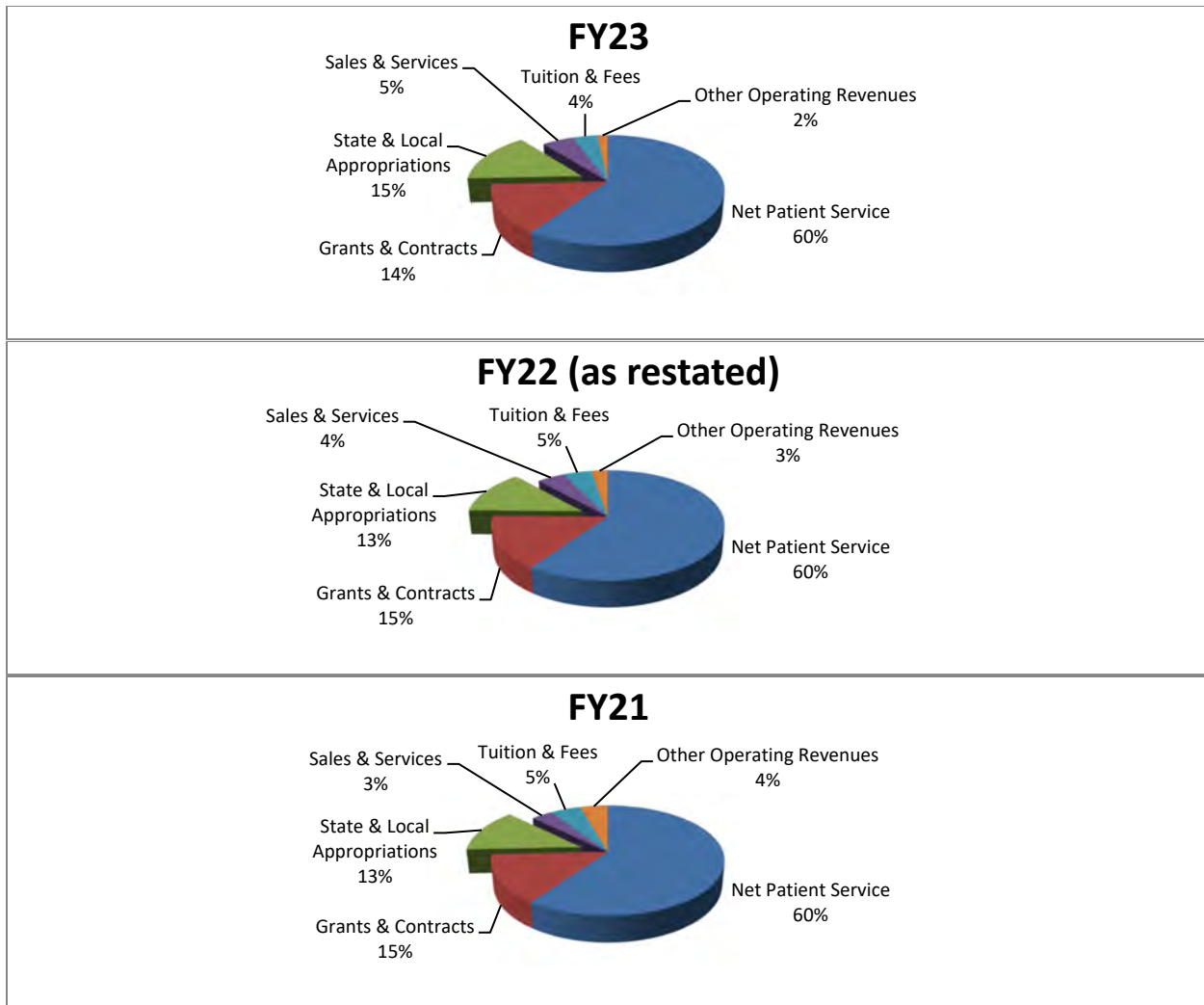
The presentation of revenues, as defined by GASB, requires that state and local appropriation income be excluded when calculating the financial results of operations. This presentation method results in an "operating loss." The operating loss is offset by "nonoperating revenues (expenses)" to arrive 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 and Sandoval County mill levies, 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, NM Opportunity Scholarship, 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 15%, 13%, and 13% of total operating revenues for fiscal years 2023, 2022, and 2021, respectively.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2023

The following charts depict operating revenues (with state and local appropriations) by source:



Operating Revenues (with state and local appropriations): Operating revenues decreased by 2.5% from FY22 to FY23 and increased 3.9% from FY21 to FY22. Net patient service revenues are a significant portion of the total net operating revenues. They are 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 decreased by 0.4% from FY22 to FY23 and increased by 4.1% from FY21 to FY22. The most significant increase in operating revenues was a 14.0% increase in state and local appropriations from FY22 to FY23.

UNM Health, which includes HSC, UNMH, SRMC, UNMMG, 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

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

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, 2023, 2022, and 2021, there were approximately 8,582, 8,442, and 8,499 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 2023, 2022, and 2021 were \$84.7 million, \$99.9 million, and \$114.1 million, respectively.

UNM Health incurs costs associated with providing charity care and other services for which payment is not received. As of June 30, 2023, the estimated cost of care for providing these services was \$104.4 million compared to \$104.1 million in FY22 and \$87.9 million in FY21.

Tuition and fees are also a significant component of the University's total net operating revenues. UNM's total credit hour production for 2022-2023 was 558,449. This represents a 3.9% increase in credit hour totals compared to the previous year. New first year student enrollment for the fall 2022 class was up 14.1% compared to the fall 2021—and a cumulative increase of 35% occurred between fall 2019 and 2022. Another increase in new first year student enrollment is anticipated for fall 2023. Larger incoming classes over the past four years have helped increase modest overall campus enrollment for fall 2022 and fall 2023, although high levels of degree production and improved completion rates have tempered these increases. While the gross student enrollment has increased, overall tuition revenue has decreased due to the increase in scholarship allowances from FY22 to FY23 by \$39.6 million. Changes in enrollment and tuition and fees rates in academic functions of the University were as follows:

	Fall 2022	Fall 2021	Fall 2020
Enrollment change (headcount)	1.8%	-0.5%	-8.8%
Tuition and fees rate change (full-time resident undergraduate)	18.6%	-3.9%	17.3%

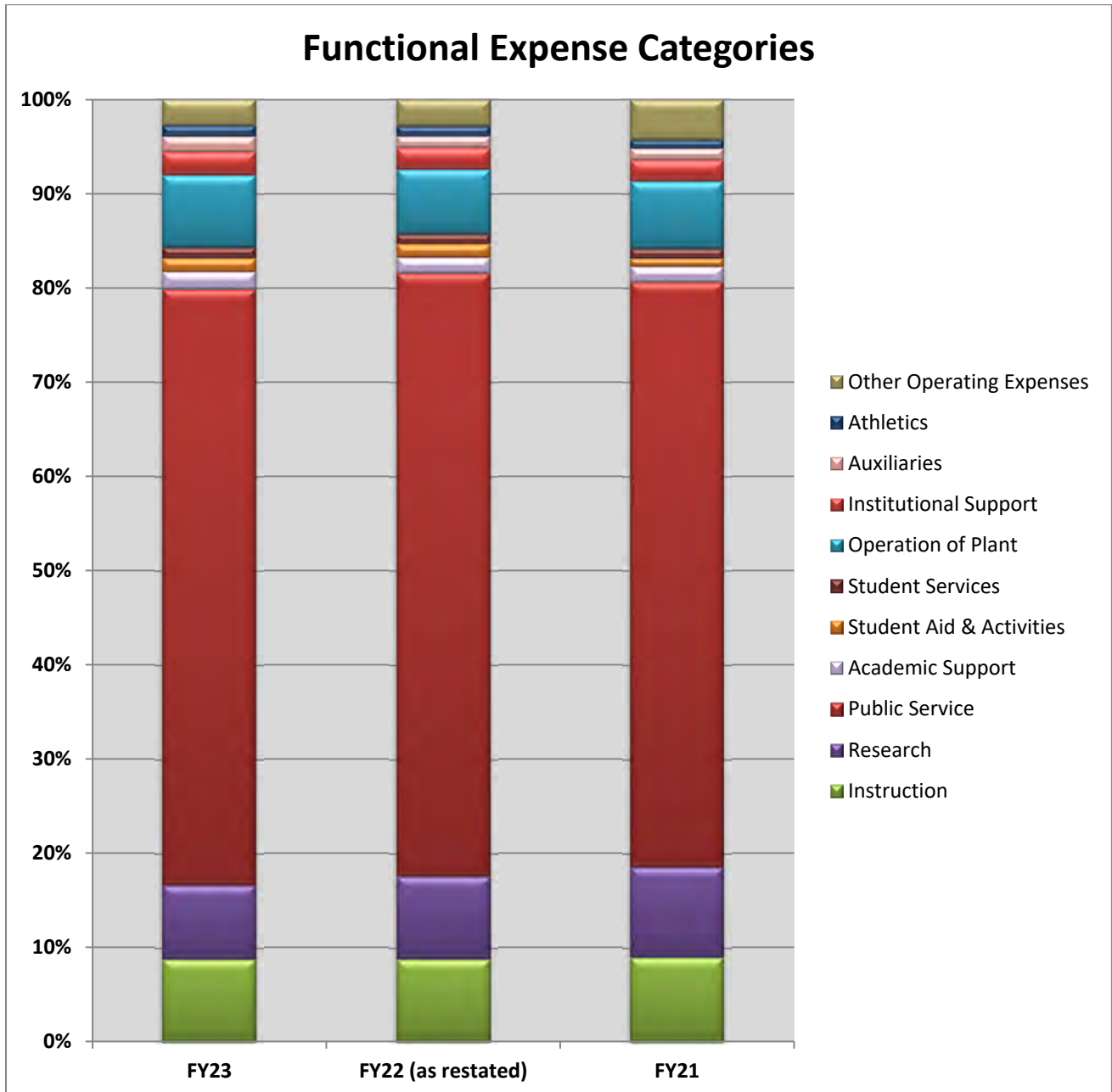
Nonoperating Revenues/Expenses: Net nonoperating revenues increased by 18.1% from FY22 to FY23 and decreased by 6.3% from FY21 to FY22. Nonoperating revenues are primarily driven by state appropriations, the Bernalillo and Sandoval County mill levies, federal pell grants, gifts received by the University, and investment income/loss. The major reasons for the increase in net nonoperating revenues in FY23 were a \$68.1 million increase in funds received from the state to fund the Opportunity Scholarship and a \$88.2 million increase in investment income due to favorable marketplace investment opportunities.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2023

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, 2023, 2022, and 2021:



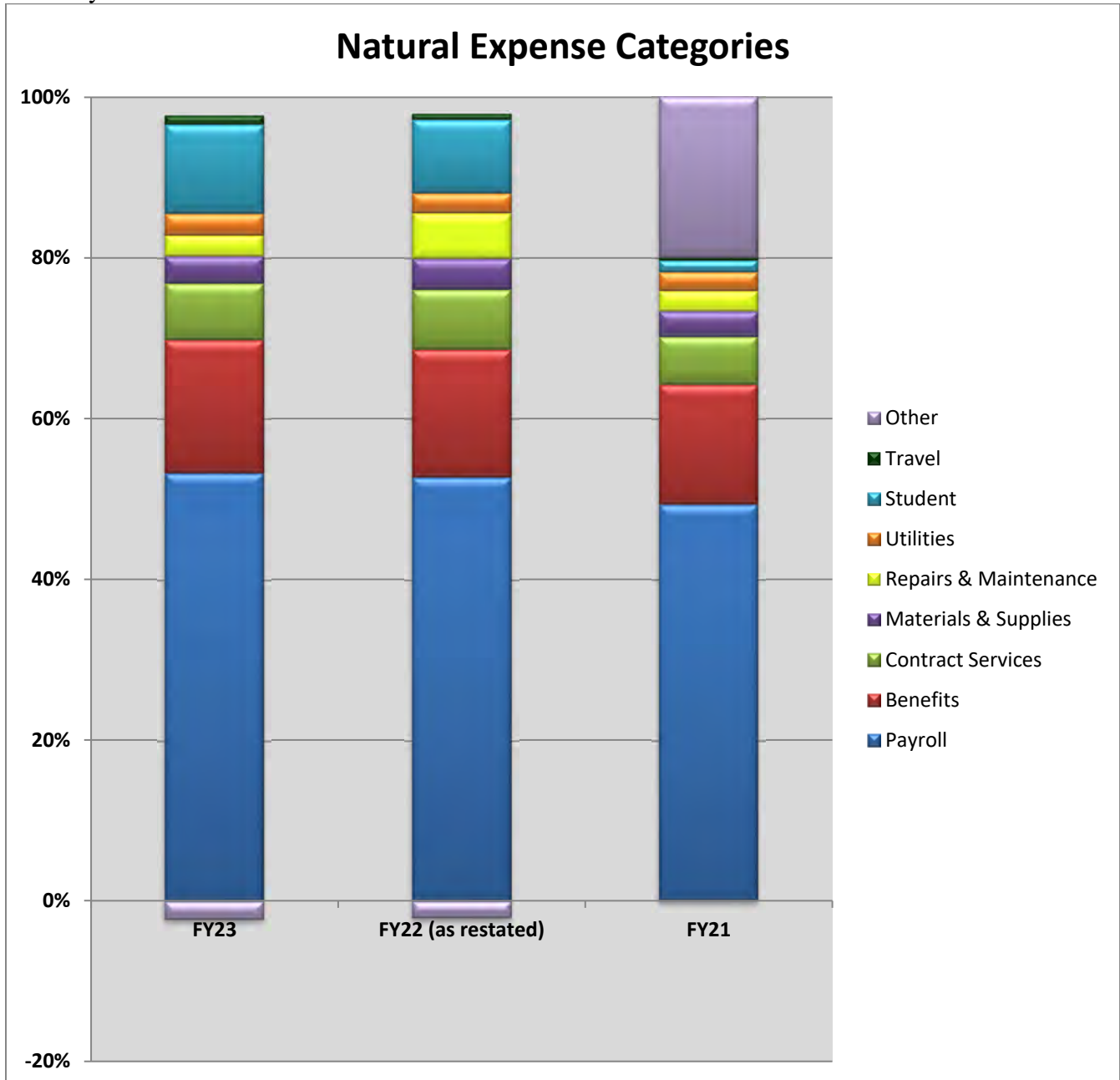
THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

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, 2023, 2022, and 2021:

Annually



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

Changes in Net Position

The University's total change in net position showed a net increase of \$129.6 million for FY23, a net increase of \$110.6 million for FY22, and a net decrease of \$447.7 million for FY21.

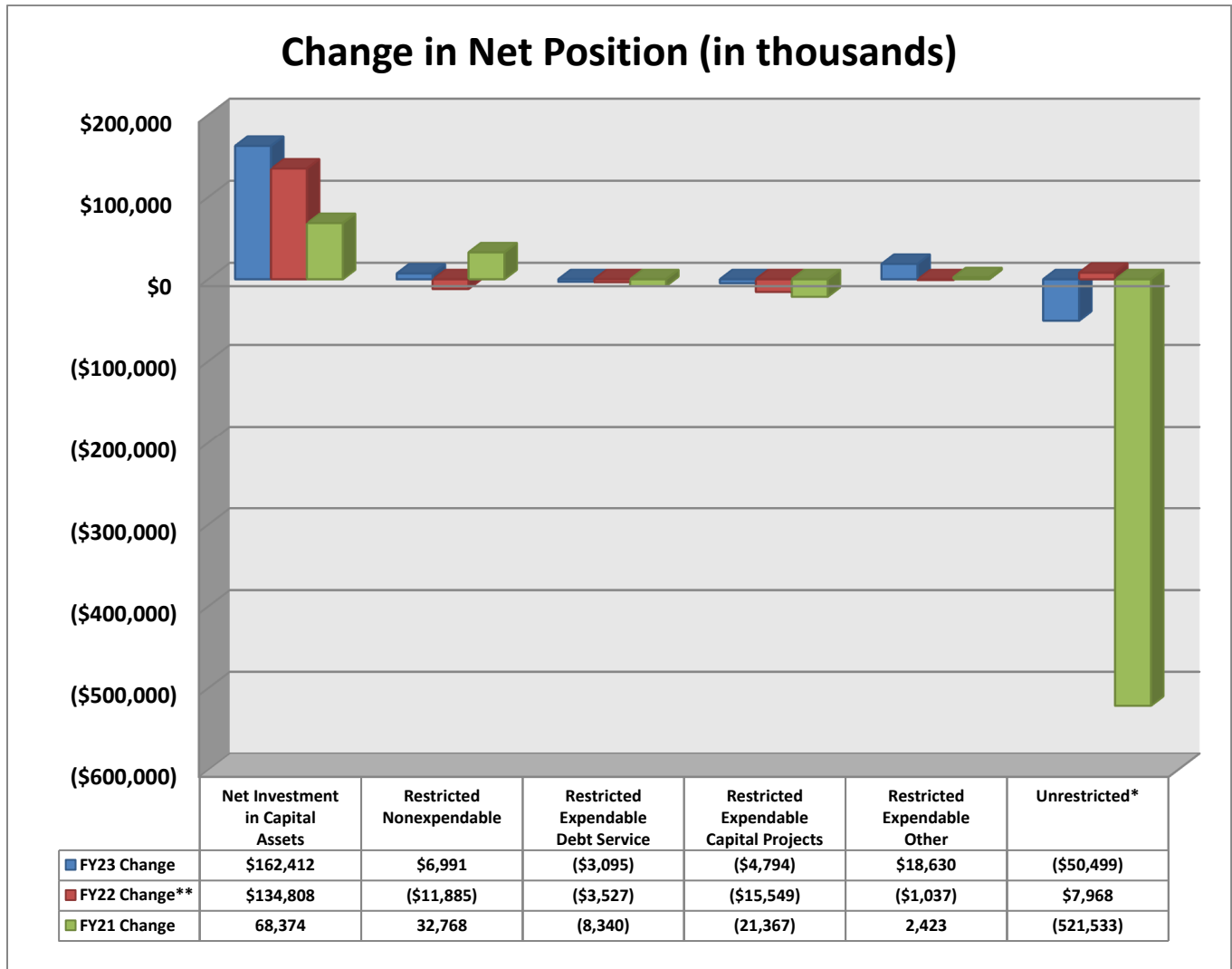
The major changes in net position in FY23 include an increase of \$162.4 million in net investment in capital assets, an increase of \$7.0 million in nonexpendable restricted net position (scholarships, grants, bequests, and contributions), an increase of \$10.7 million in expendable restricted net position (scholarships, grants/bequests, contributions, debt services and capital projects), and a \$50.5 million decrease in unrestricted net position. The increase in net investment in capital assets includes \$261.7 million in UNMH CIP additions, which relate primarily to construction of the critical care tower. This is offset by \$78.4M of total CIP placed into service for various projects. The increase in expendable restricted net position is primarily the result of favorable market conditions of endowed scholarship funds.

The major changes in net position in FY22 include an increase of \$135.4 million in net investment in capital assets, a decrease of \$11.8 million in nonexpendable restricted net position (scholarships, grants/bequests and contributions), a \$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). The decrease in nonexpendable restricted net position is primarily due to 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 Year Ended June 30, 2023

The chart below shows the changes in net position by category for the fiscal years ended June 30, 2023, 2022, and 2021:



* Significant changes to the unrestricted net position in FY21, FY22, and FY23 were primarily the result of the significant changes to pension expense reported by the University per the requirements of GASB Statement No. 68.

** FY22 change was impacted by restatement following adoption of GASB Statement No. 96.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

Statement of Cash Flows

A comparison of the University's changes in cash and cash equivalents for the years ended June 30, 2023, 2022, and 2021 is as follows:

	2023	2022 (as restated)	2021
Cash provided by (used in):			
Operating activities	\$ (684,677,286)	\$ (543,411,911)	\$ (268,374,288)
Noncapital financing activities	718,418,418	630,213,677	643,174,994
Capital and related financing activities	(234,713,704)	(273,747,911)	(196,456,903)
Investing activities	13,816,668	26,966,825	14,839,139
Net increase (decrease) in cash and cash equivalents	(187,155,904)	(159,949,320)	193,183,002
Cash and cash equivalents — beginning of year	631,381,955	791,331,275	598,148,273
Cash and cash equivalents — end of year	\$ 444,226,051	\$ 631,381,955	\$ 791,331,275

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, and on behalf of, employees and payments to 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 and Sandoval County mill levy, and the NM Opportunity Scholarship funding 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, draws on construction loans 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 FY23, the University and employee contributions were \$1.9 million each, and the VEBA Trust gained \$5.4 million in net investment income. In FY22, the University and employee contributions were \$2.0 million each, and the VEBA Trust lost \$10.7 million in net investment income.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2023

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 several 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 FY23 Main campus revenues, there is an overall increase of approximately \$47.1 million, or 6.0%, over the FY22 original budget. State appropriations increased 15.5% over FY22 original budget, due primarily to increases in compensation and a 2% increase in Employer ERB contribution approved by the legislature.

State appropriations for Main campus operations increased by \$32.6 million, or approximately 15.5%, for FY23 compared to FY22 original budget. The noted increase in appropriations was driven in part due to the legislature approving a 3% compensation increase for the 4th quarter of FY22, effective on April 1, 2022, and an additional 4% increase effective July 1, 2022, for an effective FY23 salary increase of 7.12%. In addition, the legislature approved a 2% ERB employer contribution increase for higher education.

Tuition and fee rates were approved by the Board of Regents on March 22, 2022. They approved a 3% increase in resident base tuition (UG/GR), a 5% increase in non-resident base tuition (UG/GR), with a flat rate starting at 15 credit hours for undergraduate residents, and a flat rate at 12 credit hours for graduate residents and undergraduate and graduate non-residents. In addition, the budget includes a 1% increase in mandatory student fees as recommended by the Student Fee Review Board (SFRB) and a \$15 increase in the Associated Students at the University of New Mexico (ASUNM) fee as approved by the student body in a constitutional referendum held on March 9, 2022.

In terms of FY23 Main campus expenditures, there is an overall increase of approximately \$36.4 million, or 4.2%, over the FY22 original budget. The Regents approved the effective 7.12% compensation increase for FY23 and the legislature increased the ERB employer contribution rate by 2%. In addition, the minimum wage increased to \$15.00 effective July 1, 2022. Other increases include inflationary increases in costs and new spending for strategic initiatives.

Final Budget

For the FY23 revised final budget, Main campus experienced a \$212.3 million increase in revenues and transfers primarily driven by \$80.0 million increase in student financial aid related to the NM Opportunity scholarship, which was not included in the original budget, \$69.3 million increase in plant fund revenues primarily from a new bond issuance, \$49.9 million increase in restricted research and public service activity, and \$13.1 million increase in net transfers, and current unrestricted revenue from various sources.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2023

Expenses increased primarily due to increases in scholarships disbursed for the NM Opportunity scholarship, increased research and public service activity, increased plant expenditures for College of Nursing and College of Population Health Building and Lobo Welcome Center Project, and other cost increases in salaries and fringe, general liability insurance, repairs and maintenance costs, and utilities.

At Health Sciences, changes from FY22 to FY23 revised budget include increases in Contracts and Grants awards, State Appropriations and Patient Services revenues. Federal awards increased \$34 million and included funding for the School of Public Health and growth in research initiatives. State Appropriations increased by \$19 million for employee compensation, employer ERB and targeted program expansion. Clinical revenue budgets also increased as UNM Hospitals and Clinics continued scheduling at full capacity to make up for surgeries, procedures, and visits that were postponed during the COVID-19 pandemic. In total, budgeted revenues increased by \$56 million or 6% over FY22 revised budget.

Noteworthy changes in budgeted expenses and transfers included increases for compensation, School of Public Health expenditures, research costs and clinical FTE and contract services. Overall, expenses increased by \$98 million or 11% over the FY22 revised budget. Net transfers changed by \$2.5 million compared to FY22 revised budget due to increased transfers to plant. Health Sciences budgeted a deficit net margin driven primarily by the salary increases mandated by State government in FY22 fourth quarter and FY23.

Overall, the University's change in net position on a budgetary basis for unrestricted and restricted funds was an increase of approximately \$28.8 million (Schedule 15), which is primarily due to increases in tuition and fee revenue as a result of increased undergraduate enrollment and an increase in unrestricted private gifts. The University's change in net position on a budgetary basis for unrestricted I&G funds was a net increase of \$27.7 million (Schedule 16), which is primarily due to increases in tuition and fee revenue as well as an increase in other sources of revenue

Factors Impacting Future Periods

The University experienced near record breaking student enrollment for the Fall 2023 semester. From Fall 2022 to Fall 2023, enrollment increased from 25.9 thousand to 26.8 thousand, a jump of 3.6%. The New Mexico Opportunity Scholarship, initiated by Governor Lujan Grisham, may be a contributing factor to the rise in the number of students. The scholarship covers tuition and required fees for eligible New Mexico residents who pursue career training certificates, associate degrees, and bachelor's degrees at NM public colleges and universities. The long-term impact of the opportunity scholarship and enrollment is still to be determined.

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 declaration officially ended May 11, 2023.

As part of the Families First Coronavirus Response Act (FFCRA) enacted by Congress at the start of the pandemic, Medicaid programs were directed to keep members continuously enrolled in Medicaid through the end of the COVID-19 PHE. Medicaid received enhanced federal funding in order to do this. The Consolidated Appropriations Act (CAA) of 2023 which was signed into law on December 29, 2022, delinked the continuous enrollment provision from the PHE and ended continuous enrollment on March 31, 2023. The CAA also phases down the enhanced federal Medicaid matching funds through December 2023. Primarily due to the continuous enrollment provision, Medicaid enrollment nationwide as well as

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Year Ended June 30, 2023

in New Mexico has grown substantially compared to pre-pandemic levels and the uninsured rate has dropped. New Mexico Medicaid began sending notices to those who were still active on the Medicaid rolls letting them know that they would need to re-enroll to continue their Medicaid coverage. Anyone who does not re-enroll or who no longer meets the criteria to receive Medicaid benefits will be disenrolled. The disenrollment began May 31, 2023 and New Mexico Human Services Department estimated that as many as 100,000 members could be disenrolled. It is not known at this time how many of those will be eligible for other coverage or will be uninsured.

The Hospital continues to operate at physical capacity for adult patients. The new Critical Care Tower is scheduled to open in fiscal year 2025. The tower will contain 9 floors, of which 2 of the floors will be completed at a later date. It will contain an additional 96 Intensive Care Unit beds as well as 18 new operating rooms. The adult emergency room will also move to the new tower.

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, 2023 and 2022, 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, 2023 and 2022

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2023	2022 (as restated)	2023	2022 (as restated)
ASSETS				
Current assets				
Cash and cash equivalents (note 3)	\$ 358,496,296	\$ 425,051,267	\$ 19,661,556	\$ 22,089,612
Short-term investments (note 3)	451,539,815	446,048,853	10,067,051	9,043,207
Accounts receivable, net (note 4)	73,105,682	62,028,420	1,323,979	1,234,478
Patient receivables, net (note 4)	212,824,102	214,671,964	-	-
Leases receivable (note 15)	5,352,270	5,080,293	-	-
Leases interest receivable (note 15)	62,757	56,101	-	-
Due from component units	6,093,302	6,440,370	-	250,051
Notes receivable (note 5)	2,807,293	5,431,688	-	-
Estimated third-party payor settlements	139,407,902	129,187,538	-	-
Other receivables (note 4)	7,517,839	20,703,467	-	-
Inventories	28,662,242	27,741,898	-	-
Other current assets (note 7)	16,864,125	16,742,247	1,140,391	935,928
Total current assets	\$ 1,302,733,625	\$ 1,359,184,106	\$ 32,192,977	\$ 33,553,276
Noncurrent assets				
Cash and cash equivalents (note 3)	\$ 48,282,642	\$ 47,077,875	\$ -	\$ -
Cash and cash equivalents – restricted (note 3)	37,447,113	159,252,813	-	-
Leases receivable (note 15)	33,430,786	29,342,086	-	-
Due from component units	99,031,417	64,360,849	-	-
Notes receivable (note 5)	1,923,913	2,473,214	-	-
Investments (note 3)	413,542,765	367,372,348	416,704,641	353,407,891
Investment in Lovelace UNM Rehab Hospital, net	11,925,039	11,582,677	-	-
Derivative instruments – interest rate swaps overlay (note 13)	-	202,876	-	-
Beneficial interest in irrevocable split interest agreements	-	-	19,394,660	18,719,224
Other noncurrent assets (note 7)	28,257,409	7,991,349	3,693,704	4,541,898
Right-to-use assets, net (note 15 and 22)	93,995,040	106,593,682	-	-
Capital assets, net (note 6)	1,796,513,343	1,530,236,881	134,462	147,867
Total noncurrent assets	\$ 2,564,349,467	\$ 2,326,486,650	\$ 439,927,467	\$ 376,816,880
Total assets	\$ 3,867,083,092	\$ 3,685,670,756	\$ 472,120,444	\$ 410,370,156
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions (note 17)	\$ 373,750,192	\$ 914,605,657	\$ -	\$ -
Related to OPEB (note 18)	35,660,310	33,407,200	-	-
Interest rate swaps (note 13)	734,985	2,128,986	-	-
Loss on bond refundings	7,463,314	7,918,523	-	-
Total deferred outflows of resources	\$ 417,608,801	\$ 958,060,366	\$ -	\$ -

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, 2023 and 2022

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2023	2022 (as restated)	2023	2022 (as restated)
LIABILITIES				
Current liabilities				
Accounts payable and accrued payroll (note 8)	\$ 189,193,051	\$ 216,281,215	\$ 1,922,383	\$ 1,876,041
Bonds payable – current portion (notes 12 and 13)	31,035,000	30,215,000	-	-
Long-term debt – current portion (note 12 and 13)	6,041,389	6,007,069	-	-
Leases payable (note 12 and 15)	7,771,249	8,330,759	-	-
SBITA payable (note 12 and 22)	15,296,717	17,850,091	-	-
Due to The University of New Mexico (note 12)	-	-	6,093,302	6,440,370
Due to FEMA	2,600,000	-	-	-
Unearned revenue (note 11)	68,015,837	69,983,658	548,947	794,721
Accrued compensated absences (note 9)	76,099,740	74,324,953	-	-
Estimated third-party payor settlements	148,011,004	132,062,333	-	-
Medicare accelerated and advance payment program	392	17,841,911	-	-
Deposits and funds held for others	1,681,080	4,461,942	-	-
Other accrued liabilities (note 10)	19,402,159	20,592,907	5,366,474	9,034,026
Total current liabilities	\$ 565,147,618	\$ 597,951,838	\$ 13,931,106	\$ 18,145,158
Noncurrent liabilities (note 12)				
Bonds payable (notes 12 and 13)	\$ 417,022,142	\$ 393,442,691	\$ -	\$ -
Long-term debt (note 12 and 13)	255,654,698	146,543,975	-	-
Leases payable (note 12 and 15)	43,892,234	38,569,811	-	-
SBITAs payable (note 12 and 22)	27,978,448	43,091,392	-	-
Due to The University of New Mexico (note 12)	-	-	99,031,417	64,360,849
Student loan program (note 12)	4,617,640	5,515,482	-	-
Derivative instruments – interest rate swaps (notes 12 and 13)	1,059,025	2,128,986	-	-
Net pension liability (notes 12 and 17)	1,324,449,719	1,120,230,812	-	-
Net OPEB liability (notes 12 and 18)	118,642,600	106,881,900	-	-
Other noncurrent liabilities (note 12)	884,416	704,156	1,658,386	1,784,101
Total noncurrent liabilities	\$ 2,194,200,922	\$ 1,857,109,205	\$ 100,689,803	\$ 66,144,950
Total liabilities	\$ 2,759,348,540	\$ 2,455,061,043	\$ 114,620,909	\$ 84,290,108
DEFERRED INFLOWS OF RESOURCES				
Related to pensions (note 17)	\$ 799,962,252	\$ 1,583,846,628	\$ -	\$ -
Related to OPEB (note 18)	18,882,910	31,699,900	-	-
Related to leases (note 15)	37,529,180	33,652,814	-	-
Gain on bond refundings	831,535	976,927	-	-
Beneficial interest in irrevocable split interest agreements	-	-	19,658,896	18,951,584
Total deferred inflows of resources	\$ 857,205,877	\$ 1,650,176,269	\$ 19,658,896	\$ 18,951,584

See accompanying notes to the basic financial statements.

(Continued)

Statements of Net Position as of June 30, 2023 and 2022

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2023	2022 (as restated)	2023	2022 (as restated)
NET POSITION				
Net investment in capital assets	\$ 1,156,050,064	\$ 993,638,442	\$ 134,462	\$ 147,867
Restricted for:				
Nonexpendable:				
Scholarships	151,608,691	144,615,210	-	-
Grants, bequests, and contributions	5,998,315	6,000,653	296,693,590	263,699,944
Expendable:				
Scholarships	23,316,188	3,167,815	-	-
Grants, bequests, and contributions	24,686,890	26,205,456	-	-
Debt service	45,244,515	48,339,878	-	-
Capital projects	1,698,578	6,492,954	-	-
Other	-	-	20,193,335	23,232,465
Unrestricted (note 20)	(740,465,765)	(689,966,598)	20,819,252	20,048,188
Total net position	\$ 668,137,476	\$ 538,493,810	\$ 337,840,639	\$ 307,128,464

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, 2023 and 2022

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2023	2022 (as restated)	2023	2022 (as restated)
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of \$132,086,226 in 2023 and \$92,455,643 in 2022)	\$ 110,120,466	\$ 125,958,824	\$ -	\$ -
Net patient service (note 14)	1,651,779,834	1,657,610,012	-	-
Federal grants and contracts	281,633,703	343,071,519	-	-
State and local grants and contracts	79,239,158	46,965,413	-	-
Nongovernmental grants, contracts, bequests, and contributions	38,462,146	37,959,906	27,737,974	58,521,965
Sales and services	104,836,699	92,983,854	339,548	65,191
Auxiliary enterprises (net of scholarship allowances of \$17,265,559 in 2023 and \$10,581,269 in 2022)	34,805,576	29,240,169	-	-
Other operating revenues	45,698,401	73,353,664	9,656,038	9,616,956
Total operating revenues	\$ 2,346,575,983	\$ 2,407,143,361	\$ 37,733,560	\$ 68,204,112
OPERATING EXPENSES				
Educational and general				
Instruction	\$ 260,748,645	\$ 253,282,983	\$ -	\$ -
Research	233,411,061	251,903,738	-	-
Public service	1,873,551,660	1,839,319,639	-	-
Academic support	54,872,186	47,693,813	-	-
Student services	34,504,952	30,402,504	-	-
Institutional support	72,876,694	65,352,230	-	-
Operation and maintenance of plant	94,076,629	83,725,095	-	-
Depreciation and amortization expense	133,158,511	114,218,142	-	-
Student aid	32,952,815	31,528,079	-	-
Student activities	8,964,265	9,083,718	-	-
Intercollegiate athletics	34,948,601	31,199,909	-	-
Auxiliary enterprises	48,361,535	34,756,762	-	-
GASB 68 pension expense	64,210,366	84,357,435	-	-
GASB 75 OPEB expense	3,992,200	229,400	-	-
Distributions to The University of New Mexico	-	-	36,208,555	64,012,806
Other operating expenses	81,554,331	81,265,169	23,217,974	20,347,850
Total operating expenses	\$ 3,032,184,451	\$ 2,958,318,616	\$ 59,426,529	\$ 84,360,656
Operating loss	\$ (685,608,468)	\$ (551,175,255)	\$ (21,692,969)	\$ (16,156,544)

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, 2023 and 2022

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2023	2022 (as restated)	2023	2022 (as restated)
NONOPERATING REVENUES (EXPENSES)				
State appropriations	\$ 404,313,948	\$ 346,263,042	\$ -	\$ -
Local appropriations	10,291,752	17,306,797	-	-
County mill levies	128,748,434	122,165,497	-	-
Federal pell grants	36,000,515	32,786,601	-	-
Federal COVID grants	352,942	66,863,971	-	-
State lottery scholarships	15,750,232	29,788,328	-	-
State lottery - federally funded	21,105,232	-	-	-
NM Opportunity Scholarship	68,137,326	-	-	-
Gifts	41,008,943	68,464,831	-	-
Investment income (loss)	60,283,527	(27,933,275)	25,581,008	(13,673,336)
Interest on capital asset-related debt	(18,526,653)	(16,678,724)	-	-
Loss on disposal of capital assets	(994,287)	(34,384)	-	-
Other nonoperating revenues and expenses, net	(2,331,091)	7,848,936	(83,904)	1,238,052
Total nonoperating revenue (expense)	\$ 764,140,820	\$ 646,841,620	\$ 25,497,104	\$ (12,435,284)
Income (loss) before other revenue, expenses, gains and losses	\$ 78,532,352	\$ 95,666,365	\$ 3,804,135	\$ (28,591,828)
Capital appropriations	\$ 47,295,932	\$ 14,931,141	\$ -	\$ -
Capital grants and gifts	3,815,382	43,210	-	-
Discontinued operations (note 2(A))	-	-	-	(4,464,162)
Contributions to permanent endowments	-	-	26,908,040	15,994,246
Total capital contributions	\$ 51,111,314	\$ 14,974,351	\$ 26,908,040	\$ 11,530,084
Change in net position	\$ 129,643,666	\$ 110,640,716	\$ 30,712,175	\$ (17,061,744)
NET POSITION				
Net position at beginning of year	\$ 538,493,810	\$ 427,715,663	\$ 307,128,464	\$ 324,190,208
Impact of change in accounting pronouncements (note 2(D))	-	137,431	-	-
Net position at end of year	\$ 668,137,476	\$ 538,493,810	\$ 337,840,639	\$ 307,128,464

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tuition and fees	\$ 112,204,615	\$ 128,102,352
Cash received from grants and contracts	393,700,006	382,418,622
Cash received from insurance and patients	1,659,672,658	1,636,330,147
Cash received from sales and services	106,194,020	93,711,342
Cash received from auxiliary enterprise charges	30,397,334	30,916,103
Cash payments to employees	(1,508,217,538)	(1,387,133,803)
Cash payments for benefits	(299,242,021)	(261,418,304)
Cash payments to suppliers	(810,755,228)	(740,093,960)
Cash payments for utilities	(46,628,212)	(38,884,370)
Cash payments for scholarships and fellowships	(42,603,686)	(43,863,106)
Cash payments to State of New Mexico for intergovernmental transfer	(40,354,685)	(53,099,710)
Cash payments to State of New Mexico for gross receipts tax	(28,287,977)	(29,568,038)
Loans issued to students	(890,957)	(1,573,298)
Collection of loans to students	1,151,619	1,760,724
Other cash payments	(211,017,234)	(261,016,612)
Net cash used in operating activities	\$ (684,677,286)	\$ (543,411,911)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from state appropriations	\$ 404,112,048	\$ 346,061,142
Cash received from local appropriations	10,291,752	17,306,797
Cash received from county mill levies	128,814,698	122,343,771
Cash received from federal pell grants	37,324,453	32,777,293
Cash received from NM Opportunity scholarships	68,137,326	-
Cash received from federal COVID grants	21,655,082	62,696,211
Cash received from state lottery scholarships	36,855,464	29,788,328
Cash received from gifts and the University of New Mexico Foundation	2,930,525	6,208,344
Drawdowns of federal direct loan proceeds	72,477,300	75,804,460
Disbursements of federal direct loans to students	(70,434,271)	(76,970,454)
Other nonoperating cash receipts	6,254,041	14,197,785
Net cash provided by noncapital financing activities	\$ 718,418,418	\$ 630,213,677
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from bond issuance	\$ 56,691,173	\$ -
Cash received from capital appropriations	31,128,483	15,103,643
Cash received from disposal of capital assets	315,789	429,909
Cash received from draws on construction loan	114,810,679	51,689,289
Purchases of capital assets	(375,283,006)	(278,306,939)
Principal payments on bonds	(32,291,721)	(29,130,000)
Interest payments on bonds	(15,181,234)	(13,228,675)
Principal payments on mortgage	(5,822,520)	(5,708,461)
Interest and insurance payments on mortgage	(2,486,726)	(2,600,785)
Cash payments for mortgage reserve funds	-	(182,309)
Other cash payments	(6,594,621)	(11,813,583)
Net cash used in capital and related financing activities	\$ (234,713,704)	\$ (273,747,911)

See accompanying notes to the basic financial statements.

(Continued)

EXHIBIT C

Statements of Cash Flows for the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	\$ 366,113,866	\$ 309,836,391
Purchases of investments	(401,656,464)	(331,438,996)
Distributions from land grant permanent fund and land maintenance fund	16,353,261	11,813,409
Investment income	28,024,010	25,686,293
Investment in Lovelace UNM Rehab Hospital	-	2,105
Cash withdrawals from 2015 bond reserve fund	4,981,995	11,097,623
Net cash provided by investing activities	\$ 13,816,668	\$ 26,996,825
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	\$ (187,155,904)	\$ (159,949,320)
Cash and cash equivalents – beginning of year	631,381,955	791,331,275
Cash and cash equivalents – end of year	\$ 444,226,051	\$ 631,381,955
NONCASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Lease Additions - Lessee	\$ 12,818,276	\$ -
Lease Additions - Lessor	5,500,077	-
Change in accounts payable with purchase of capital assets	801,090	-
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (685,608,468)	\$ (551,175,255)
Adjustments to reconcile net operating loss to net cash used in operating activities		
Depreciation expense	125,137,318	114,218,142
Amortization, right to use asset	8,874,417	2,354,301
Provision for doubtful accounts	87,593,619	103,124,054
Changes in assets, deferred outflows, liabilities, and deferred inflows		
Accounts receivable	(8,791,230)	(3,262,086)
Patient receivables	(101,657,673)	(101,882,285)
Estimated third-party payor settlements receivables	(10,415,197)	(27,673,727)
Notes receivable	1,130,667	1,989,348
Inventories	(920,344)	(2,340,015)
Other assets	(872,072)	(8,087,739)
Due from component units	(84,232)	(1,802,705)
Due to component units	-	(144,383)
Accounts payable	(36,285,085)	27,756,843
Accrued expenses and compensated absences	(16,622,230)	(9,106,513)
Other current liabilities	(1,497,692)	1,059,491
Estimated third-party payor settlements liability	16,143,504	14,871,128
Unearned revenue	(841,665)	(38,850,477)
Medicare advance payment plan	(17,841,519)	(58,613,407)
Net pension liability	204,218,907	(2,084,550,287)
Net OPEB liability	11,760,700	17,366,900
Deferred outflows of resources	538,602,355	548,527,307
Deferred inflows of resources	(796,701,366)	1,512,809,454
Net cash used in operating activities	\$ (684,677,286)	\$ (543,411,911)

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 316,820	\$ 305,520
Investments	61,096,579	51,900,147
Interest receivable	10,254	906
Other current assets	19,066	-
Total assets	<u>\$ 61,442,719</u>	<u>\$ 52,206,573</u>
LIABILITIES		
Unsettled transactions	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>
NET POSITION		
Net position restricted for postemployment benefits other than pensions	\$ 61,442,719	\$ 52,206,573
Total net position	<u>\$ 61,442,719</u>	<u>\$ 52,206,573</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
University of New Mexico contributions	\$ 1,939,469	\$ 1,967,269
Employee contributions	1,939,469	1,967,269
Investment (loss) income:		
Net increase in fair value of investments	4,251,188	(11,530,255)
Interest and dividends	1,194,891	882,784
Less investment expense	(82,298)	(86,241)
Net investment income (loss)	<u>\$ 5,363,781</u>	<u>\$ (10,733,712)</u>
Total additions	<u>\$ 9,242,719</u>	<u>\$ (6,799,174)</u>
DEDUCTIONS		
Administrative expenses	<u>\$ 6,573</u>	<u>\$ 6,025</u>
Total deductions	<u>\$ 6,573</u>	<u>\$ 6,025</u>
Net increase (decrease) in net position	<u>\$ 9,236,146</u>	<u>\$ (6,805,199)</u>
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS		
Net position at beginning of year	<u>\$ 52,206,573</u>	<u>\$ 59,011,772</u>
Net position at end of year	<u><u>\$ 61,442,719</u></u>	<u><u>\$ 52,206,573</u></u>

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

(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, 2023 and 2022

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 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, 2023 and 2022

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 ASMF Board approved the dissolution of the ASMF 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 ASMF Assets
- Anderson Student Success Fund – 20% of ASMF Assets
- ASM Faculty Excellence Fund – 20% of ASMF Assets
- Anderson Development Fund – 20% of ASMF Assets

The decision on where assets would be directed focused on the genesis of the ASMF being a beacon for student scholarships for both undergraduate and graduate level, support of the Anderson Faculty, and supporting the acting Dean.

- **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 Hodgin Hall, Albuquerque, NM 87131.

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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 HSC or University Health and Health Sciences, and are included in the primary institution financial statement information.

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

(B) Basis of Accounting

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

(C) Significant Accounting Policies

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

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

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

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

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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>2023</u>	<u>2022</u>
Medicare and Medicaid	58%	57%
Other third-party payors	30%	32%
Others	12%	11%
	<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 (note 21), which interests are managed by the New Mexico State Investment Council, is distributed monthly to the University. Additional information about investments and their fair value is provided in note 3.

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

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

Inventories: Inventories 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.

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

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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 \$729,990 and \$612,887 at June 30, 2023 and 2022, 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, this \$6.0 million of art and special collections is not recorded as capital assets but is reported as other noncurrent assets in the statements of net position.

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

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

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

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

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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 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 (including right-of-use 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 \$61,295,622 and \$5,172,433 at June 30, 2023 and 2022, respectively. The Hospital and SRMC had no unspent bond proceeds at June 30, 2023 and 2022, respectively. Unamortized prepaid bond insurance for the University was \$302,118 and \$211,005 at June 30, 2023 and 2022, respectively.

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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.

Student tuition and fee revenues and auxiliary enterprise revenues from students are reported net of scholarship allowances in the statements of revenues, expenses, and changes in net position. Scholarship allowances is calculated using the Alternative Method and takes financial aid recognized as revenue and non-monetary institutional waivers minus the amount of refunds that are applied as student aid expense. To the extent that revenues from such programs are used to satisfy tuition and fees, other student charges, and auxiliary enterprises charges, the University has recorded a scholarship allowance.

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

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

The clinical operations provide care to patients who meet certain criteria under its charity care policy without expectation of payment or at amounts less than established rates. The clinical operations do not pursue collection of amounts determined to qualify as charity care with the exception of copayments. Charity care is treated as a deduction from gross revenue.

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

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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.

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 96, SBITAs (Subscription Based Information Technology Arrangements), during fiscal year 2023. The changes adopted were applied retroactively for all periods presented. GASB Statement 96 requires recognition of certain SBITA right-to-use assets and their respective liabilities and payables.

As a result of the implementation of GASB 96, as of July 1, 2021, the University increased the balance of both right-to-use assets, net, and SBITA payables (current/noncurrent) by \$79,400,813. During fiscal year 2022 the University recorded depreciation expense related to the SBITA right-to-use assets, net of \$18,321,898, and amortized related to the SBITA payable balance of \$18,459,328. The resulting impact to the change in net position for fiscal year 2022 was an increase of \$137,430. As of June 30, 2022, \$61,078,915 was reported in right-to-use assets, \$17,850,091 in current SBITA liabilities, and \$43,091,394 in noncurrent SBITA liabilities.

(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).

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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, 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 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.

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- (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*

- (1) The University of New Mexico has reclassified certain amounts relating to its prior period results to conform to its current period presentation. These reclassifications have not changed the results of the operations of prior periods.

(H) *Impact of Recently Issued Accounting Standards*

- (1) 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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- (2) GASB Statement 100 – *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. This statement is to clarify reporting requirements more accurately for accounting changes and error corrections which help provide more reliable and consistent information for making decisions or assessing accountability. The statements define accounting changes as changes in accounting principles and or changes to or within the financial reporting entity. This statement goes into effect in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The University is currently evaluating the impact GASB 100 may have on its financial statements.
- (3) GASB Statement 101 – *Compensated Absences*. This statement is to help the needs of the financial statement stakeholders by updating the recognition and measurement for compensated absences. This statement will require entities that record liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but has yet to be paid in cash or settled through noncash methods. This requires a liability to be recorded for leave that has not been used if the leave is attributable to services already rendered, leave that accumulates, and leave is more than likely to be used for time off or paid in cash or noncash means. This statement goes into effect for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The University is currently evaluating the impact GASB 101 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 \$444,226,051 and \$631,381,955 at June 30, 2023 and 2022, 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. At June 30, 2023 and 2022, 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, 2023 and June 30, 2022, the total primary institution's deposits were fully insured and/or collateralized.

During FY23, the primary institution used an overnight interest-bearing cash sweep account to invest excess checking balances. At June 30, 2023, this cash equivalent had a carrying value of \$119,840,498 and is 100% Federal Deposit Insurance Corporation (FDIC) insured. Therefore, it is not subject to custodial credit risk.

A summary of cash and cash equivalents at June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Demand and time deposits	\$ 448,998,834	\$ 596,155,123
Commercial paper	-	40,786,300
Money markets	645,537	179,020
VEBA Trust	316,820	305,520
Other (includes petty cash and component units' cash held by UNM)	(5,735,140)	(6,044,008)
	<u>\$ 444,226,051</u>	<u>\$ 631,381,955</u>

The discretely presented component units' cash accounts held in demand and time deposits at various institutions had carrying amounts totaling \$19,661,556 and \$22,089,612 at June 30, 2023 and 2022, respectively. Certain amounts are invested in overnight sweep accounts and are collateralized at various levels of the invested balance. At June 30, 2023 and 2022, these funds were collateralized by government-backed securities held in the component unit's name. At June 30, 2023 and June 30, 2022, the total discretely presented component units' public deposits were fully insured and/or collateralized.

(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 FDIC)

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- Bankers' acceptances
- U.S. government agencies
- Corporate bonds (minimum BBB-/Baa3 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.
- Securitized Bonds (ABS, MBS, CLO)
- Mortgage backed debt and pass through securities and obligations (minimum AA-/Aa3 rating or better) per obligation
- Private placement (144A's)

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).

Endowment pools consist of unitized endowment investment pools for the benefit of the University. UNM's largest endowment pool is the Consolidated Investment Fund (CIF). 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. The investment of UNM and the UNM Foundation endowment funds is in accordance with Sections 6-8-10 and 46-9-12, NMSA 1978.

In accordance with UNM and the Foundation's Memorandum of Understanding, the endowment assets of UNM and the UNM Foundation are commingled for investment purposes, whenever possible, in the CIF. Under the terms of an agreement, the Foundation provides management oversight for the entirety of the endowment pools owned by the Foundation and the University. The Foundation's Investment Committee works with an institutional investment consultant to structure the portfolio and hire independent investment managers. The investment managers are then responsible for specific asset categories and management styles.

Investments in the endowment pools owned by the Foundation and the University are diversified with the intention of minimizing the risk of investment losses. Consequently, the target portfolio allocations are 33% domestic equity, 22% international equity, 22% private investments, 12% fixed income, 5% marketable alternative investment, 5% real assets and 1% cash.

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The fair value and ownership units of the endowment pools owned by the Foundation and the University for years ended June 30, 2023 and 2022 are:

Endowment Pools					
2023	CIF		Donor Directed		Total Endowment Pools
	Fair Value	Units	Fair Value	Units	Fair Value
UNM Foundation	\$ 413,077,926	746,310	\$ 58,403	593	\$ 413,136,329
University of New Mexico	\$ 300,745,514	542,949	-	-	\$ 300,745,514
Total	<u>\$ 713,823,440</u>	<u>1,289,259</u>	<u>\$ 58,403</u>	<u>593</u>	<u>\$ 713,881,843</u>
Endowment Pools					
2022	CIF		Donor Directed		Total Endowment Pools
	Fair Value	Units	Fair Value	Units	Fair Value
UNM Foundation	\$ 348,845,442	683,025	\$ 43,064	473	\$ 348,888,506
University of New Mexico	\$ 255,214,854	499,700	-	-	\$ 255,214,854
Total	<u>\$ 604,060,296</u>	<u>1,182,725</u>	<u>\$ 43,064</u>	<u>473</u>	<u>\$ 604,103,360</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

Total primary institution investments by type at June 30, 2023 and 2022 are as follows:

	Short Term Investments	Endowment Pools	Other Noncurrent Investments	VEBA Trust	Fair Value
Primary Institution 2023					
Cash	228,537	-	-	-	228,537
Money Market	6,066,514	25,590,591	18,552,474	2,513,033	52,722,612
Flexible Repurchase Agreements	56,000,000	-	-	-	56,000,000
Certificate of Deposit	-	-	3,745,551	-	3,745,551
Commercial Paper	-	-	2,471,869	-	2,471,869
U S Treasury Securities	201,822,607	-	33,423,913	-	235,246,520
U S Government Agencies	19,087	-	4,312,499	-	4,331,586
Corporate Bonds/Notes	118,484,291	-	12,936,195	-	131,420,486
Municipal Bonds	4,108,324	-	320,703	-	4,429,027
Mutual Funds — Fixed	1,550,952	61,956,354	-	19,052,704	82,560,010
Mutual Funds — Equity	551,617	424,041,810	-	39,530,842	464,124,269
Exchange-Traded Funds	3,675,311	-	-	-	3,675,311
Foreign Issues	50,433,803	-	-	-	50,433,803
Equity	8,598,772	-	37,034,047	-	45,632,819
Alternative Investments	-	32,933,048	-	-	32,933,048
Private investment funds	-	141,809,669	-	-	141,809,669
Illiquid real assets funds	-	15,071,171	-	-	15,071,171
Real estate funds	-	12,479,200	-	-	12,479,200
	451,539,815	713,881,843	112,797,251	61,096,579	1,339,315,488
University of New Mexico Foundation, Inc:					
Investments held in Endowment Pools	-	(413,136,329)	-	-	(413,136,329)
Total Investments	\$ 451,539,815	\$ 300,745,514	\$ 112,797,251	\$ 61,096,579	\$ 926,179,159

	Short Term Investments	Endowment Pools(Noncurrent)	Other Noncurrent Investments	VEBA Trust	Fair Value
Primary Institution 2022					
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	-	16,109,175	-	237,965,546
U S Government Agencies	-	-	9,848,693	-	9,848,693
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	-	-	37,141,350	-	37,141,350
Alternative Investments	-	206,646,015	-	-	206,646,015
	446,048,853	604,103,360	112,157,494	51,900,147	1,214,209,854
University of New Mexico Foundation, Inc:					
Investments held in Endowment Pools	-	(348,888,506)	-	-	(348,888,506)
Total Investments	\$ 446,048,853	\$ 255,214,854	\$ 112,157,494	\$ 51,900,147	\$ 865,321,348

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

Total discretely presented component unit investments by type at June 30, 2023 and 2022 are as follows:

<i>Discretely Presented Component Units 2023</i>	Short Term		Other Noncurrent		Fair Value
	Investments	Endowment Pools	Investments		
Money Market	\$ -	\$ 14,840,589	\$ -	\$ -	\$ 14,840,589
U.S. Government Obligations	320,182	-	-	-	320,182
Mortgage/Asset-Backed Bonds	779,699	-	-	-	779,699
Corporate Bonds/Notes	453,668	-	-	-	453,668
Mutual Funds — Fixed	-	35,852,485	2,556,678	-	38,409,163
Mutual Funds — Equity	3,329,824	245,381,655	353,940	-	249,065,419
Exchange-Traded Funds	-	-	-	-	-
Equity	3,902,631	-	155,055	-	4,057,686
Alternative Investments	1,281,047	19,057,474	-	-	20,338,521
Private Investment Funds	-	82,061,463	-	-	82,061,463
Illiquid Real Assets Funds	-	8,721,284	-	-	8,721,284
Real Estate Funds	-	7,221,379	-	-	7,221,379
Life Insurance Contracts	-	-	502,639	-	502,639
Total Investments	\$ 10,067,051	\$ 413,136,329	\$ 3,568,312	\$ -	\$ 426,771,692

<i>Discretely Presented Component Units 2022</i>	Short Term		Other Noncurrent		Fair Value
	Investments	Endowment Pools	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

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.

During Fiscal Year 2023, the Primary Institution invested bond proceeds to be used for future capital projects in a flexible repurchase agreement with a financial institution. This investment had a carrying amount of \$56,000,000 at June 30, 2023 and is subject to custodial credit risk. At June 30, 2023 and 2022, the discretely presented component units had exposure to custodial credit risk in the amounts of \$6,892,282 and \$8,049,673, respectively.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates. The University does have policies to mitigate exposure to interest rate risk by prohibiting certain high-risk investments and investment practices and by establishing duration and maturity guidelines for investments. A summary of the investments at June 30, 2023 and 2022 and their exposure to interest rate risk are as follows:

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

<i>Primary Institution 2023</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:					
Certificate of Deposit	\$ 3,745,551	\$ 3,745,551	\$ -	\$ -	\$ -
Commercial Paper	2,471,869	2,471,869	-	-	-
U S Treasury Securities	235,246,520	48,337,616	175,160,232	11,748,672	-
U S Government Agencies	4,331,586	4,312,499	19,087	-	-
Corporate Bonds/Notes	131,420,486	22,412,002	108,865,733	142,751	-
Municipal Bonds	4,429,027	-	4,429,027	-	-
Foreign Issues	50,433,803	4,436,658	45,997,145	-	-
	<u>432,078,842</u>	<u>85,716,195</u>	<u>334,471,224</u>	<u>11,891,423</u>	<u>-</u>
Items not subject to interest rate risk:					
Cash	\$ 228,537				
Money Market	52,722,612				
Flexible Repurchase Agreements	56,000,000				
Mutual Funds — Fixed	82,560,010				
Mutual Funds — Equity	464,124,269				
Exchange-Traded Funds	3,675,311				
Equity	45,632,819				
Alternative Investments	32,933,048				
Private Investment Funds	141,809,669				
Illiquid Real Assets Funds	15,071,171				
Real Estate Funds	12,479,200				
	<u>907,236,646</u>				
University of New Mexico Foundation, Inc.					
Investments held in Endowment Pools	(413,136,329)				
Total Investments	\$ 926,179,159				

<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	37,141,353				
Alternative Investments	206,646,015				
	<u>\$ 747,061,825</u>				
University of New Mexico Foundation, Inc.					
Investments held in Endowment Pools	(348,888,506)				
Total Investments	\$ 865,321,348				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

<i>Discretely Presented Component Units</i>	2023	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 Obligations	\$	320,182	\$ -	\$ 320,182	\$ -	\$ -
Corporate Bonds/Notes		453,668	-	453,668	-	-
Mortgage/Asset-Backed Bonds		779,699	-	779,699	-	-
	\$	<u>1,553,549</u>	\$ -	\$ 1,553,549	\$ -	\$ -
Items not subject to interest rate risk:						
Money Market	\$	14,840,589				
Mutual Funds — Fixed		38,409,163				
Mutual Funds — Equity		249,065,419				
Equity		4,057,686				
Alternative Investments		20,338,521				
Private Investment Funds		82,061,463				
Illiquid Real Assets Funds		8,721,284				
Real Estate Funds		7,221,379				
Life Insurance Contracts		502,639				
	\$	<u>425,218,143</u>				
Total Investments	\$	<u>426,771,692</u>				

<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>				

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 operating 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, 2023 and 2022 and their exposure to credit risk are as follows:

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

Primary Institution 2023

Items subject to credit risk:

	Credit Rating	Commercial Paper	U S Government Agencies	Corporate Bonds/Notes	Municipal Bonds	Foreign Issues	Fair Value
Aaa	Moody's — Aaa	\$ -	\$ 4,312,499	\$ 4,281,164	\$ -	\$ 5,139,961	\$ 13,733,624
Aa1	Moody's — Aa1	-	-	-	-	-	-
Aa2	Moody's — Aa2	-	-	4,477,092	-	1,178,795	5,655,887
Aa3	Moody's — Aa3	-	-	2,550,594	3,215,104	2,291,213	8,056,911
A1	Moody's — A1	-	-	30,031,559	893,220	15,284,170	46,208,949
A2	Moody's — A2	-	-	19,508,547	-	8,927,410	28,435,957
A3	Moody's — A3	-	-	23,840,468	-	6,324,284	30,164,752
Baa1	Moody's — Baa1	-	-	19,129,451	-	7,343,660	26,473,111
Baa2	Moody's — Baa2	-	-	12,309,722	-	3,944,310	16,254,032
Baa3	Moody's — Baa3	-	-	585,786	-	-	585,786
	S&P — AAA	-	-	-	-	-	-
AA+	S&P — AA+	-	-	-	-	-	-
AA-	S&P — AA-	-	-	-	-	-	-
AA	S&P — AA	-	-	547,108	-	-	547,108
A+	S&P — A+	-	-	-	-	-	-
A-	S&P — A-	-	-	-	-	-	-
A	S&P — A	-	19,087	10,205,486	320,703	-	10,545,276
	S&P — Baa1	-	-	-	-	-	-
BBB	S&P — BBB	-	-	2,624,790	-	-	2,624,790
BBB+	S&P — BBB+	-	-	1,275,758	-	-	1,275,758
B	S&P — B	-	-	25,414	-	-	25,414
	Not Rated	2,471,869	-	27,547	-	-	2,499,416
	Total items subject to credit risk	2,471,869	4,331,586	131,420,486	4,429,027	50,433,803	193,086,771

Items not subject to credit risk:

Cash	228,537
Money Market	52,722,612
Flexible Repurchase Agreements	56,000,000
Certificate of Deposit	3,745,551
U S Treasury Securities	235,246,520
Mutual Funds — Fixed	82,560,010
Mutual Funds — Equity	464,124,269
Exchange-Traded Funds	3,675,311
Equity	45,632,819
Alternative Investments	32,933,048
Private Investment Funds	141,809,669
Illiquid Real Assets Funds	15,071,171
Real Estate Funds	12,479,200
Total items not subject to credit risk	\$ 1,146,228,717
University of New Mexico Foundation, Inc.	
Investments held in Endowment Pools	(413,136,329)
Total Investments	\$ 926,179,159

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

Primary Institution 2022

Items subject to credit risk:

Credit Rating	Money Market	U.S. Government Agencies	Corporate Bonds/Notes	Municipal Bonds	Mutual Funds — Closed-end Equity	Fair Value
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+	-	-	-	-	-	-
S&P — AA-	-	-	-	-	-	-
S&P — AA	-	-	1,166,263	-	1,719,312	2,885,575
S&P — A+	-	-	-	-	-	-
S&P — A-	-	-	-	-	-	-
S&P — A	-	322,304	10,110,125	-	748,901	11,181,330
S&P — Baa1	-	-	-	-	-	-
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	37,141,353
Alternative Investments	206,646,015
Total items not subject to credit risk	\$ 1,011,185,819
University of New Mexico Foundation, Inc.	
Investments held in Endowment Pools	(348,888,506)
Total Investments	\$ 865,321,348

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

Discretely Presented Component Units 2023

Items subject to credit risk:

	Credit Rating	U.S. Government Obligations	Corporate Bonds/Notes	Mortgage/Asset- Backed Bonds	Fair Value
AAA	S&P — AAA	\$ 286,657	\$ -	\$ 13,918	\$ 300,575
AA+	S&P — AA+	-	13,792	-	13,792
AA	S&P — AA	-	21,360	-	21,360
AA-	S&P — AA-	-	-	-	-
A+	S&P — A+	-	21,426	-	21,426
A	S&P — A	-	-	-	-
A-	S&P — A-	-	129,865	-	129,865
BBB+	S&P — BBB+	-	163,435	-	163,435
BBB	S&P — BBB	-	103,790	-	103,790
BBB-	S&P — BBB-	-	-	-	-
BB+	S&P — BB+	-	-	-	-
B	S&P — B	-	-	-	-
NR	Not Rated	33,525	-	765,781	799,306
Total items subject to credit risk		\$ 320,182	\$ 453,668	\$ 779,699	\$ 1,553,549

Items not subject to credit risk:

Money Market	14,840,589
Mutual Funds — Fixed	38,409,163
Mutual Funds — Equity	249,065,419
Equity	4,057,686
Alternative Investments	20,338,521
Private Investment Funds	82,061,463
Illiquid Real Assets Funds	8,721,284
Real Estate Funds	7,221,379
Life Insurance Contracts	502,639
Total items not subject to credit risk	\$ 425,218,143
Total Investments	\$ 426,771,692

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

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	
S&P — BB+	-	-	-	-	
Not Rated	452,651	-	513,614	966,265	
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

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, 2023 and 2022, 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

Investment Income — At June 30, 2023 and 2022, investment (loss) income consisted of the following:

	<u>2023</u>	<u>2022</u>
Primary Institution Investment Income		
<i>Investment Revenue</i>		
Investment (loss) income	\$ 20,902,130	\$ 5,755,347
Land Grant Permanent Fund distributions	16,353,261	10,684,549
<i>Realized Gains (Losses)</i>		
Endowments — Consolidated Investment Fund	13,204,056	40,975,994
Nonendowment investments	(11,226,006)	(19,246,524)
<i>Unrealized Gains (Losses)</i>		
Endowments — Consolidated Investment Fund	36,342,843	(74,529,380)
Nonendowment investments	(15,292,757)	8,426,739
Primary Institution Investment (loss) Income	<u>\$ 60,283,527</u>	<u>\$ (27,933,275)</u>
Discretely Presented Component Units		
Investment (loss) Income	<u>\$ 25,581,008</u>	<u>\$ (13,673,336)</u>

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.

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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, 2023 and 2022 is as follows:

<i>Primary Institution 2023</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:				
Certificate of Deposit	\$ 3,745,551	\$ -	\$ 3,745,551	\$ -
U S Treasury Securities	235,246,520	235,246,520	-	-
U S Government Agencies	4,331,586	4,331,586	-	-
Corporate Bonds/Notes	131,420,486	513,795	130,906,691	-
Municipal Bonds	4,429,027	-	4,429,027	-
Mutual Funds — Fixed	82,560,010	82,560,010	-	-
Mutual Funds — Equity	40,082,459	40,082,459	-	-
Exchange-Traded Funds	3,675,311	3,675,311	-	-
Foreign Issues	50,433,803	-	50,433,803	-
Equity	45,632,819	8,602,220	-	37,030,599
Total	\$ 601,557,572	\$ 375,011,901	\$ 189,515,072	\$ 37,030,599
	<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 — Equity	\$ 424,041,810	\$ -	Daily - Monthly	1 to 30 days
Private Investment Funds	141,809,669	25,362,986	Illiquid	Illiquid
Illiquid Real Assets Funds	15,071,171	6,770,664	Illiquid	Illiquid
Real Estate Funds	12,479,200	7,588,834	Illiquid	Illiquid
Alternative Investments	32,933,048	-	Monthly/Quarterly/ Annually/Rolling 2 Years	2 to 90 days
Total	\$ 626,334,898	\$ 39,722,484		
Investments measured at amortized cost:				
Money Market	\$ 52,722,612			
Flexible Repurchase Agreements	56,000,000			
Commercial Paper	2,471,869			
Total	\$ 111,194,481			
Other:				
Cash	\$ 228,537			
University of New Mexico Foundation, Inc.	-			
Investments held in Endowment Pools	(413,136,329)			
Total Investments	\$ 926,179,159			

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<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:				
Certificate 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	39,268,864	39,268,864	-	-
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	\$ 587,671,802	\$ 350,776,302	\$ 231,895,500	\$ 5,000,000

Investments measured at the NAV:	Fair Value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Mutual Funds — Equity	\$ 306,759,014	\$ -	Daily - Monthly	1 to 30 days
Private Investment Funds	173,055,556	40,226,403	Illiquid	Illiquid
Illiquid Real Assets Funds	13,096,377	9,513,278	Illiquid	Illiquid
Real Estate Funds	12,188,717	9,205,476	Illiquid	Illiquid
Alternative Investments	40,376,815	-	Monthly/Quarterly/ Annually/Rolling 2 Years	2 to 90 days
Total	\$ 545,476,479	\$ 58,945,157		

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 Endowment Pools	(348,888,506)
Total Investments	\$ 865,321,348

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<i>Discretely Presented Component Units 2023</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	\$ 19,394,660	\$ -	\$ 19,394,660	\$ -
Investments held by the Component Units:				
U.S. Government Obligations	\$ 320,182	\$ 286,657	\$ 33,525	\$ -
Corporate Bonds/Notes	453,668	-	453,668	-
Mortgage/Asset-Backed Bonds	779,699	-	779,699	-
Mutual Funds — Fixed	38,409,163	35,852,485	2,556,678	-
Mutual Funds — Equity	3,683,764	3,683,764	-	-
Equity	4,057,686	4,057,686	-	-
Life Insurance Contracts	502,639	-	502,639	-
Total	\$ 48,206,801	\$ 43,880,592	\$ 4,326,209	\$ -
	Fair Value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Investments measured at the NAV:				
Alternative Investments	\$ 20,338,521	\$ -	Monthly/Quarterly/ Annually	2 to 90 days
Private Investment Funds	82,061,463	25,362,986	Illiquid	Illiquid
Illiquid Real Assets Funds	8,721,284	6,770,664	Illiquid	Illiquid
Real Estate Funds	7,221,379	7,588,834	Illiquid	Illiquid
Mutual Funds — Equity	245,381,655	-	Daily - Monthly	1 to 30 days
Total	\$ 363,724,302	\$ 39,722,484		
Investments measured at the amortized cost:				
Money Market	\$ 14,840,589			
Total	\$ 14,840,589			
Total Investments	\$ 426,771,692			

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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:					
U.S. Government Obligations	\$ 465,120	\$ 452,651	\$ 12,469	\$ -	-
Corporate Bonds/Notes	653,909	-	653,909	-	-
Mortgage/Asset-Backed Bonds	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:	Fair Value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Alternative Investments	\$ 15,525,397	\$ -	Monthly/Quarterly/Annually	2 to 90 days
Private Investment Funds	82,105,569	30,121,518	Illiquid	Illiquid
Illiquid Real Assets Funds	7,563,171	4,336,111	Illiquid	Illiquid
Real Estate Funds	7,294,712	2,013,078	Illiquid	Illiquid
Equity	8,076,984	-	-	-
Mutual Funds — Equity	177,153,645	-	Daily	1 to 30 days
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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(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, 2023 and 2022, receivables consisted of the following:

	<u>2023</u>	<u>2022</u>
Accounts receivable, net		
Primary Institution:		
Contracts and grants	\$ 52,643,577	\$ 45,915,908
Tuition and fees	7,265,183	17,723,236
Auxiliaries	5,204,735	8,970,892
Sales and services	6,853,544	5,586,264
State of New Mexico bonds	18,287,898	3,733,703
HSC health services	13,336,354	4,853,032
Other	1,782,991	4,290,663
Total accounts receivable	<u>\$ 105,374,282</u>	<u>\$ 91,073,698</u>
Less: Allowance for doubtful accounts	<u>(32,268,600)</u>	<u>(29,045,278)</u>
Total accounts receivable, net	<u>\$ 73,105,682</u>	<u>\$ 62,028,420</u>
Discretely Presented Component Units	<u>\$ 1,323,979</u>	<u>\$ 1,234,478</u>
Patient receivables, net		
Primary Institution:		
Patient receivables	\$ 488,273,913	\$ 497,607,706
Less: Allowance for doubtful accounts and contractual adjustments	<u>(275,449,811)</u>	<u>(282,935,742)</u>
Total patient receivables, net	<u>\$ 212,824,102</u>	<u>\$ 214,671,964</u>
Other receivables		
Primary Institution:		
Interest receivable	\$ 1,577,908	\$ 1,587,093
Bernalillo County mill levy	2,035,088	2,101,352
Other receivables	3,904,843	17,015,022
Total other receivables	<u>\$ 7,517,839</u>	<u>\$ 20,703,467</u>

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(5) Notes Receivable

At June 30, 2023 and 2022, notes receivable consisted of the following:

	<u>2023</u>	<u>2022</u>
Primary Institution:		
Student loans, current	2,807,293	\$ 5,431,688
Student loans, noncurrent	<u>1,923,913</u>	<u>2,473,214</u>
Total notes receivable	<u>\$ 4,731,206</u>	<u>\$ 7,904,902</u>

Federal Perkins Loans make up approximately 15% and 19% of the student loans at June 30, 2023 and 2022, respectively. Under this program, the federal government provides funds for approximately 75% of the total contribution for student loans, with the University providing the remaining balance. Under certain conditions, such loans can be forgiven at annual rates of 10% to 30% of the original balance up to maximums of 50% to 100% of the original loan. The federal government reimburses the University 10% for the amounts canceled on loans originated prior to July 1, 1993 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.

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June 30, 2023 and 2022

(6) Capital Assets

	Year Ended June 30, 2023				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
Primary Institution:					
Capital assets not being depreciated					
Land	\$ 55,609,760	\$ 5,980,184	\$ 8,459,398	\$ -	\$ 70,049,342
Construction in progress	237,642,062	321,703,366	(78,416,746)	-	480,928,682
Fabricated equipment in progress	1,386,720	888,275	(27,812)	-	2,247,183
Total capital assets not being depreciated	<u>\$ 294,638,542</u>	<u>\$ 328,571,825</u>	<u>\$ (69,985,160)</u>	<u>\$ -</u>	<u>\$ 553,225,207</u>
Depreciable capital assets					
Land improvements	\$ 91,266,006	\$ 59,334	\$ 8,659,034	\$ -	\$ 99,984,374
Infrastructure	190,237,088	-	7,158,969	-	197,396,057
Buildings	1,793,646,596	3,833,948	30,653,992	(525,606)	1,827,608,930
Equipment and furnishings	778,352,748	37,461,114	23,513,165	(19,906,097)	819,420,930
Library books	209,473,978	5,766,063	-	-	215,240,041
Total depreciable capital assets	<u>\$ 3,062,976,416</u>	<u>\$ 47,120,459</u>	<u>\$ 69,985,160</u>	<u>\$ (20,431,703)</u>	<u>\$ 3,159,650,332</u>
Less: Accumulated depreciation for					
Land improvements	\$ (67,198,399)	\$ (3,159,570)	\$ -	\$ -	\$ (70,357,969)
Infrastructure	(148,165,545)	(6,892,274)	-	-	(155,057,819)
Buildings	(826,374,381)	(48,588,037)	-	372,865	(874,589,553)
Equipment and furnishings	(587,055,051)	(43,775,796)	-	18,550,392	(612,280,455)
Library books	(198,584,701)	(5,491,699)	-	-	(204,076,400)
Total accumulated depreciation	<u>\$ (1,827,378,077)</u>	<u>\$ (107,907,376)</u>	<u>\$ -</u>	<u>\$ 18,923,257</u>	<u>\$ (1,916,362,196)</u>
Total depreciable capital assets, net	<u>\$ 1,235,598,339</u>	<u>\$ (60,786,917)</u>	<u>\$ 69,985,160</u>	<u>\$ (1,508,446)</u>	<u>\$ 1,243,288,136</u>
Capital asset summary					
Capital assets not being depreciated	\$ 294,638,542	\$ 328,571,825	\$ (69,985,160)	\$ -	\$ 553,225,207
Depreciable capital assets at cost	3,062,976,416	47,120,459	69,985,160	(20,431,703)	3,159,650,332
Total cost of capital assets	\$ 3,357,614,958	\$ 375,692,284	\$ -	\$ (20,431,703)	\$ 3,712,875,539
Less: Accumulated depreciation	(1,827,378,077)	(107,907,376)	-	18,923,257	(1,916,362,196)
Capital assets, net	<u>\$ 1,530,236,881</u>	<u>\$ 267,784,908</u>	<u>\$ -</u>	<u>\$ (1,508,446)</u>	<u>\$ 1,796,513,343</u>
Discretely Presented Component Units:					
Capital assets, net	<u>\$ 147,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,405)</u>	<u>\$ 134,462</u>

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	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	1,713,756,123	7,452,717	77,191,044	(4,753,288)	1,793,646,596
Equipment and furnishings	735,039,163	33,680,498	35,335,281	(25,702,194)	778,352,748
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	(785,368,284)	(45,407,379)	-	4,401,282	(826,374,381)
Equipment and furnishings	(567,038,651)	(44,858,196)	-	24,841,796	(587,055,051)
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>\$ (1,212,464)</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	\$ 3,122,661,328	\$ 265,501,382	\$ (0)	\$ (30,547,752)	\$ 3,357,614,958
Less: Accumulated depreciation	(1,749,189,834)	(107,479,021)	-	29,290,778	(1,827,378,077)
Capital assets, net	<u>\$ 1,373,471,494</u>	<u>\$ 158,022,361</u>	<u>\$ (0)</u>	<u>\$ (1,256,975)</u>	<u>\$ 1,530,236,881</u>
Discretely Presented Component Units:					
Capital assets, net	<u>\$ 189,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,107)</u>	<u>\$ 147,867</u>

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(7) Other Assets – Current and Noncurrent

At June 30, 2023 and 2022, other assets consisted of the following:

	<u>2023</u>	<u>2022</u>
Other current assets		
Primary Institution:		
Prepaid expenses	\$ 14,148,915	\$ 14,284,757
Broadcast rights	847,060	843,680
Other	1,868,150	1,613,810
Total other current assets	<u>\$ 16,864,125</u>	<u>\$ 16,742,247</u>
Discretely Presented Component Units	<u>\$ 1,140,391</u>	<u>\$ 935,928</u>
Other noncurrent assets		
Primary Institution:		
Art and special collections	\$ 5,998,315	\$ 6,000,653
Prepaid expenses	302,118	211,005
Other	21,956,976	1,779,691
Total other noncurrent assets	<u>\$ 28,257,409</u>	<u>\$ 7,991,349</u>
Discretely Presented Component Units	<u>\$ 3,693,704</u>	<u>\$ 4,541,898</u>

(8) Accounts Payable and Accrued Payroll

At June 30, 2023 and 2022, accounts payable and accrued payroll consisted of the following:

	<u>2023</u>	<u>2022</u>
Primary Institution:		
Trade payables	\$ 125,555,290	\$ 119,351,669
Accrued payroll	58,770,664	83,583,585
Self-insurance reserve	4,867,097	13,345,961
Total accounts payable and accrued payroll	<u>\$ 189,193,051</u>	<u>\$ 216,281,215</u>
Discretely Presented Component Units	<u>\$ 1,922,383</u>	<u>\$ 1,876,041</u>

(9) Accrued Compensated Absences

During the years ended June 30, 2023 and 2022, 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>
2023	\$ 74,324,953	\$ 79,873,534	\$ (78,098,747)	\$ 76,099,740
2022	78,609,457	\$ 75,982,272	\$ (80,266,776)	74,324,953

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

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(10) Other Accrued Liabilities — Current

At June 30, 2023 and 2022, other accrued liabilities consisted of the following:

	<u>2023</u>	<u>2022</u>
Primary Institution:		
Bond interest	\$ 1,533,198	\$ 984,323
Royalty sharing	1,399,343	1,644,001
Other	16,469,618	17,964,583
Total other accrued liabilities, current	<u>\$ 19,402,159</u>	<u>\$ 20,592,907</u>
 Discretely Presented Component Units	 <u>\$ 5,366,474</u>	 <u>\$ 9,034,026</u>

(11) Unearned Revenue

At June 30, 2023 and 2022, unearned revenue consisted of the following:

	<u>2023</u>	<u>2022</u>
Primary Institution:		
Contracts and grants	\$ 47,840,738	\$ 45,519,171
Prepaid tuition and fees	8,750,374	8,924,473
Gifts	5,466,481	5,967,637
Prepaid auxiliary operations sales	4,020,159	7,685,977
Sales and services	1,312,163	1,260,478
Other	625,923	625,922
Total unearned revenue	<u>\$ 68,015,837</u>	<u>\$ 69,983,658</u>
 Discretely Presented Component Units	 <u>\$ 548,947</u>	 <u>\$ 794,721</u>

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(12) Noncurrent Liabilities

At June 30, 2023 and 2022, noncurrent liabilities consisted of the following:

	Year Ended June 30, 2023					
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion	Noncurrent Portion
Primary Institution:						
Bonds payable	\$ 423,657,691	\$ 56,691,173	\$ (32,291,722)	\$ 448,057,142	\$31,035,000	\$ 417,022,142
Lease payable	46,900,570	18,176,076	(13,413,163)	51,663,483	7,771,249	43,892,234
SBITA payable	60,941,483	110,097	(17,776,415)	43,275,165	15,296,717	27,978,448
Long-term debt	152,551,044	114,810,679	(5,665,636)	261,696,087	6,041,389	255,654,698
Student loan programs	5,515,482	307,066	(1,204,908)	4,617,640	-	4,617,640
Derivative instruments — interest rate	2,128,986	-	(1,069,961)	1,059,025	-	1,059,025
Net pension liability	1,120,230,812	867,651,987	(663,433,080)	1,324,449,719	-	1,324,449,719
Net OPEB liability	106,881,900	24,167,700	(12,407,000)	118,642,600	-	118,642,600
Other	704,156	180,260	-	884,416	-	884,416
Total	<u>\$1,919,512,124</u>	<u>\$ 1,082,095,038</u>	<u>\$ (747,261,885)</u>	<u>\$2,254,345,277</u>	<u>\$60,144,355</u>	<u>\$2,194,200,922</u>
Discretely Presented Component Units:						
Due to University of New Mexico	\$ 70,801,219	\$ 34,323,500	\$ -	\$ 105,124,719	\$ 6,093,302	\$ 99,031,417
Notes payable	-	-	-	-	-	-
Other	1,784,101	-	(125,715)	1,658,386	-	1,658,386
Total	<u>\$ 72,585,320</u>	<u>\$ 34,323,500</u>	<u>\$ (125,715)</u>	<u>\$ 106,783,105</u>	<u>\$ 6,093,302</u>	<u>\$ 100,689,803</u>
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
SBITA payable	-	79,400,813	(18,459,330)	60,941,483	17,850,091	43,091,392
Long-term debt	108,116,051	51,689,289	(7,254,296)	152,551,044	6,007,069	146,882,009
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>\$ 360,413,403</u>	<u>\$ (2,362,273,855)</u>	<u>\$1,919,512,124</u>	<u>\$62,402,919</u>	<u>\$1,857,447,239</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>

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(13) Bonds Payable/Long-Term Debt

(A) University

The University pledges substantially all unrestricted revenues, excluding state appropriations, to satisfy its bond obligations. Pledged revenues for the University were \$572,370,239 and \$474,864,579 as of June 30, 2023 and 2022 (see Schedule 21).

At June 30, 2023 and 2022, bonds payable for the University consisted of the following:

	<u>2023</u>	<u>2022</u>
System Improvement Revenue Bonds	\$ 51,995,000	\$ -
Series 2023 with interest ranging from 4.125% to 5.500% - final maturity 2053		
Taxable Subordinate Lien System Refunding Revenue Bond	71,575,000	\$ 73,015,000
Series 2021 with interest ranging from 0.167% to 2.172% - final maturity 2035		
Taxable Subordinate Lien System Refunding Revenue Bond	16,675,000	18,310,000
Series 2019 with interest ranging from 1.851% to 3.019% - final maturity 2032		
Subordinate Lien System Improvement Revenue Bonds	36,900,000	37,705,000
Series 2017 with interest ranging from 3.25% to 5.0% - final maturity 2047		
Subordinate Lien System Refunding & Improvement Revenue Bonds	140,105,000	144,635,000
Series 2016A with interest ranging from 2.0% to 5.0% - final maturity 2046		
Subordinate Lien System Refunding & Improvement Revenue Bonds	1,765,000	2,945,000
Series 2016B with interest ranging from 0.72% to 2.48% - final maturity 2024		
Subordinate Lien System Improvement Revenue Bonds	280,000	695,000
Series 2014B with interest ranging from 0.496% to 3.28% - final maturity 2024		
Subordinate Lien System Improvement Revenue Bonds	5,230,000	12,000,000
Series 2014C with interest ranging from 1.5% to 5.0% - final maturity 2035		
Subordinate Lien System Refunding Revenue Bonds	7,185,000	8,835,000
Series 2002B (Variable) with a synthetic fixed interest rate of 3.83% achieved through an interest rate exchange agreement - final maturity 2026		
Subordinate Lien System Refunding Revenue Bonds	19,585,000	22,050,000
Series 2002C (Variable) with a synthetic fixed interest rate of 3.94% achieved through an interest rate exchange agreement - final maturity 2030		
Subordinate Lien System Improvement Revenue Bonds	9,925,000	12,965,000
Series 2001 Variable Rate Demand Bonds — rates reset weekly Weekly rate as of June 30, 2023 was 4.4% Ceiling of 12% - final maturity 2026		
	<u>\$ 361,220,000</u>	<u>\$ 333,155,000</u>
Add: Bond premiums	18,872,142	16,252,691
Less: Current portion of bonds payable	<u>(24,555,000)</u>	<u>(23,930,000)</u>
Noncurrent bonds payable	<u>\$ 355,537,142</u>	<u>\$ 325,477,691</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Future debt service for the University as of June 30, 2023 for the bonds is as follows:

Year ending June 30	Principal	Interest	Total
2024	\$ 24,555,000	\$ 13,572,651	\$ 38,127,651
2025	26,055,000	12,139,165	38,194,165
2026	26,930,000	11,264,930	38,194,930
2027	22,250,000	10,285,860	32,535,860
2028	22,785,000	9,747,716	32,532,716
2029–2033	103,400,000	39,655,029	143,055,029
2034–2038	60,695,000	23,821,867	84,516,867
2039–2043	30,450,000	15,078,988	45,528,988
2044–2048	29,180,000	7,766,656	36,946,656
2049–2053	14,920,000	2,541,725	17,461,725
	<u>\$ 361,220,000</u>	<u>\$ 145,874,587</u>	<u>\$ 507,094,587</u>

Debt Activity:

On March 30, 2023, UNM issued system improvement revenue bonds totaling \$51,995,000 for the primary purpose of funding UNM campus improvement projects including:

- Center for Collaborative Art and Technology Building Project
- Welcome Center Project
- Housing Improvement Project
- Duck Pond Improvement Project
- Police Department Improvement Project

The 2023 system improvement revenue bonds have interest ranging from 4.125% to 5.500% and a final maturity in 2053.

Defeased Bonds:

The University has defeased certain System Revenue Bonds as follows:

On March 4, 2021, the University of New Mexico defeased \$3,695,000 of the 2014A Subordinate Lien System Refunding Revenue Bonds. An escrow account was funded in the amount of \$4,103,188 from the 2021 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. As of June 30, 2023, there is \$0 remaining in bond principal outstanding. The remaining principal outstanding in the escrow account at June 30, 2022 was \$3,852,013.

On March 4, 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 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, 2023 was \$63,509,930. The remaining principal outstanding in the escrow account at June

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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.

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, 2023 and 2022 were as follows:

	2001	2002B	2002C	Total
FY23	<u>\$ 94,278</u>	<u>\$ 60,401</u>	<u>\$ 135,429</u>	<u>\$ 290,108</u>
FY22	<u>\$ 95,556</u>	<u>\$ 61,095</u>	<u>\$ 136,465</u>	<u>\$ 293,116</u>

Standby Purchase Agreements provide 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 semi-annually. Liquidity fees for the years ended June 30, 2023 and 2022 were \$290,108 and \$293,116 respectively. A schedule including the provider and maturities is presented below, as of June 30, 2023. The current Standby Agreement with US Bank was initially entered into on December 31, 2014 for a three-year term expiring December 29, 2017, which was extended for two additional three-year terms through October 30, 2023. On September 15, 2023 the Standby Agreement with US Bank was extended through June 1, 2026 for the Series 2001 and 2002B bonds, and through September 15, 2026 for the Series 2002C bonds.

<u>U.S. Bank</u>				
<u>Liquidity Expiration</u>	<u>Series 2001</u>	<u>Series 2002B</u>	<u>Series 2002C</u>	<u>Grand Total</u>
<u>10/30/2023</u>	<u>\$ 9,925,000</u>	<u>\$ 7,185,000</u>	<u>\$ 19,585,000</u>	<u>\$36,695,000</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 and accelerated payment schedule):

- (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 2.00% 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 3.00% 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.

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- (2) Base Rate: means, for any day, an interest rate per annum equal to the highest of (i) the sum of 1.00% plus the Prime Rate for such date, (ii) the sum of 1.00% plus the Federal Funds Rate for such day, and (iii) the sum of 1.00% plus the 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.
- (3) Accelerated payment schedule: for any bonds acquired via the SBPA, those bonds are to be repaid beginning on the date 121 days plus 6 months following the purchase date, with payments every six months based on an amortization period that ends on the soonest to occur of the: (i) third anniversary of the bonds purchase via the SBPA, (ii) date upon which the bonds interest no longer adjusts either daily or weekly, (iii) date the SBPA ends, or (iv) date at which no available commitment remains available under the SBPA.

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Interest Rate Swap Agreements:

As of June 30, 2023, 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	\$ (39,804)	\$ (146,993)	\$ 2,481,250	\$ 3,241,250
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	\$ (573,026)	\$ (1,460,902)	\$ 19,585,000	\$ 22,050,000
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	\$ (81,175)	\$ (372,134)	\$ 7,185,000	\$ 8,835,000
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	\$ (40,980)	\$ (148,957)	\$ 2,481,250	\$ 3,241,250
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	\$ (97,552)	\$ 212,828	\$ 4,962,500	\$ 6,482,500
F - JP Morgan	Pay-variable/Receive-variable interest rate swap	Hedge against falling SIFMA rates related to the 2002C Refunding Revenue Bonds (Swap Overlays)	8/15/2006	6/1/2030	Receive 63.55% of 5-year USD swap rate + .31% - Pay SIFMA	\$ (226,480)	\$ (9,952)	\$ 19,585,000	\$ 22,050,000

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

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	A1	P-1	AA-	A-1+	AA-	F1+

Interest rate risk. The University is exposed to interest rate risk on its receive-variable, pay-fixed underlying interest rate swaps. As the Securities Industry and Financial Markets (SIFMA) swap index decreases, the University's net payment on the underlying swaps increases. Alternatively, on its pay-variable (SIFMA), received-variable (USD Swap Rate) overlay interest rate swaps, as 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 7 days. The University is exposed to basis risk on its pay-variable (SIFMA), receive variable (USD Swap Rate) overlay interest rate swaps because the variable-rate payments received by the University on these derivative instruments are based on a rate (USD Swap Rate) other than the index (SIFMA) the University pays on the VRDO bonds. At June 30, 2023, the interest rate on the University's variable-rate hedged debt (SIFMA) was 4.01%, while the 63.55% of five-year USD Swap Rate, 4.20%, plus 0.31% was 2.98%.

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

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

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

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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 counter-parties which is based on each party's long-term unsecured unsubordinated debt rating. The following matrix dictates the potential collateral postings if the swaps mark-to-market values are above the mandated thresholds.

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

The collateral to be posted is to be in the form of U.S. Treasury securities in the amount of the fair value of derivative instruments in liability positions net of the effect of applicable netting arrangements. If the University or the counterparty does not post collateral, the derivative instrument may be terminated. The University's credit rating is AA-/Aa3 at June 30, 2023; therefore, no collateral has been posted.

Derivative Instrument Payments and Hedged Debt

As of June 30, 2023, aggregate debt service requirements of the University's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are presented below. These amounts assume swap reference rates for future fiscal years will be consistent with the SIFMA yield curve rates measured on June 30, 2023. As these reference 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.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Hedging Derivative Instruments, Net</u>	<u>Total</u>
2024	\$ 7,465,000	\$ 1,376,063	\$ 63,926	\$ 8,904,989
2025	7,770,000	949,398	180,745	8,900,143
2026	9,900,000	656,475	173,832	10,730,307
2027	2,900,000	354,739	100,725	3,355,464
2028	3,030,000	270,428	70,776	3,371,204
2029	3,160,000	179,060	42,762	3,381,822
2030	2,470,000	76,387	20,931	2,567,318
	<u>\$ 36,695,000</u>	<u>\$ 3,862,550</u>	<u>\$ 653,697</u>	<u>\$ 41,211,247</u>

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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, 2023. Swaps A through D are deemed cash flow hedges, and therefore, in addition to recording the liability at fair value, the University has recorded an offsetting asset titled "Interest Rate Swaps". Annually, the changes to the fair values are recorded as an increase or decrease to the liability and the offset asset. The fair value change in fiscal year 2023 for the hedge instruments was a \$1,394,001 decrease to the liability and an equal offsetting decrease to the asset. For fiscal year 2022 the change was a \$3,870,608 decrease to the liability and an equal offsetting decrease to the asset. 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, 2023, was recorded to investment unrealized loss in the amount of \$526,916. As of June 30, 2022 the fair value change for swaps E and F was recorded to unrealized loss in the amount of \$928,832.

(B) University of New Mexico Hospital

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 prior bonds. On May 7, 2015, the Regents adopted Resolutions authorizing the execution of amended FHA Documents and loan modification documents. On May 14, 2015, the Hospital issued \$115,000,000 in bonds (2015 Series 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 refinancing a previously issued bond series. The 2015 Series bonds carry interest rates that range from 0.484% to 3.532%.

The Regents granted the GNMA Issuer in respect of the UNM Hospital HUD-Insured Bonds a security interest in all of the 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." Lastly, in accordance with the terms of the Lease under which the University leases a portion of the Hospital facility from Bernalillo County, all reserves of the Hospital covered by the Lease are restricted to use for operation and maintenance of the Hospital. Failure to abide by the terms of the regulatory agreement with HUD could trigger an event of default. Events of default with financial consequences include failure to pay monthly debt servicing payments as agreed; transfer of or use of the mortgaged property for purposes other than the operation of the Hospital; and failure to adequately maintain the mortgaged property. In the event of default, HUD has the option to declare the entire balance immediately due and payable if the triggering event is not remedied within 30 days.

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 \$69,130,000 (the GNMA securities), issued by Prudential Huntoon Paige Associates, Ltd. (the Lender), guaranteed as to principal and interest by the GNMA, with respect to the mortgage note.

Under the GNMA Mortgage-Backed Securities Program, the GNMA securities are a "fully modified

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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 guaranty 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 was approximately \$2.5 million and \$2.7 million for the years ended June 30, 2023 and 2022, respectively. Interest income earned from the investment of the bond proceeds was approximately \$670,000 and \$7,000 for the years ended June 30, 2023 and 2022, respectively.

At June 30, 2023 and 2022, bonds payable for the Hospital consisted of the following:

	<u>2023</u>	<u>2022</u>
FHA Insured Hospital Mortgage Revenue Bonds Series 2015 with interest ranging from 0.484% to 3.532% – final maturity 2032	\$ 67,965,000	\$ 74,250,000
Less: Current portion of bonds payable	<u>(6,480,000)</u>	<u>(6,285,000)</u>
Noncurrent bonds payable	<u>\$ 61,485,000</u>	<u>\$ 67,965,000</u>

Future debt service (including mandatory redemptions) for the Hospital as of June 30, 2023 for the bonds is as follows:

Year ending June 30	Principal	Interest	Total
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	7,520,000	1,367,502	8,887,502
2029–2033	<u>33,060,000</u>	<u>2,684,762</u>	<u>35,744,762</u>
	<u>\$ 67,965,000</u>	<u>\$ 12,028,623</u>	<u>\$ 79,993,623</u>

Mortgage payable – On September 9, 2021, the Hospital closed on a mortgage loan to partially finance the construction of a new patient tower. The debt was issued under the HUD Section 242 loan guarantee program and is backed by GNMA securities. The mortgage will be drawn down as needed to fund the construction project, not to exceed \$320 million, and carries an interest rate of 3.275%. The terms of the loan require interest only payments through construction. Principal and interest payments will begin on October 1, 2024 with loan maturity occurring on September 1, 2049. During the years ended June 30, 2023 and 2022, the Hospital drew down \$114.8 million and \$51.7 million and incurred interest of \$3.5 million and \$881 thousand, respectively.

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Mortgage payable activity consists of the following:

	Year Ended June 30, 2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Mortgage Payable	\$ 51,689,289	\$ 114,810,679	\$ -	\$ 166,499,968	\$ -

	Year Ended June 30, 2022				
	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Mortgage Payable	\$ -	\$ 51,689,289	\$ -	\$ 51,689,289	\$ -

(C) UNM Sandoval Regional Medical Center

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 in July 2020. A loss on defeasance of \$2.4 million was recorded as a deferred outflow at the July 2020 defeasance date. The deferred outflow is being amortized over the life of the mortgage, which is the same as the life of the defeased bonds. The Medical Center completed the mortgage refinance to reduce its total debt service payments over the next 16 years by \$17.6 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$13.7 million.

The mortgage note with KeyBank National Association has an original outstanding principal amount of \$111.5 million with monthly principal payments of \$0.6 million 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:

	Year Ended June 30, 2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Mortgage Payable	\$ 100,677,206	\$ -	\$ (5,822,520)	\$ 94,854,686	\$ 5,938,858

	Year Ended June 30, 2022				
	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Mortgage Payable	\$ 106,385,667	\$ -	\$ (5,708,461)	\$ 100,677,206	\$ 5,822,520

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The following schedule summarizes the required future principal and interest mortgage payments as of June 30, 2023:

Year ending June 30	Principal	Interest	Total
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
	<u>\$ 94,854,686</u>	<u>\$ 13,831,203</u>	<u>\$ 108,685,889</u>

(D) *Primary Institution*

At June 30, 2023 and 2022, bonds payable for the primary institution consisted of the following:

	2023			2022		
	Current	Noncurrent	Total	Current	Noncurrent	Total
University	\$ 24,555,000	\$ 355,537,142	\$ 380,092,142	\$ 23,930,000	\$ 325,477,691	\$ 349,407,691
University of New Mexico Hospital	6,480,000	61,485,000	67,965,000	6,285,000	67,965,000	74,250,000
Total	<u>\$ 31,035,000</u>	<u>\$ 417,022,142</u>	<u>\$ 448,057,142</u>	<u>\$ 30,215,000</u>	<u>\$ 393,442,691</u>	<u>\$ 423,657,691</u>

(E) *Lobo Development Corporation*

A promissory note payable to the University of New Mexico Foundation, Inc. was issued to finance a capital asset purchased on December 21, 2016. A first amendment to the promissory note was issued March 31, 2017, to reduce the monthly payments from \$10,006 to \$8,555. This was due to a \$141,941 payment made on March 31, 2017, to reduce the principal from \$979,292 to \$837,351 at that time. Principal and interest payments are due monthly on the twenty-first day of each month. The note has a variable interest rate; therefore, effective January 1, 2023, the annual interest rate increased from 3.25% to 7.50%. This note matures on December 21, 2026.

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(14) Net Patient Service Revenues

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

	<u>2023</u>	<u>2022</u>
Primary Institution:		
Charges at established rates	\$ 3,360,262,439	\$ 3,371,291,883
Charity care	(106,733,178)	(94,122,644)
Contractual adjustments	(1,517,405,788)	(1,519,643,392)
Provision for doubtful accounts	<u>(84,343,639)</u>	<u>(99,915,835)</u>
Net patient service revenues	<u>\$ 1,651,779,834</u>	<u>\$ 1,657,610,012</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 2020 have been final settled for the Medicaid programs. Cost reports through 2018, except for 2005 have been final settled for the Medicare program. Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

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(15) Leases

A summary of the lease asset activity during the years ended June 30, 2023 and 2022 is as follows:

	Balance			Balance	
	June 30, 2022	Additions	Deductions	June 30, 2023	
Right to use, Leases					
Buildings	\$ 61,120,026	\$ 13,395,621	\$ -	\$ 74,515,647	
Equipment	1,536,545	-	-	1,536,545	
Accumulated depreciation					
Buildings	(16,371,893)	(7,643,588)	-	(24,015,481)	
Equipment	(769,910)	(380,241)	-	(1,150,151)	
Right to use Leases, net	<u>\$ 45,514,768</u>	<u>\$ 5,371,792</u>	<u>\$ -</u>	<u>\$ 50,886,560</u>	

	Balance			Balance	
	June 30, 2021	Additions	Deductions	June 30, 2022	
Right to use, Leases					
Buildings	\$ 56,081,247	\$ 5,038,779	\$ -	\$ 61,120,026	
Equipment	1,536,545	-	-	1,536,545	
Accumulated depreciation					
Buildings	(7,683,635)	(8,688,258)	-	(16,371,893)	
Equipment	(353,095)	(416,815)	-	(769,910)	
Right to use Leases, net	<u>\$ 49,581,062</u>	<u>\$ (4,066,294)</u>	<u>\$ -</u>	<u>\$ 45,514,768</u>	

A summary of changes in the related lease liability during the years ended June 30, 2023 and June 30, 2022 is as follows:

	Balance			Balance		Amounts
	June 30, 2022	Additions	Deductions	June 30, 2023		due within
						one year
Lease liabilities	<u>\$ 46,900,571</u>	<u>\$ 18,176,076</u>	<u>\$ (13,413,164)</u>	<u>\$ 51,663,483</u>		<u>\$ 7,771,249</u>
Deferred inflow of resources - Leases	<u>\$ 33,652,814</u>	<u>\$ 10,310,387</u>	<u>\$ (6,434,020)</u>	<u>\$ 37,529,180</u>		

	Balance			Balance		Amounts
	June 30, 2021	Additions	Deductions	June 30, 2022		due within
						one year
Lease liabilities	<u>\$ 50,502,056</u>	<u>\$ 5,038,779</u>	<u>\$ (8,640,264)</u>	<u>\$ 46,900,571</u>		<u>\$ 8,330,759</u>
Deferred inflow of resources - Leases	<u>\$ 40,048,891</u>	<u>\$ -</u>	<u>\$ (6,396,078)</u>	<u>\$ 33,652,814</u>		

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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 when UNM is the lessee.

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 which UNM is 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.

For lease agreements where UNM is the lessee, there have been no outflows of resources recognized in the reporting periods for variable payments not previously included in the measurement of the lease liability.

UNM is not a party to any lease agreements where UNM is the lessor with terms which would affect deferred inflow of resources, such as variable payments, early termination payments, or residual value guarantees.

Minimum Lease Payments

(a) *University as Lessee*

The following is a schedule of future minimum lease payments for the University is a lessee as of June 30, 2023.

Year ending June 30	Principal Payments	Interest Payments	Total Lease Payments
2024	7,771,249	1,033,265	8,804,514
2025	7,141,819	876,173	8,017,992
2026	4,774,960	742,726	5,517,686
2027	4,870,867	636,891	5,507,758
2028	4,435,140	532,521	4,967,661
2029-2033	14,135,780	1,391,625	15,527,405
2034-2038	3,778,550	829,753	4,608,303
2039-2043	4,077,303	335,228	4,412,531
2044-2048	383,745	40,786	424,531
2049-2053	205,683	20,055	225,738
2054-2058	88,387	1,910	90,297
	<u>\$ 51,663,483</u>	<u>\$ 6,440,933</u>	<u>\$ 58,104,416</u>

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(b) *University as Lessor*

The University is lessor of various properties under operating lease agreements.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2023:

Year ending June 30	Principal Receivable	Interest Revenue Receivable	Total Lease Receivable
2024	5,352,270	787,963	6,140,233
2025	4,386,120	706,813	5,092,933
2026	3,973,194	625,039	4,598,233
2027	2,648,888	557,428	3,206,316
2028	2,470,043	497,789	2,967,832
2029-2033	6,659,437	1,828,126	8,487,563
2034-2038	3,649,632	1,331,952	4,981,584
2039-2043	3,566,133	931,274	4,497,407
2044-2048	3,710,632	506,219	4,216,851
2049-2053	2,352,091	91,325	2,443,416
2054-2058	14,616	316	14,932
	<u>\$ 38,783,056</u>	<u>\$ 7,864,244</u>	<u>\$ 46,647,300</u>

(16) **Risk Management**

The University currently is a party to various litigation claims brought in the ordinary course of business. The University participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability, auto liability, medical malpractice, physical damage, and workers' compensation insurance. The Risk Management program liability insurance coverage includes most employee liability claims; those claims falling outside this state program are in limited amounts and are covered by the University from its operating budget either by direct payment or by the procurement of insurance coverage from a private carrier. The University paid Risk Management \$19,900,031 and \$17,121,387 in insurance premiums during fiscal years 2023 and 2022, 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, 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.

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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. Under the plans, all eligible employees are provided access to the provider networks of Blue Cross Blue Shield, Presbyterian Health Plan, and UNM Team Health for health services, and Delta Dental for dental services. Effective July 1, 2016 the University began self-insuring its student health benefits. Blue Cross Blue Shield, Presbyterian Health Plan, and UNM Team Health provide administrative and claim payment services for the University's health plans and Delta Dental for the dental plan. Liabilities are based on an estimate of claims that have been incurred but not reported, invoices received but not yet paid, and catastrophic claims not covered by our excess claims carriers. At June 30, 2023 and 2022, the estimated amount of the University's claims and accrued invoices was \$4.9 million and \$13.1 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 University reported liability for health, dental, and life operations resulted from the following:

	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2023	\$ 13,094,844	\$ 103,384,509	\$ (111,612,256)	\$ 4,867,097
2022	20,511,072	89,245,748	(96,661,976)	13,094,844

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 and Blue Shield of New Mexico and HMO New Mexico (BCBSNM) 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 (IBNR) and claims received but not yet paid. The estimated amount of the Hospital's IBNR and accrued claims was approximately \$5.0 million at June 30, 2023 and 2022, 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 \$477,000 and \$479,000 at June 30, 2023 and 2022, respectively. The liability for IBNR was based on actuarial analysis calculated using information provided by BCBSNM.

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SRMC sponsors a self-insured health plan for employees. Blue Cross and Blue Shield of New Mexico (BCBS NM) and HMO New Mexico provide administrative claim payment services for the Medical Center's plan. Liabilities are based on an estimate of claims that have been incurred but not reported (IBNR) and claims received but not yet paid. At June 30, 2023 and 2022, the estimated amount of the Medical Center's IBNR and accrued claims is \$0.3 million, which is included in accrued payroll. The liability for IBNR is based on actuarial analysis calculated using information provided by BCBS NM and management estimates.

Changes in the reported Clinical Operations liability during fiscal years 2023 and 2022 resulted from the following:

	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2023	\$ 5,808,402	\$ 57,610,039	\$ (57,627,556)	\$ 5,790,885
2022	5,936,291	60,457,160	(60,585,049)	5,808,402

(17) **Retirement Plans and Postemployment Benefits**

(A) *University*

General Information about the Pension Plan

Plan description: The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's 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

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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:

<u>Years of Service</u>	<u>Benefit Percentage Earned</u>
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.

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.

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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 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

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member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

- **Option C – Joint 50% Survivor Benefit** – The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

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

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

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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, 2023 and 2022 educational employers contributed to the Plan based on the following rate schedule.

<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>
2023	7-1-22 to 6-30-23	Over \$24K	10.70%	17.15%	27.85%	2.00%
2023	7-1-22 to 6-30-23	\$24K or less	7.90%	17.15%	25.05%	2.00%
2022	7-1-21 to 6-30-22	Over \$24K	10.70%	15.15%	25.85%	0.00%
2022	7-1-21 to 6-30-22	\$24K or less	7.90%	15.15%	23.05%	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, 2023, 2022, and 2021 were \$102,864,990, \$80,578,522, and \$71,515,150, 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, 2023, 2022, and 2021 were \$173,804, \$190,620, and \$142,261, 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.

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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:

- 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, 2023, colleges and universities contributed 10.90% of participating employees' gross salary to the ARP vendor on behalf of the participant, and 6.25% of the employees' gross salary to NMERB, for a total of 17.15%. Employees participating in the ARP do not accrue rights to benefits in the defined benefit pension plan based on the 6.25% 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 6.25% contribution remitted for the fiscal year ended June 30, 2023, and the 4.25% remitted for the fiscal years ended 2022 and 2021 were \$11,565,240, \$7,256,562, and \$5,182,816, respectively.

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

At June 30, 2023, the University and Clinical Operations reported liabilities of \$1,321,299,157 and \$3,150,562, respectively, for their proportionate shares of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2022 using generally accepted actuarial principles.

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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.

The employer's proportion of the net pension liability is based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions at June 30, 2021, actuarially determined. At June 30, 2022, the University's proportion was 15.68920%, which was an decrease of 0.07591% from its proportion measured as of June 30, 2021. 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, 2022, the Clinical Operations' proportion was 0.03741%, which was a decrease of 0.00328% from its proportion measured as of June 30, 2021. 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.

For the year ended June 30, 2023, the University recognized pension expense of \$64,872,698 and the Clinical Operations recognized pension income of \$662,332. For the year ended June 30, 2022, the University and Clinical Operations recognized pension expense of \$85,007,531 and the Clinical Operations recognized pension income of \$650,096. At June 30, 2023 and 2022, the University and Clinical Operations reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Year Ended June 30, 2023					
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	University	Clinical Operations	Total	University	Clinical Operations	Total
Differences between expected and actual experience	\$ 47,418,615	\$ 113,067	\$ 47,531,682	\$ 21,582,178	\$ 51,461	\$ 21,633,639
Changes of assumptions	222,572,235	530,711	223,102,946	734,272,130	1,750,830	736,022,960
Net difference between projected and actual earnings on pension plan investments	-	-	-	30,177,825	71,957	30,249,782
Changes in proportion and differences between University and Clinical Operations contributions and proportionate share of contributions	76,770	-	76,770	11,200,540	855,331	12,055,871
University and Clinical Operations contributions subsequent to the measurement date	102,864,990	173,804	103,038,794	-	-	-
Total	\$ 372,932,610	\$ 817,582	\$ 373,750,192	\$ 797,232,673	\$ 2,729,579	\$ 799,962,252
	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

The \$103,038,794 reported as deferred outflows of resources related to pensions resulting from University and Clinical Operations contributions subsequent to the measurement date of June 30, 2022 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. 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 was recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ending <u>June 30:</u>	<u>University</u>	<u>Clinical Operations</u>	<u>Total</u>
2023	\$ (307,684,854)	\$ (1,293,486)	\$ (308,978,340)
2024	(215,225,418)	(746,347)	(215,971,765)
2025	(50,220,438)	(155,570)	(50,376,008)
2026	45,965,657	109,602	46,075,259
Total	\$ (527,165,053)	\$ (2,085,801)	\$ (529,250,854)

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.

The total pension liability in the June 30, 2022 and 2021 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.

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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	24%	
Fixed income	23%	
Alternatives	52%	
Cash	1%	
Total	100%	7.00%

Discount rate: A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2022. This is the same rate used for June 30, 2021. 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.

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% 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.

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, 2023, 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.

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	Year Ended June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
University's proportionate share of the net pension liability	\$ 1,791,571,296	\$ 1,321,299,157	\$ 932,625,966
Clinical Operations' proportionate share of the net pension liability	4,271,899	3,150,562	2,223,793
Total	\$ 1,795,843,195	\$ 1,324,449,719	\$ 934,849,759

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

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 \$19,900,000 and \$20,521,000 in fiscal years 2023 and 2022, respectively. Total employee contributions under this plan were \$31,000,000 and \$29,983,000 in fiscal years 2023 and 2022, respectively. The Hospital also offers a Roth 403b defined-contribution plan option. Total employee contributions were approximately \$3,300,000 and \$3,000,000 in fiscal years 2023 and 2022, 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

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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 2023 and 2022, respectively, as the Clinical Operations do not contribute to this plan. Total employee contributions under this plan were \$5,119,000 and \$5,327,000 in fiscal years 2023 and 2022, 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 \$792,000 and \$774,000 in fiscal years 2023 and 2022, 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.

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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, 2023, the VEBA Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	3,658
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>7,417</u>
Total plan members	<u><u>11,075</u></u>

Total active plan members include 4,333 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%

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

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

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

Investments

Investment policy: The VEBA Trust's policy in regard to the allocation of invested assets was established and may be amended by the VEBA Committee. The long-term objective of the VEBA Trust is to earn a return sufficient to preserve the purchasing power of the VEBA Trust to fund retirement benefits for contributing employees.

The following was the adopted asset allocation policy as of June 30, 2023:

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

Rate of return: For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on investments, net of investment expense, were 9.83 percent and (17.43) 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 July 1, 2021 (using census data as of January 1, 2021 but adjusted for a change in the discount rate) to the measurement date.

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The components of the net OPEB liability of the University at June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Total OPEB liability	\$ 170,849,200	\$ 165,893,700
Plan fiduciary net position	<u>52,206,600</u>	<u>59,011,800</u>
University's net OPEB liability	<u>\$ 118,642,600</u>	<u>\$ 106,881,900</u>
Plan fiduciary net position as a percentage of the total OPEB liability	30.56%	35.57%

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.0%
Investment rate of return	8.0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Pre-Medicare: 7.8% initially, reduced by decrements to a rate of 4.5% after nine years Post-Medicare: 8.25% initially, reduced by decrements to a rate of 4.5% after nine years 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-2021.

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 2036. The blended discount rates used for the fiscal year ending June 30, 2023 and 2022 were 6.90% and 6.80% 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, 2022 (based on July 1, 2020 measurement date)	\$ 165,893,700	\$ 59,011,800	\$ 106,881,900
Changes for the year:			
Service cost	2,180,100	N/A	2,180,100
Interest on the total OPEB liability	11,247,900	N/A	11,247,900
Changes of benefit terms	-	N/A	-
Differences between expected and actual experience	-	N/A	-
Changes of assumptions*	(3,057,100)	N/A	(3,057,100)
Benefit payments	(5,415,400)	(5,415,400)	-
Contributions from employer	N/A	7,382,600	(7,382,600)
Contributions from employee	N/A	1,967,300	(1,967,300)
Net investment income	N/A	(10,733,700)	10,733,700
Administrative expense	N/A	(6,000)	6,000
Net changes	4,955,500	(6,805,200)	11,760,700
Balance at June 30, 2023 (based on July 1, 2021 measurement date)	\$ 170,849,200	\$ 52,206,600	\$ 118,642,600

	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, 2019 measurement date)	\$ 133,034,500	\$ 43,519,500	\$ 89,515,000
Changes for the year:			
Service cost	1,741,700	N/A	1,741,700
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	11,408,100	(11,408,100)
Administrative expense	N/A	(8,700)	8,700
Net changes	32,859,200	15,492,300	17,366,900
Balance at June 30, 2022 (based on July 1, 2020 measurement date)	\$ 165,893,700	\$ 59,011,800	\$ 106,881,900

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

The following presents the University's net OPEB liability at June 30, 2023, which was measured using the discount rate of 6.9%, 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 (5.9%) or one percentage point higher (7.9%) than the current discount rate.

	Year Ended June 30, 2023		
	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Net OPEB liability	\$ 138,403,000	\$ 118,642,600	\$ 102,359,400

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

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, 2023 and 2022, which was measured using the current healthcare cost trend rates (Pre-Medicare: 7.8% decreasing to 4.5%, Post-Medicare: 8.25% decreasing to 4.5%, 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: 6.8% decreasing to 3.5%, Post-Medicare: 7.25% decreasing to 3.5%, Dental: 3%) or one percentage point higher (Pre-Medicare: 8.8% decreasing to 5.5%, Post-Medicare: 8.8% decreasing to 5.5%, Dental: 5%) than the current healthcare cost trend rates.

	Year Ended June 30, 2023		
	1% Decrease (Pre-Medicare: 6.8% decreasing to 3.5%, Post-Medicare: 7.25% decreasing to 3.5%, Dental: 3%)	Current Discount Rate (Pre-Medicare: 7.8% decreasing to 4.5%, Post-Medicare: 8.25% decreasing to 4.5%, Dental: 4%)	1% Increase (Pre-Medicare: 8.8% decreasing to 5.5%, Post-Medicare: 9.25% decreasing to 5.5%, Dental: 5%)
Net OPEB liability	\$ 100,223,100	\$ 118,642,600	\$ 141,149,500

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

	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

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, 2023, the University recognized OPEB expense of \$3,992,200, and for the year ended June 30, 2022, the University recognized OPEB expense of \$229,400. At June 30, 2023 and 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Year Ended June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,059,392	\$ 10,823,292
Changes of assumptions	4,845,318	\$ 8,059,618
Net difference between projected and actual earnings on OPEB plan investments	8,454,000	-
University contributions subsequent to the measurement date	7,301,600	-
Total	\$ 35,660,310	\$ 18,882,910
	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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June 30, 2023 and 2022

The \$7,301,600 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2023 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. 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 was recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2023	\$ (2,345,100)
2024	974,400
2025	5,107,900
2026	6,137,200
2027	(398,600)
Total	\$ 9,475,800

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

(19) Commitments and Contingencies

(A) Commitments

In addition to the lease commitments in note 15, the University had commitments totaling \$97,564,000 at June 30, 2023. These commitments consisted of the following:

	<u>2023</u>
Materials and services	\$ 46,164,256
Construction projects	<u>51,399,744</u>
Total commitments	<u>\$ 97,564,000</u>

(B) Contingencies

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

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

(C) Mortgage Reserve Fund

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

(20) Unrestricted Net Position – Committed and Dedicated

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

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

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

	<u>2023</u>	<u>2022</u>
Unrestricted net position	\$ (740,465,765)	\$ (689,966,598)
Less:		
Working capital – patient care operations		
Clinical operations – UNM Hospitals	<u>345,418,633</u>	<u>510,896,214</u>
Total working capital – patient care operations	345,418,633	510,896,214
Net pension and OPEB obligations		
Pension	(1,745,599,220)	(1,783,571,638)
OPEB	<u>(101,865,200)</u>	<u>(105,174,600)</u>
Total net pension and OPEB obligations	(1,847,464,420)	(1,888,746,238)
Committed		
HSC capital initiatives	333,561	333,561
Blended component units	103,926,640	112,687,662
Other	<u>98,232,198</u>	<u>99,169,279</u>
Total committed	202,492,399	212,190,502
Dedicated		
Plant funds – repair and replacement	91,389,299	91,641,792
Quasi-endowment funds – Regents' scholarships	117,938,281	111,755,905
Student loan funds	962,075	935,426
Other	<u>78,051,734</u>	<u>80,885,466</u>
Total dedicated	288,341,389	285,218,589
Ending discretionary funds balance	<u>\$ 270,746,234</u>	<u>\$ 190,474,335</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

(21) 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, 2023 and 2022 are as follows:

	As of June 30	
	2023	2022
Balance of the University's beneficial interest in the LGPF	\$ 294,593,061	\$ 276,248,468
	For the Years Ended June 30	
	2023	2022
Income received from the University's beneficial interest in the LGPF	\$ 11,027,379	\$ 10,684,549

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

(22) Subscription Based Information Technology Agreements

UNM adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements, for the year ended June 30, 2023, with retrospective application to all periods presented.

The impact of the adoption of GASB 96 on opening net position and on previously reported fiscal year 2022 balances is as follows:

	June 30		
	2022 as reported	2022 adjustments	2022 as adjusted
Assets:			
Current assets	\$1,359,183,834	\$ 272	\$ 1,359,184,106
Capital assets, net	1,530,236,881	-	1,530,236,881
Right to use assets, net	45,514,768	61,078,914	106,593,682
Other noncurrent assets	689,656,087	\$ -	689,656,087
Total assets	<u>\$3,624,591,570</u>	<u>\$ 61,079,186</u>	<u>\$ 3,685,670,756</u>
Deferred outflows of resources	\$ 958,060,366	\$ -	\$ 958,060,366
 Liabilities:			
Current liabilities	\$ 580,101,475	\$ 17,850,363	\$ 597,951,838
Noncurrent liabilities	1,814,017,813	43,091,392	1,857,109,205
Total liabilities	<u>\$2,394,119,288</u>	<u>\$ 60,941,755</u>	<u>\$ 2,455,061,043</u>
Deferred inflows of resources	\$1,650,176,269	\$ -	\$ 1,650,176,269
 Net position:			
Net investment in capital assets	\$ 994,286,017	\$ (647,575)	\$ 993,638,442
Restricted	234,821,966	-	234,821,966
Unrestricted	(690,751,604)	785,006	(689,966,598)
Total net position	<u>\$ 538,356,379</u>	<u>\$ 137,431</u>	<u>\$ 538,493,810</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

A summary of the subscription-based information technology arrangements (SBITA) asset activity during the years ended June 30, 2023 and 2022 is as follows:

	Balance			Balance
	June 30, 2022	Additions	Deductions	June 30, 2023
Right to use assets	\$ 79,400,813	\$ 110,097	\$ -	\$ 79,510,910
Accumulated depreciation	(18,321,898)	(18,080,532)	-	(36,402,430)
Right to use assets, net	\$ 61,078,915	\$ (17,970,435)	\$ -	\$ 43,108,480

	Balance			Balance
	June 30, 2021	Additions	Deductions	June 30, 2022
Right to use assets	\$ -	\$ 79,400,813	\$ -	\$ 79,400,813
Accumulated depreciation	-	(18,321,898)	-	(18,321,898)
Right to use assets, net	\$ -	\$ 61,078,915	\$ -	\$ 61,078,915

A summary of changes in the related SBITA liability during the years ended June 30, 2023 and June 30, 2022 is as follows:

	Balance			Balance	Amounts due
	June 30, 2022	Additions	Deductions	June 30, 2023	within a year
SBITA liabilities	\$60,941,485	\$ 110,097	\$ (17,776,417)	\$ 43,275,165	\$ 15,296,717

	Balance			Balance	Amounts due
	June 30, 2021	Additions	Deductions	June 30, 2022	within a year
SBITA liabilities	\$ -	\$ 79,400,813	\$ (18,459,328)	\$ 60,941,485	\$ 17,850,091

UNM is the end user for numerous (SBITAs). Short-term SBITAs, which have a maximum possible term of 12 months or less, are recognized as an outflow of resources when payment is made. For SBITAs with subscription terms extending beyond one year, UNM recognizes an intangible right-to-use (RTU) subscription asset and a corresponding subscription liability.

Initial measurement of the subscription asset/liability is calculated at the present value of payments expected to be paid during the subscription term, discounted using the University's incremental borrowing rate. The right-to-use-asset is amortized on a straight-line basis over the subscription term.

There have been no outflows of resources recognized in the reporting periods for variable payments not previously included in the measurement of the SBITA liability, or other payments such as termination penalties.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023 and 2022

A schedule of future minimum SBITA payments for the University as of June 30, 2023 is as follows:

Year ending June 30	Principal Payable	Interest Payable	Total
2024	\$ 15,296,717	\$ 1,295,548	\$ 16,592,265
2025	8,363,415	821,286	9,184,700
2026	6,370,815	548,327	6,919,143
2027	5,200,580	350,887	5,551,468
2028	1,502,621	244,734	1,747,355
2029-2033	6,541,017	491,174	7,032,191
2034-2038	-	-	-
2039-2043	-	-	-
2044 & After	-	-	-
	<u>\$ 43,275,165</u>	<u>\$ 3,751,957</u>	<u>\$ 47,027,122</u>

(23) Subsequent Events

Management has evaluated subsequent events through December 21, 2023 to determine whether such events should be recorded or disclosed in the financial statements or notes for the year ended June 30, 2023. This date represents the date the financial statement audit report was available to be issued. Other than the extension of the Standby Purchase Agreement with US Bank as discussed in note 13, 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 nine 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>2023</u>	<u>2022</u>	<u>2021</u>
University's and Clinical Operations' proportion of the net pension liability (asset)	15.72661%	15.80580%	15.81387%
University's and Clinical Operations' proportionate share of the net pension liability (asset)	\$ 1,324,449,719	\$ 1,120,230,812	\$ 3,204,781,099
University's and Clinical Operations' covered payroll	\$ 533,129,650	\$ 506,412,799	\$ 505,156,445
University's and Clinical Operations' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	248.43%	221.21%	634.41%
Plan fiduciary net position as a percentage of the total pension liability	64.87%	69.77%	39.11%

Schedule of Employer Contributions - ERB Plan

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required employer contribution	\$ 103,038,794	\$ 80,769,142	\$ 71,657,411
Contributions in relation to the statutorily required contribution	\$ 103,038,794	\$ 80,769,142	\$ 71,657,411
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's and Clinical Operations' covered payroll	\$ 600,809,294	\$ 533,129,650	\$ 506,412,799
Contributions as a percentage of covered payroll	17.15%	15.15%	14.15%

Notes to Schedules:

Changes in benefit provisions

There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2022.

Changes in assumptions and methods

Actuarial assumptions and methods are set by the Board of Trustees, 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.

SCHEDULE 1

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
16.42216%	16.99433%	16.96537%	16.58948%	16.49188%	16.43531%
\$ 1,244,357,298	\$ 2,020,852,577	\$ 1,885,441,562	\$ 1,193,850,905	\$ 1,068,222,984	\$ 937,754,765
\$ 480,032,441	\$ 474,922,764	\$ 483,027,675	\$ 470,690,396	\$ 450,281,155	\$ 446,728,272
259.22%	425.51%	390.34%	253.64%	237.23%	209.92%
64.13%	52.17%	52.95%	61.58%	63.97%	66.54%
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 71,479,637	\$ 66,727,310	\$ 66,012,818	\$ 67,140,847	\$ 65,427,748	\$ 64,832,820
\$ 71,479,637	\$ 66,727,310	\$ 66,012,818	\$ 67,140,847	\$ 65,427,748	\$ 64,832,820
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 505,156,445	\$ 480,032,441	\$ 474,922,764	\$ 483,027,675	\$ 470,690,396	\$ 450,281,155
14.15%	13.90%	13.90%	13.90%	13.90%	14.40%

THE UNIVERSITY OF NEW MEXICO

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

	2023	2022	2021
Total OPEB liability			
Service cost	\$ 2,180,100	\$ 1,741,700	\$ 1,890,700
Interest cost	11,247,900	9,365,900	8,920,400
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	23,091,200	-
Changes of assumptions	(3,057,100)	4,104,100	(6,533,800)
Benefit payments	(5,415,400)	(5,443,800)	(5,295,500)
Net change in total OPEB liability	<u>\$ 4,955,500</u>	<u>\$ 32,859,100</u>	<u>\$ (1,018,200)</u>
Total OPEB liability – beginning	165,893,700	133,034,600	134,052,800
Total OPEB liability – ending (a)	<u><u>\$ 170,849,200</u></u>	<u><u>\$ 165,893,700</u></u>	<u><u>\$ 133,034,600</u></u>
Plan fiduciary net position			
Contributions – employer	\$ 7,382,600	\$ 7,490,200	\$ 7,459,600
Contributions – member	1,967,300	2,046,500	2,164,100
Net investment income	(10,733,700)	11,408,000	1,853,500
Benefit payments	(5,415,400)	(5,443,800)	(5,295,500)
Administrative expense	(6,000)	(8,700)	(3,200)
Net change in plan fiduciary net position	<u>\$ (6,805,200)</u>	<u>\$ 15,492,200</u>	<u>\$ 6,178,500</u>
Plan fiduciary net position – beginning	59,011,800	43,519,600	37,341,100
Plan fiduciary net position – ending (b)	<u><u>\$ 52,206,600</u></u>	<u><u>\$ 59,011,800</u></u>	<u><u>\$ 43,519,600</u></u>
University's net OPEB liability – ending (a) - (b)	\$ 118,642,600	\$ 106,881,900	\$ 89,515,000
Plan fiduciary net position as a percentage of the total OPEB liability	30.56%	35.57%	32.71%
Covered-employee payroll	\$ 262,302,500	\$ 272,862,900	\$ 288,544,300
University's net OPEB liability as a percentage of covered-employee payroll	45.23%	39.17%	31.02%

Notes to Schedule:

Benefit changes: None

Differences between 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 premium rating being fully blended with the active employees. There is no change in the Total OPEB Liability from the fiscal year ended June 30, 2022 to the fiscal year ended June 30, 2023 due to differences in expected and actual experience.

Changes of assumptions: 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 and mortality assumptions. The \$3,057,100 decrease in the liability from June 30, 2022 to June 30, 2023 is due to the increase in the assumed discount rate from 6.80% as of June 30, 2022 to 6.90% as of June 30, 2023.

SCHEDULE 2

2020	2019	2018	2017
\$ 3,267,100	\$ 3,501,200	\$ 3,526,500	\$ 3,019,400
10,640,500	10,007,700	9,469,800	9,058,700
-	-	-	-
(38,575,300)	-	-	-
7,729,900	(7,105,700)	(6,444,700)	7,114,000
(5,298,600)	(4,913,700)	(4,841,600)	(4,818,100)
\$ (22,236,400)	\$ 1,489,500	\$ 1,710,000	\$ 14,374,000
156,289,200	154,799,700	153,089,700	138,715,700
\$ 134,052,800	\$ 156,289,200	\$ 154,799,700	\$ 153,089,700
\$ 7,513,700	\$ 7,322,500	\$ 7,467,800	\$ 7,675,100
2,215,100	2,408,800	2,625,900	2,856,600
2,111,000	2,080,800	1,615,600	895,000
(5,298,600)	(4,913,700)	(4,841,600)	(4,818,100)
(5,400)	(5,300)	-	-
\$ 6,535,800	\$ 6,893,100	\$ 6,867,700	\$ 6,608,600
30,805,300	23,912,200	17,044,500	10,435,900
\$ 37,341,100	\$ 30,805,300	\$ 23,912,200	\$ 17,044,500
\$ 96,711,700	\$ 125,483,900	\$ 130,887,500	\$ 136,045,200
27.86%	19.71%	15.45%	11.13%
\$ 295,345,700	\$ 321,166,700	\$ 350,452,500	\$ 383,432,900
32.75%	39.07%	37.35%	35.48%

THE UNIVERSITY OF NEW MEXICO

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 7,301,600	\$ 7,382,600	\$ 5,210,300
Contributions in relation to the actuarially determined contribution	7,301,600	7,382,600	5,210,300
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 257,324,800	\$ 262,302,500	\$ 272,862,900
Contributions as a percentage of covered-employee payroll	2.84%	2.81%	1.91%

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-2020.

SCHEDULE 3

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 7,459,600	\$ 7,513,700	\$ 7,322,500	\$ 7,467,800
<u>7,459,600</u>	<u>7,513,700</u>	<u>7,322,500</u>	<u>7,467,800</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 288,544,300	\$ 295,345,700	\$ 321,166,700	\$ 350,452,500
2.59%	2.54%	2.28%	2.13%

THE UNIVERSITY OF NEW MEXICO

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	9.83%	-17.43%	26.04%

SCHEDULE 4



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
4.55%	6.18%	6.77%	11.26%

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Net Position as of June 30, 2023 – Blended Component Units

	UNM Rainforest Innovations	Lobo Development Corporation	Lobo Energy, Inc.
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,030,983	\$ 3,366,697	\$ 484,647
Short-term investments	11,430,303	-	-
Accounts receivable, net	588,268	35,000	10,944
Patient receivables, net	-	-	-
Leases receivable, net	-	1,194,277	-
Leases interest receivable	-	20,825	-
Due from The University of New Mexico	-	-	-
Due from affiliates	-	-	-
Estimated third-party payor settlements	-	-	-
Other receivables, net	-	-	-
Inventories	-	-	-
Other current assets	2,012	413	62,609
Total current assets	\$ 14,051,566	\$ 4,617,212	\$ 558,200
Noncurrent assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Leases receivable, noncurrent	-	7,216,502	-
Investments	3,448	-	-
Other noncurrent assets	-	-	-
Right-to-use asset, net	651,683	-	-
Capital assets, net	29,941	16,842,481	-
Total noncurrent assets	\$ 685,072	\$ 24,058,983	\$ -
Total assets	\$ 14,736,638	\$ 28,676,195	\$ 558,200
DEFERRED OUTFLOWS OF RESOURCES			
Loss on bond refundings	\$ -	\$ -	\$ -
Total deferred outflows of resources	\$ -	\$ -	\$ -
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 281,014	\$ 36,922	\$ 9,868
Lease Payable - Current	140,643	-	-
SBITA Payable - current	-	-	-
Bonds payable – current	-	-	-
Long-term debt – current	-	102,531	-
Due to The University of New Mexico	483,310	457,663	-
Due to affiliates	-	-	-
Due to FEMA	-	-	-
Accrued compensated absences	-	-	-
Estimated third-party payor settlements	-	-	-
Medicare accelerated and advance payment program	-	-	-
Other current liabilities	1,399,343	-	69,024
Total current liabilities	\$ 2,304,310	\$ 597,116	\$ 78,892
Noncurrent liabilities			
Lease payable - noncurrent	\$ 503,707	\$ -	\$ -
SBITA payable - noncurrent	-	-	-
Long-term debt – noncurrent	-	238,902	-
Due to The University of New Mexico	-	11,755,612	-
Other liabilities - noncurrent	-	-	-
Total noncurrent liabilities	\$ 503,707	\$ 11,994,514	\$ -
Total liabilities	\$ 2,808,017	\$ 12,591,630	\$ 78,892
DEFERRED INFLOW OF RESOURCES			
Related to leases	\$ -	\$ 8,070,610	\$ -
Total deferred outflows of resources	\$ -	\$ 8,070,610	\$ -
NET POSITION			
Net investment in capital assets	\$ 37,274	\$ 4,287,773	\$ 479,308
Restricted expendable	-	-	-
Unrestricted	11,891,347	3,726,182	-
Total net position	\$ 11,928,621	\$ 8,013,955	\$ 479,308

See accompanying independent auditors' report.

SCHEDULE 5

UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ 29,621,480	\$ 14,347,917	\$ 49,851,724	\$ -	\$ 49,851,724
-	-	11,430,303	-	11,430,303
-	-	634,212	-	634,212
60,274,633	10,595,994	70,870,627	-	70,870,627
-	-	1,194,277	-	1,194,277
-	-	20,825	-	20,825
5,189,677	1,103,648	6,293,325	(6,293,325)	-
3,149,509	1,254,614	4,404,123	(4,404,123)	-
-	319,145	319,145	-	319,145
(147,788)	33,828	(113,960)	-	(113,960)
-	2,692,481	2,692,481	-	2,692,481
1,974,514	491,673	2,531,221	(1,297,768)	1,233,453
\$ 100,062,025	\$ 30,839,300	\$ 150,128,303	\$ (11,995,216)	\$ 138,133,087
\$ 48,282,642	\$ -	\$ 48,282,642	\$ -	\$ 48,282,642
-	-	7,216,502	-	7,216,502
38,886,697	15,468,034	54,358,179	-	54,358,179
1,279,916	-	1,279,916	-	1,279,916
2,959,543	-	3,611,226	-	3,611,226
2,801,546	94,400,791	114,074,759	-	114,074,759
\$ 94,210,344	\$ 109,868,825	\$ 228,823,224	\$ -	\$ 228,823,224
\$ 194,272,369	\$ 140,708,125	\$ 378,951,527	\$ (11,995,216)	\$ 366,956,311
\$ -	\$ 1,975,955	\$ 1,975,955	\$ -	\$ 1,975,955
\$ -	\$ 1,975,955	\$ 1,975,955	\$ -	\$ 1,975,955
\$ 15,565,368	\$ 13,074,838	\$ 28,968,010	\$ -	\$ 28,968,010
212,590	475,645	828,878	-	828,878
1,090,001	-	1,090,001	-	1,090,001
-	-	-	-	-
-	5,938,858	6,041,389	-	6,041,389
59,754,533	1,352,239	62,047,745	(62,047,745)	-
19,208,593	2,460,277	21,668,870	(21,668,870)	-
-	2,600,000	2,600,000	-	2,600,000
-	2,248,389	2,248,389	-	2,248,389
-	2,449,337	2,449,337	-	2,449,337
-	-	-	-	-
-	-	1,468,367	-	1,468,367
\$ 95,831,085	\$ 30,599,583	\$ 129,410,986	\$ (83,716,615)	\$ 45,694,371
\$ 1,277,064	\$ 3,816,367	\$ 5,597,138	\$ -	\$ 5,597,138
\$ 406,793	-	\$ 406,793	\$ -	\$ 406,793
-	88,915,828	89,154,730	-	89,154,730
-	-	11,755,612	(11,755,612)	-
-	-	-	-	-
\$ 1,683,857	\$ 92,732,195	\$ 106,914,273	\$ (11,755,612)	\$ 95,158,661
\$ 97,514,942	\$ 123,331,778	\$ 236,325,259	\$ (95,472,227)	\$ 140,853,032
\$ -	\$ -	\$ 8,070,610	\$ -	\$ 8,070,610
\$ -	\$ -	\$ 8,070,610	\$ -	\$ 8,070,610
\$ 2,774,641	\$ (2,769,952)	\$ 4,809,044	\$ 12,213,275	\$ 17,022,319
-	15,582,654	15,582,654	-	15,582,654
93,982,786	6,539,600	116,139,915	(12,213,275)	103,926,640
\$ 96,757,427	\$ 19,352,302	\$ 136,531,613	\$ -	\$ 136,531,613

THE UNIVERSITY OF NEW MEXICO

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

	UNM Rainforest Innovations	Lobo Development Corporation	Lobo Energy, Inc.
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,943,383	\$ 3,532,879	\$ 830,257
Short-term investments	10,278,353	-	-
Accounts receivable, net	4,643,879	5,898	10,184
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	12,243	138,750	32,575
Total current assets	\$ 17,877,858	\$ 4,852,799	\$ 873,016
Noncurrent assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Leases receivable, noncurrent	-	8,398,871	-
Investments	3,626	-	-
Other noncurrent assets	-	-	-
Right-to-use, net	808,087	-	-
Capital assets, net	35,053	16,852,499	7,009,144
Total noncurrent assets	\$ 846,766	\$ 25,251,370	\$ 7,009,144
Total assets	\$ 18,724,624	\$ 30,104,169	\$ 7,882,160
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	\$ 106
Lease payable - Current	140,650	-	-
SBITA payable - Current	-	-	-
Long-term debt – current	-	89,835	94,714
Due to The University of New Mexico	546,570	444,154	-
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	70,250
Total current liabilities	\$ 6,168,201	\$ 631,135	\$ 165,070
Noncurrent liabilities			
Lease payable - noncurrent	\$ 644,356	\$ -	\$ -
SBITA payable - noncurrent	\$ -	\$ -	\$ -
Long-term debt – noncurrent	-	-	-
Due to The University of New Mexico	-	12,213,275	-
Other liabilities - noncurrent	-	9,640,543	-
Total noncurrent liabilities	\$ 644,356	\$ 21,853,818	\$ -
Total liabilities	\$ 6,812,557	\$ 22,484,953	\$ 165,070
NET POSITION			
Net investment in capital assets	\$ 843,140	\$ 3,767,201	\$ 6,914,430
Restricted expendable	-	-	-
Unrestricted	11,068,927	3,852,015	802,660
Total net position	\$ 11,912,067	\$ 7,619,216	\$ 7,717,090

See accompanying independent auditors' report.

SCHEDULE 6

UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ 41,874,536	\$ 19,719,255	\$ 68,900,310	\$ -	\$ 68,900,310
-	-	10,278,353	-	10,278,353
-	-	4,659,961	-	4,659,961
51,384,029	9,277,420	60,661,449	-	60,661,449
-	-	1,151,307	-	1,151,307
-	-	23,965	-	23,965
2,786,971	332,969	3,119,940	(3,119,940)	-
2,670,661	569,068	3,239,729	(3,239,729)	-
-	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
1,898,334	618,000	2,699,902	(1,297,768)	1,402,134
\$ 100,614,531	\$ 38,491,814	\$ 162,710,018	\$ (7,657,437)	\$ 155,052,581
\$ 47,077,875	\$ -	\$ 47,077,875	\$ -	\$ 47,077,875
-	-	8,398,871	-	8,398,871
38,721,094	15,462,780	54,187,500	-	54,187,500
1,370,382	-	1,370,382	-	1,370,382
3,742,213	4,732,253	9,282,553	-	9,282,553
3,513,146	92,997,021	120,406,863	-	120,406,863
\$ 94,424,710	\$ 113,192,054	\$ 240,724,044	\$ -	\$ 240,724,044
\$ 195,039,241	\$ 151,683,868	\$ 403,434,062	\$ (7,657,437)	\$ 395,776,625
\$ -	\$ 2,127,952	\$ 2,127,952	\$ -	\$ 2,127,952
\$ -	\$ 2,127,952	\$ 2,127,952	\$ -	\$ 2,127,952
\$ 368	\$ 13,832,921	\$ 17,760,760	\$ -	\$ 17,760,760
216,105	466,410	823,165	-	823,165
1,227,250	-	1,227,250	-	1,227,250
-	5,822,520	6,007,069	-	6,007,069
74,217,331	827,032	76,035,087	(76,035,087)	-
6,795,053	1,985,283	8,780,336	(8,780,336)	-
-	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
12,604,289	-	14,325,301	-	14,325,301
\$ 95,060,396	\$ 30,000,671	\$ 132,025,473	\$ (84,815,423)	\$ 47,210,050
\$ 943,251	\$ 4,292,012	\$ 5,879,619	\$ -	\$ 5,879,619
\$ 1,389,746	\$ -	\$ 1,389,746	-	\$ 1,389,746
-	94,854,686	94,854,686	-	94,854,686
-	-	12,213,275	(12,213,275)	-
-	-	9,640,543	-	9,640,543
\$ 2,332,997	\$ 99,146,698	\$ 123,977,869	\$ (12,213,275)	\$ 111,764,594
\$ 97,393,393	\$ 129,147,369	\$ 256,003,342	\$ (97,028,698)	\$ 158,974,644
\$ 3,479,007	\$ (5,578,403)	\$ 9,425,375	\$ 12,657,429	\$ 22,082,804
-	15,573,212	15,573,212	-	15,573,212
94,166,841	14,669,642	124,560,085	(12,657,429)	111,902,656
\$ 97,645,848	\$ 24,664,451	\$ 149,558,672	\$ -	\$ 149,558,672

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2023 – Blended Component Units

	UNM Rainforest Innovations	Lobo Development Corporation	Lobo Energy, Inc.
REVENUES			
Operating revenues			
Net patient service	\$ -	\$ -	\$ -
Sales and services	-	764,623	1,127,989
Operational support	2,034,000	-	-
Other operating revenues	2,434,253	1,660,711	-
Total operating revenues	\$ 4,468,253	\$ 2,425,334	\$ 1,127,989
EXPENSES			
Operating expenses			
General and administrative	\$ 2,913,549	\$ 664,741	\$ 388,772
Depreciation expense	170,176	503,240	35,399
Program expenses	2,601,750	179,477	970,464
Other operating expense	-	-	-
Total operating expenses	\$ 5,685,475	\$ 1,347,458	\$ 1,394,635
Net operating income (loss)	\$ (1,217,222)	\$ 1,077,876	\$ (266,646)
NONOPERATING REVENUES (EXPENSES)			
State appropriations	\$ -	\$ -	\$ -
Sandoval county mill levy	-	-	-
Federal CARES Act grants	-	-	-
Investment income	1,240,040	310,893	2,819
Interest expense	(6,264)	(394,030)	(210)
Distributions to the University of New Mexico	-	(600,000)	-
Discontinued operations (note 2(A))	-	-	-
Other nonoperating revenues and expenses, net	-	-	(6,973,745)
Net nonoperating revenues (expenses)	\$ 1,233,776	\$ (683,137)	\$ (6,971,136)
Income (loss) before capital contributions	\$ 16,554	\$ 394,739	\$ (7,237,782)
Capital contributions	\$ -	\$ -	\$ -
Total capital contributions	\$ -	\$ -	\$ -
Change in net position	\$ 16,554	\$ 394,739	\$ (7,237,782)
Net position at beginning of year	11,912,067	7,619,216	7,717,090
Impact of change in accounting pronouncement	-	-	-
Net position at end of year	\$ 11,928,621	\$ 8,013,955	\$ 479,308

See accompanying independent auditors' report.

SCHEDULE 7

UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ 237,786,022	\$ 104,508,036	\$ 342,294,058	\$ -	\$ 342,294,058
49,080,824	2,133,233	53,106,669	(2,143,285)	50,963,384
-	-	2,034,000	(2,034,000)	-
3,136,719	-	7,231,683	(1,759,284)	5,472,399
\$ 290,003,565	\$ 106,641,269	\$ 404,666,410	\$ (5,936,569)	\$ 398,729,841
\$ 295,487,148	\$ 110,061,411	\$ 409,515,621	\$ (204,555,542)	\$ 204,960,079
2,624,186	6,187,485	9,520,486	-	9,520,486
-	-	3,751,691	(352,740)	3,398,951
-	706,887	706,887	-	706,887
\$ 298,111,334	\$ 116,955,783	\$ 423,494,685	\$ (204,908,282)	\$ 218,586,403
\$ (8,107,769)	\$ (10,314,514)	\$ (18,828,275)	\$ 198,971,713	\$ 180,143,438
\$ 1,149,900	\$ -	\$ 1,149,900	\$ -	\$ 1,149,900
-	8,098,795	8,098,795	-	8,098,795
(1,514)	(425,355)	(426,869)	-	(426,869)
-	78,524	1,632,276	-	1,632,276
746,605	(94,217)	251,884	373,649	625,533
-	-	(600,000)	600,000	-
-	-	-	-	-
5,324,357	(2,655,382)	(4,304,770)	6,973,745	2,668,975
\$ 7,219,348	\$ 5,002,365	\$ 5,801,216	\$ 7,947,394	\$ 13,748,610
\$ (888,421)	\$ (5,312,149)	\$ (13,027,059)	\$ 206,919,107	\$ 193,892,048
\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -
\$ (888,421)	\$ (5,312,149)	\$ (13,027,059)	\$ 206,919,107	\$ 193,892,048
97,668,947	24,664,451	149,581,771	-	149,581,771
(23,099)	-	(23,099)	-	(23,099)
\$ 96,757,427	\$ 19,352,302	\$ 136,531,613	\$ 206,919,107	\$ 343,450,720

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	Lobo Development Corporation	Lobo Energy, Inc.
REVENUES			
Operating revenues			
Net patient service	\$ -	\$ -	\$ -
Sales and services	-	725,540	2,171,065
Operational support	2,034,000	-	-
Other operating revenues	6,381,120	1,528,143	-
Total operating revenues	\$ 8,415,120	\$ 2,253,683	\$ 2,171,065
EXPENSES			
Operating expenses			
General and administrative	\$ 6,588,991	\$ 499,088	\$ 253,060
Depreciation expense	168,818	486,364	424,797
Program expenses	2,602,991	190,846	814,091
Other operating expense	-	-	-
Total operating expenses	\$ 9,360,800	\$ 1,176,298	\$ 1,491,948
Net operating income (loss)	\$ (945,680)	\$ 1,077,385	\$ 679,117
NONOPERATING REVENUES (EXPENSES)			
State appropriations	\$ -	\$ -	\$ -
Sandoval county mill levy	-	-	-
Federal CARES Act grants	-	-	-
Investment income	(1,941,762)	352,158	5,971
Interest expense	(7,488)	(369,495)	(18,610)
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)	\$ (12,639)
Income (loss) before capital contributions	\$ (2,894,930)	\$ 478,851	\$ 666,478
Capital contributions	\$ -	\$ -	\$ -
Total capital contributions	\$ -	\$ -	\$ -
Change in net position	\$ (2,894,930)	\$ 478,851	\$ 666,478
Net position at beginning of year	14,766,943	6,987,912	7,050,612
Impact of change in accounting pronouncement	40,054	152,453	-
Net position at end of year	\$ 11,912,067	\$ 7,619,216	\$ 7,717,090

See accompanying independent auditors' report.

SCHEDULE 8

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
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
\$ 271,320,420	\$ 102,467,208	\$ 386,627,496	\$ (5,104,128)	\$ 381,523,368
\$ 282,237,654	\$ 105,421,491	\$ 395,000,284	\$ (202,707,085)	\$ 192,293,199
2,864,872	6,251,115	10,195,966	-	10,195,966
-	-	3,607,928	2,976,578	6,584,506
-	-	-	-	-
\$ 285,102,526	\$ 111,672,606	\$ 408,804,178	\$ (199,730,507)	\$ 209,073,671
\$ (13,782,106)	\$ (9,205,398)	\$ (22,176,682)	\$ 194,626,379	\$ 172,449,697
\$ 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
-	4,614	(1,579,019)	-	(1,579,019)
(960,946)	(2,813,474)	(4,170,013)	386,849	(3,783,164)
-	-	(598,660)	598,660	-
-	-	-	-	-
7,107,437	4,372	7,129,272	-	7,129,272
\$ 34,184,214	\$ 9,832,868	\$ 41,456,659	\$ 985,509	\$ 42,442,168
\$ 20,402,108	\$ 627,470	\$ 19,279,977	\$ 195,611,888	\$ 214,891,865
\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 20,402,108	\$ 627,470	\$ 19,279,977	\$ 195,611,888	\$ 214,891,865
77,244,144	24,036,981	130,086,592	-	130,086,592
(404)	-	192,103	-	192,103
\$ 97,645,848	\$ 24,664,451	\$ 149,558,672	\$ 195,611,888	\$ 345,170,560

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Cash Flows as of June 30, 2023 – Blended Component Units

	UNM Rainforest Innovations	Lobo Development Corporation	Lobo Energy, Inc.
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from insurance and patients	\$ -	\$ -	\$ -
Cash payments to employees	-	(421,977)	(849,733)
Cash payments for benefits	-	-	-
Cash payments to suppliers	(7,063,387)	(344,129)	(531,001)
Other cash receipts (payments)	6,518,081	2,303,733	1,127,229
Net cash provided by (used in) operating activities	\$ (545,306)	\$ 1,537,627	\$ (253,505)
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)	-	(600,000)	-
Net cash provided by (used in) noncapital financing activities	\$ -	\$ (600,000)	\$ -
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 payments	(149,316)	(1,417,842)	(94,924)
Net cash used in capital and related financing activities	\$ (149,316)	\$ (1,417,842)	\$ (94,924)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	\$ 3,783,573	\$ -	\$ -
Purchases of investments	(4,001,351)	-	-
Investment income	-	288,031	2,819
Other cash receipts	-	26,002	-
Net cash provided by (used in) investing activities	\$ (217,778)	\$ 314,033	\$ 2,819
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents – beginning of year	\$ (912,400)	\$ (166,182)	\$ (345,610)
Cash and cash equivalents – end of year	2,943,383	3,532,879	830,257
	\$ 2,030,983	\$ 3,366,697	\$ 484,647

See accompanying independent auditors' report.

SCHEDULE 9

UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations	Eliminations	Total
\$ 277,985,561	\$ 101,594,358	\$ 379,579,919	\$ -	\$ 379,579,919
(28,037,018)	(40,252,722)	(69,561,450)	-	(69,561,450)
(4,716,134)	-	(4,716,134)	-	(4,716,134)
(44,525,181)	(61,161,095)	(113,624,793)	-	(113,624,793)
(216,889,442)	(7,104,505)	(214,044,904)	222,577,929	8,533,025
<u>\$ (16,182,214)</u>	<u>\$ (6,923,964)</u>	<u>\$ (22,367,362)</u>	<u>\$ 222,577,929</u>	<u>\$ 200,210,567</u>
\$ 1,149,900	\$ -	\$ 1,149,900	\$ -	\$ 1,149,900
-	8,098,795	8,098,795	-	8,098,795
-	5,126,095	5,126,095	-	5,126,095
-	17,178	(582,822)	600,000	17,178
<u>\$ 1,149,900</u>	<u>\$ 13,242,068</u>	<u>\$ 13,791,968</u>	<u>\$ 600,000</u>	<u>\$ 14,391,968</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	(5,822,520)	(5,822,520)	-	(5,822,520)
-	-	-	-	-
-	(2,486,726)	(2,486,726)	-	(2,486,726)
-	-	-	-	-
(1,951,617)	(3,453,466)	(7,067,165)	817,789	(6,249,376)
<u>\$ (1,951,617)</u>	<u>\$ (11,762,712)</u>	<u>\$ (15,376,411)</u>	<u>\$ 817,789</u>	<u>\$ (14,558,622)</u>
\$ 10,146,823	\$ -	\$ 13,930,396	\$ -	\$ 13,930,396
(9,680,305)	-	(13,681,656)	-	(13,681,656)
5,469,124	73,270	5,833,244	-	5,833,244
-	-	26,002	-	26,002
<u>\$ 5,935,642</u>	<u>\$ 73,270</u>	<u>\$ 6,107,986</u>	<u>\$ -</u>	<u>\$ 6,107,986</u>
\$ (11,048,289)	\$ (5,371,338)	\$ (17,843,819)	\$ 223,995,718	\$ 206,151,899
88,952,411	19,719,255	115,978,185	-	115,978,185
<u>\$ 77,904,122</u>	<u>\$ 14,347,917</u>	<u>\$ 98,134,366</u>	<u>\$ 223,995,718</u>	<u>\$ 322,130,084</u>

THE UNIVERSITY OF NEW MEXICO

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

	UNM Rainforest Innovations	Lobo Development Corporation	Lobo Energy, Inc.
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from insurance and patients	\$ -	\$ -	\$ -
Cash payments to employees	-	(271,708)	(595,824)
Cash payments for benefits	-	-	-
Cash payments to suppliers	(5,174,880)	(620,900)	(497,803)
Other cash receipts (payments)	(1,295,594)	2,131,691	2,171,329
Net cash provided by (used in) operating activities	\$ (6,470,474)	\$ 1,239,083	\$ 1,077,702
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 payments	(158,730)	(1,350,056)	(1,139,065)
Net cash used in capital and related financing activities	\$ (158,730)	\$ (1,350,056)	\$ (1,139,065)
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	5,971
Other cash receipts	-	-	-
Net cash provided by investing activities	\$ 424,371	\$ 354,969	\$ 5,971
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents – beginning of year	\$ (6,204,833)	\$ (343,099)	\$ (55,392)
	9,148,216	3,875,978	885,649
Cash and cash equivalents – end of year	\$ 2,943,383	\$ 3,532,879	\$ 830,257

See accompanying independent auditors' report.

SCHEDULE 10

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
(22,653,189)	(36,911,613)	(60,432,334)	-	(60,432,334)
(3,493,676)	-	(3,493,676)	-	(3,493,676)
(39,347,763)	(57,588,332)	(103,229,678)	139,431	(103,090,247)
(195,543,871)	(4,976,833)	(197,513,278)	126,305,504	(71,207,774)
\$ 9,572,175	\$ (3,983,989)	\$ 1,434,497	\$ 126,444,935	\$ 127,879,432
\$ 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
\$ 28,037,723	\$ 8,874,077	\$ 36,324,705	\$ 598,660	\$ 36,923,365
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	(5,708,461)	(5,708,461)	-	(5,708,461)
-	-	-	-	-
-	(2,600,785)	(2,600,785)	-	(2,600,785)
-	(182,309)	(182,309)	-	(182,309)
(867,886)	(4,585,918)	(8,101,655)	782,463	(7,319,192)
\$ (867,886)	\$ (13,077,473)	\$ (16,593,210)	\$ 782,463	\$ (15,810,747)
\$ 7,119,949	\$ -	\$ 9,861,128	\$ -	\$ 9,861,128
(8,033,942)	-	(10,350,750)	-	(10,350,750)
100,489	-	461,429	-	461,429
11,097,623	-	11,097,623	-	11,097,623
\$ 10,284,119	\$ -	\$ 11,069,430	\$ -	\$ 11,069,430
\$ 47,026,131	\$ (8,187,385)	\$ 32,235,422	\$ 127,826,058	\$ 160,061,480
41,926,280	27,906,640	83,742,763	-	83,742,763
\$ 88,952,411	\$ 19,719,255	\$ 115,978,185	\$ 127,826,058	\$ 243,804,243

Combining Statement of Net Position as of June 30, 2023 – Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	UNM Lobo Club	The University of New Mexico Alumni Association	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 12,420,354	\$ 6,714,025	\$ 527,177	\$ 19,661,556
Short-term investments	-	-	10,067,051	10,067,051
Accounts receivable, net	1,207,721	73,277	42,981	1,323,979
Due from The University of New Mexico	-	-	-	-
Other current assets	1,111,970	5,597	22,824	1,140,391
Total current assets	\$ 14,740,045	\$ 6,792,899	\$ 10,660,033	\$ 32,192,977
Noncurrent assets				
Investments	\$ 416,704,641	\$ -	\$ -	\$ 416,704,641
Beneficial interest in irrevocable split interest agreements	19,394,660	-	-	19,394,660
Due from The University of New Mexico	-	-	-	-
Other noncurrent assets	3,693,704	-	-	3,693,704
Capital assets, net	134,462	-	-	134,462
Total noncurrent assets	\$ 439,927,467	\$ -	\$ -	\$ 439,927,467
Total assets	\$ 454,667,512	\$ 6,792,899	\$ 10,660,033	\$ 472,120,444
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 1,794,906	\$ 111,587	\$ 15,890	\$ 1,922,383
Advance funding received	441,291	-	-	441,291
Due to The University of New Mexico	3,011,861	3,081,441	-	6,093,302
Annuities payable	341,860	-	-	341,860
Other current liabilities	4,583,323	548,947	-	5,132,270
Total current liabilities	\$ 10,173,241	\$ 3,741,975	\$ 15,890	\$ 13,931,106
Noncurrent liabilities				
Due to The University of New Mexico	\$ 99,031,417	\$ -	\$ -	\$ 99,031,417
Annuities payable	1,658,386	-	-	1,658,386
Total noncurrent liabilities	\$ 100,689,803	\$ -	\$ -	\$ 100,689,803
Total liabilities	\$ 110,863,044	\$ 3,741,975	\$ 15,890	\$ 114,620,909
DEFERRED INFLOWS OF RESOURCES				
Beneficial interest in irrevocable split interest agreements	\$ 19,658,896	\$ -	\$ -	\$ 19,658,896
Unearned revenue	-	-	-	-
Total deferred inflows of resources	\$ 19,658,896	\$ -	\$ -	\$ 19,658,896
NET POSITION				
Net investment in capital assets	\$ 134,462	\$ -	\$ -	\$ 134,462
Restricted nonexpendable	296,693,590	-	-	296,693,590
Restricted expendable	19,961,617	231,718	-	20,193,335
Unrestricted	7,355,903	2,819,206	10,644,143	20,819,252
Total net position	\$ 324,145,572	\$ 3,050,924	\$ 10,644,143	\$ 337,840,639

See accompanying independent auditors' report.

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

	University of New Mexico Foundation, Inc.	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	-	-	-	-
Due from the University of New Mexico Foundation	-	250,051	-	250,051
Other current assets	892,427	6,712	36,789	935,928
Total current assets	\$ 16,793,982	\$ 6,814,987	\$ 9,944,307	\$ 33,553,276
Noncurrent assets				
Investments	\$ 353,407,891	\$ -	\$ -	\$ 353,407,891
Beneficial interest in irrevocable split interest agreements	18,719,224	-	-	18,719,224
Due from The University of New Mexico	-	-	-	-
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	\$ 6,814,987	\$ 9,944,307	\$ 410,370,156
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 1,765,772	\$ 91,496	\$ 18,773	\$ 1,876,041
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	794,721	-	8,955,830
Total current liabilities	\$ 14,179,542	\$ 3,946,843	\$ 18,773	\$ 18,145,158
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	\$ 3,946,843	\$ 18,773	\$ 84,290,108
DEFERRED INFLOWS OF RESOURCES				
Beneficial interest in irrevocable split interest agreements	\$ 18,951,584	\$ -	\$ -	\$ 18,951,584
Unearned revenue	-	-	-	-
Total deferred inflows of resources	\$ 18,951,584	\$ -	\$ -	\$ 18,951,584
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	2,868,144	9,925,534	20,048,188
Total net position	\$ 294,334,786	\$ 2,868,144	\$ 9,925,534	\$ 307,128,464

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 13

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2023 –
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	\$ 21,201,560	\$ -	\$ 6,536,414	\$ -	\$ 27,737,974
Sales and services	-	-	339,548	-	339,548
Operational support	8,750,005	-	-	-	8,750,005
Other operating revenues	307,503	-	-	598,530	906,033
Total operating revenues	\$ 30,259,068	\$ -	\$ 6,875,962	\$ 598,530	\$ 37,733,560
EXPENSES					
Operating expenses					
General and administrative	\$ 15,771,007	\$ -	\$ 444,210	\$ 314,250	\$ 16,529,467
Program expenses	-	-	6,278,557	409,950	6,688,507
Distributions to the University of New Mexico	36,208,555	-	-	-	36,208,555
Total operating expenses	\$ 51,979,562	\$ -	\$ 6,722,767	\$ 724,200	\$ 59,426,529
Net operating income (loss)	\$ (21,720,494)	\$ -	\$ 153,195	\$ (125,670)	\$ (21,692,969)
NONOPERATING REVENUES (EXPENSES)					
Investment income	\$ 24,623,240	\$ -	\$ 17,231	\$ 940,537	\$ 25,581,008
Other nonoperating revenues and expenses, net	-	-	12,354	8,709	21,063
Discontinued operations	-	-	-	-	-
Distributions to the University of New Mexico	-	-	-	(104,967)	(104,967)
Net nonoperating revenues	\$ 24,623,240	\$ -	\$ 29,585	\$ 844,279	\$ 25,497,104
Income before other revenues	\$ 2,902,746	\$ -	\$ 182,780	\$ 718,609	\$ 3,804,135
Contributions to permanent endowments	\$ 26,908,040	\$ -	\$ -	\$ -	\$ 26,908,040
Total other revenues	\$ 26,908,040	\$ -	\$ -	\$ -	\$ 26,908,040
Change in net position	\$ 29,810,786	\$ -	\$ 182,780	\$ 718,609	\$ 30,712,175
Net position at beginning of year	294,334,786	-	2,868,144	9,925,534	307,128,464
Net position at end of year	\$ 324,145,572	\$ -	\$ 3,050,924	\$ 10,644,143	\$ 337,840,639

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, 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	\$ -	\$ 6,440,883	\$ -	\$ 58,521,965
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	\$ -	\$ 6,506,074	\$ 517,366	\$ 68,204,112
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)	\$ -	\$ 692,428	\$ (216,068)	\$ (16,156,544)
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)	\$ 714,614	\$ (1,684,031)	\$ (33,055,990)
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)	\$ 714,614	\$ (1,684,031)	\$ (17,061,744)
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	\$ -	\$ 2,868,144	\$ 9,925,534	\$ 307,128,464

See accompanying independent auditors' report.

Budget Comparison – Unrestricted and Restricted – All Operations
Year Ended June 30, 2023

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable (Unfavorable)
Unrestricted and Restricted Beginning Net Position	\$ 378,884,894	\$ 517,658,999	\$ 517,658,999	\$ -
Unrestricted and Restricted Revenues:				
Tuition and Fees	\$ 209,929,073	\$ 215,927,915	\$ 223,026,246	\$ 7,098,331
Federal Government Appropriations	55,645	55,645	120,083	64,438
State Government Appropriations	412,503,283	405,449,612	404,068,674	(1,380,938)
Local Government Appropriations	9,572,160	9,572,160	10,044,536	472,376
Federal Government Contracts/Grants	330,504,794	384,614,809	272,525,579	(112,089,230)
State Government Contracts/Grants	62,870,299	177,949,555	167,904,554	(10,045,001)
Local Government Contracts/Grants	4,459,956	5,259,315	2,380,481	(2,878,834)
Private Contracts/Grants	57,426,555	59,632,420	62,295,081	2,662,661
Endowments and Private Gifts	1,147,158	1,192,150	1,249,607	57,457
Land and Permanent Fund	11,050,000	15,604,394	16,353,261	748,867
Sales and Services	559,236,295	585,251,089	567,149,423	(18,101,666)
Other	152,494,963	225,067,995	171,448,653	(53,619,342)
Total Unrestricted and Restricted Revenues	<u>\$ 1,811,250,181</u>	<u>\$ 2,085,577,059</u>	<u>\$ 1,898,566,178</u>	<u>\$ (187,010,881)</u>
Unrestricted and Restricted Expenditures:				
Instruction	\$ 319,520,549	\$ 313,033,135	\$ 286,255,097	\$ 26,778,038
Academic Support	70,661,614	71,494,592	65,666,761	5,827,831
Student Services	38,689,780	40,747,609	37,544,428	3,203,181
Institutional Support	85,789,476	87,593,648	80,271,304	7,322,344
Operations and Maintenance	46,814,667	47,990,444	49,303,365	(1,312,921)
Student Social and Cultural	9,608,058	10,662,119	9,529,579	1,132,540
Research	302,079,632	341,848,345	251,313,518	90,534,827
Public Service	537,525,493	576,160,197	526,465,887	49,694,310
Internal Services	12,268,680	12,579,033	12,678,425	4,900,608
Student Aid, Grants, and Stipends	148,603,298	231,647,811	192,657,750	38,990,061
Auxiliary Services	51,796,983	51,876,369	51,248,854	627,515
Intercollegiate Athletics	35,899,572	37,078,027	36,599,150	478,877
Independent Operations	112,031,227	115,341,365	112,218,035	3,123,330
Capital Outlay	78,724,807	97,915,045	83,543,673	14,371,372
Building Renewal and Replacement	14,481,121	14,481,121	14,184,783	296,338
Retirement of Indebtedness	36,497,996	36,945,515	36,854,912	90,603
Total Unrestricted and Restricted Expenditures	<u>\$ 1,900,992,953</u>	<u>\$ 2,092,394,375</u>	<u>\$ 1,846,335,522</u>	<u>\$ 246,058,853</u>
Net Transfers	<u>\$ 9,480,367</u>	<u>\$ (19,022,630)</u>	<u>\$ (23,424,998)</u>	<u>\$ (4,402,368)</u>
Change in Net Position (Budgetary Basis)	<u>\$ (80,262,405)</u>	<u>\$ (25,839,946)</u>	<u>\$ 28,805,658</u>	<u>\$ 54,645,604</u>
Ending Net Position	<u>\$ 298,622,489</u>	<u>\$ 491,819,053</u>	<u>\$ 546,464,657</u>	<u>\$ 54,645,604</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, 2023

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable (Unfavorable)
Unrestricted Beginning Net Position	\$ 74,343,598	\$ 113,573,517	\$ 113,573,517	\$ -
Unrestricted Revenues:				
Tuition and Fees	\$ 187,422,885	\$ 192,854,906	\$ 200,088,536	\$ 7,233,630
Federal Government Appropriations	-	-	72,737	72,737
State Government Appropriations	342,458,380	332,904,709	332,675,223	(229,486)
Local Government Appropriations	9,572,160	9,572,160	10,044,536	472,376
Federal Government Contracts/Grants	180,000	180,000	195,954	15,954
State Government Contracts/Grants	2,000	13,538	24,142	10,604
Local Government Contracts/Grants	-	-	-	-
Private Contracts/Grants	-	-	(400)	(400)
Endowments and Private Gifts	-	-	-	-
Land and Permanent Fund	11,050,000	15,604,394	16,353,261	748,867
Sales and Services	1,212,102	1,351,053	1,467,304	116,251
Other	61,657,418	64,289,461	73,202,955	8,913,494
Total Unrestricted Revenues	<u>\$ 613,554,945</u>	<u>\$ 616,770,221</u>	<u>\$ 634,124,248</u>	<u>\$ 17,354,027</u>
Unrestricted Expenditures:				
Instruction	\$ 311,006,895	\$ 301,665,284	\$ 282,899,638	\$ 18,765,646
Academic Support	69,797,730	70,654,240	65,187,318	5,466,922
Student Services	38,077,005	40,134,834	37,246,389	2,888,445
Institutional Support	85,443,213	87,247,385	80,189,136	7,058,249
Operations and Maintenance	46,792,167	47,967,944	49,303,365	(1,335,421)
Total Unrestricted Expenditures	<u>\$ 551,117,010</u>	<u>\$ 547,669,687</u>	<u>\$ 514,825,846</u>	<u>\$ 32,843,841</u>
Net Transfers	<u>\$ (63,432,163)</u>	<u>\$ (78,709,958)</u>	<u>\$ (91,555,479)</u>	<u>\$ (12,845,521)</u>
Change in Net Position (Budgetary Basis)	<u>\$ (994,228)</u>	<u>\$ (9,609,424)</u>	<u>\$ 27,742,923</u>	<u>\$ 37,352,347</u>
Ending Net Position	<u>\$ 73,349,370</u>	<u>\$ 103,964,093</u>	<u>\$ 141,316,440</u>	<u>\$ 37,352,347</u>

See accompanying independent auditors' report.

Budget Comparison - Restricted - Instruction & General
Year Ended June 30, 2023

	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	7,401,635	10,829,159	3,087,751	(7,741,408)
State Government Contracts/Grants	2,597,744	2,080,059	1,088,651	(991,408)
Local Government Contracts/Grants	99,941	50,000	-	(50,000)
Private Contracts/Grants	147,756	118,523	38,707	(79,816)
Endowments and Private Gifts	-	-	-	-
Land and Permanent Fund	-	-	-	-
Sales and Services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	<u>\$ 10,247,076</u>	<u>\$ 13,077,741</u>	<u>\$ 4,215,109</u>	<u>\$ (8,862,632)</u>
Restricted Expenditures:				
Instruction	\$ 8,513,654	\$ 11,367,851	\$ 3,355,459	\$ 8,012,392
Academic Support	863,884	840,352	479,443	360,909
Student Services	612,775	612,775	298,039	314,736
Institutional Support	346,263	346,263	82,168	264,095
Operations and Maintenance	22,500	22,500	-	22,500
Total Restricted Expenditures	<u>\$ 10,359,076</u>	<u>\$ 13,189,741</u>	<u>\$ 4,215,109</u>	<u>\$ 8,974,632</u>
Net Transfers	\$ 112,000	\$ 112,000	\$ -	\$ (112,000)
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, 2023

Total Unrestricted and Restricted Revenues:	
Budgetary Basis	\$ 1,898,566,178
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	1,426,856,268
University of New Mexico Behavioral Health Operations (amount not in budgetary basis)	80,260,957
Blended component units (amount not in budgetary basis)	421,635,521
Intercompany eliminations (amount not in budgetary basis)	(490,831,083)
Endowment fund items (amount not in budgetary basis)	20,459,138
Investment in plant items (amount not in budgetary basis)	16,233,119
Institutional fund items (amount not in budgetary basis)	(143,639,425)
Bond proceeds (amount not in financial statements)	(54,681,160)
Other	23,847,065
Total reconciling items	<u>\$ 1,300,140,400</u>
Total reconciled unrestricted and restricted revenues per budgetary basis	<u>\$ 3,198,706,578</u>
Basic Financial Statements	
Operating revenues	\$ 2,346,575,983
Nonoperating revenues	785,992,851
Nonoperating revenues netted in other nonoperating revenues and expenses	15,026,430
Capital contributions	51,111,314
Total unrestricted and restricted revenues per financial statements	<u>\$ 3,198,706,578</u>
Difference	<u>\$ -</u>
Total Unrestricted and Restricted Expenditures:	
Budgetary Basis	\$ 1,846,335,522
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	1,442,901,883
University of New Mexico Behavioral Health Operations (amount not in budgetary basis)	75,743,737
Blended component units (amount not in budgetary basis)	434,662,580
Intercompany eliminations (amount not in budgetary basis)	(482,283,689)
Endowment fund items (amount not in budgetary basis)	10,562,244
Investment in plant items (amount not in financial statements)	(975,286)
Depreciation expense (amount not in budgetary basis)	64,728,752
Institutional fund items (amount not in budgetary basis)	(150,074,148)
Capitalized expenditures (amount not in financial statements)	(65,090,550)
Bond principal payments (amount not in financial statements)	(23,279,268)
GASB 68 pension expense (amount not in budgetary basis)	(37,972,418)
GASB 75 other postemployment benefits expense (amount not in budgetary basis)	(3,309,400)
Other	(42,887,047)
Total reconciling items	<u>\$ 1,222,727,390</u>
Total reconciled unrestricted and restricted expenditures per budgetary basis	<u>\$ 3,069,062,912</u>
Basic Financial Statements	
Operating expenditures	\$ 3,032,184,451
Nonoperating expenditures	19,520,940
Nonoperating expenditures netted in other nonoperating revenues and expenses	17,357,521
Total unrestricted and restricted expenditures per financial statements	<u>\$ 3,069,062,912</u>
Difference	<u>\$ -</u>

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Collateral as of June 30, 2023 - Primary Institution

Financial Institution	Account Type	Account Name	Book Balance	Bank Balance
PNC Bank	Checking	*Lobo Development - Business Checking	\$ 3,366,697	\$ 436,710
Compass Bank	Checking	*Lobo Energy - Business Checking	484,647	252,376
		Less FDIC Insurance		(500,000)
		Uninsured Public Funds		<u>\$ 189,086</u>
Enterprise Bank	Checking	Los Alamos Campus Depository	\$ 3,622	\$ 3,622
		Less FDIC Insurance		(3,622)
		Uninsured Public Funds		<u>\$ -</u>
U.S. Bank	Checking	General Depository	\$ 11,151,748	\$ 25,070,514
		Less FDIC Insurance		(250,000)
		Uninsured Public Funds		<u>\$ 24,820,514</u>
		Collateral Requirement (50%)		<u>\$ 12,410,257</u>
		Fair Value of Collateral		<u>\$ 85,000,000</u>
		Over (Under) Collateralized		<u>\$ 72,589,743</u>
Wells Fargo	Checking	UNMH Operating Account	\$ 220,492,157	\$ 232,788,180
	Savings	UNMH Operating Account	21,980	21,980
			<u>\$ 220,514,137</u>	<u>\$ 232,810,160</u>
		Less FDIC Insurance		(250,000)
		Uninsured Public Funds		<u>\$ 232,560,160</u>
		Collateral Requirement (50%)		<u>\$ 116,280,080</u>
		Fair Value of Collateral		<u>\$ 277,657,595</u>
		Over (Under) Collateralized		<u>\$ 161,377,515</u>
	Checking	*UNMMG Operating Account	\$ 76,663,488	\$ 76,732,817
	CD	*UNMMG certificate of Deposit	486,000	486,000
	Checking	*UNMMG Cancer Center	75,000	81,292
	Checking	*UNMMG Truman RX	34,097	34,097
			<u>\$ 77,258,585</u>	<u>\$ 77,334,206</u>
		Less FDIC Insurance		(250,000)
		Uninsured Public Funds		<u>\$ 77,084,206</u>
		Collateral Requirement (50%)		<u>\$ 38,542,103</u>
		Fair Value of Collateral		<u>\$ 95,890,893</u>
		Over (Under) Collateralized		<u>\$ 57,348,790</u>
	Other	Interest-Bearing Cash Sweep (ICS)	119,840,498	119,840,498
		UNMMG Money Markets	645,537	648,931
		VEBA Trust assets held by UNM	316,820	2,513,033
		Petty Cash/Other	146,453	\$ -
		Component Unit deposits held by UNM	(5,881,592)	\$ -
		**Rainforest Innovations	2,030,983	\$ 2,127,085
		**Sandoval Regional Medical Center	14,347,917	15,573,688
			<u>\$ 131,446,616</u>	<u>\$ 140,703,235</u>
Total Cash and Cash Equivalents – Primary Institution			\$ 444,226,051	\$ 476,610,823

*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	12/8/2023	LOC	\$ 85,000,000
<i>Total Pledged Collateral</i>			<u>\$ 85,000,000</u>

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

UNM Medical Group***			
3140XDN85	5/1/2047	FNMA FNMS	\$ 75,021,599
3140F1WH1	6/1/2031	FNMA FNMS	11,175,215
3140XFSZ5	7/1/2043	FNMA FNMS	9,694,079
<i>Total Pledged Collateral</i>			<u>\$ 95,890,893</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**			
3140XCFZ6	3/1/2048	FNMA	\$ 81,717,770
3140XCTK4	7/1/2047	FNMA	119,659,634
3140XF7M7	2/1/2050	FNMA	24,037,008
3140XFSZ5	7/1/2043	FNMA	45,742,158
36179XX50	4/20/2053	GNMA	6,501,025
<i>Total Bank Of New York</i>			<u>\$ 277,657,595</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, 2023 - Discretely Presented Component Units

Financial Institution	Account Type	Account Name	Book Balance	Bank Balance	
*UNM Foundation					
Nusenda Federal Credit Union	Cash	General Fund	\$ 207,974	\$ 207,974	
		Less NCUA Insurance		(207,974)	
		Uninsured Public Funds		\$ -	
Wells Fargo Bank	Cash	UNM Foundation Operating	8,019,124	8,126,192	
	Cash	Development	4,107,713	4,049,697	
			\$ 12,126,837	\$ 12,175,889	
			Less FDIC Insurance	(250,000)	
			Uninsured Public Funds	\$ 11,925,889	
			Collateral Requirement (50%)	\$ 5,962,945	
			Fair Value of Collateral	\$ 13,728,741	
			Over (Under) Collateralized	\$ 7,765,797	
Washington Federal	Cash	UNM Foundation Operating	\$ 9,905	\$ 9,905	
		Less FDIC Insurance		(9,905)	
		Uninsured Public Funds		\$ -	
		Collateral Requirement (50%)		\$ -	
		Fair Value of Collateral		\$ -	
		Over (Under) Collateralized		\$ -	
Other		Foundation Money Market	\$ 75,638	\$ 75,638	
Total Cash and Cash Equivalents – UNM Foundation			\$ 12,420,354	\$ 12,469,406	
			**UNM Lobo Club	6,714,025	6,748,131
			**UNM Alumni Association	527,177	527,177
Total Cash and Cash Equivalents – Discretely Presented Component Units			\$ 19,661,556	\$ 19,744,714	

*Discretely Presented Component Units - Public Money Entities

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

See accompanying independent auditors' report.

SCHEDULE 18

CUSIP Identification	Maturity Date	Type of Securities	Amount
UNM Foundation			
3132DWAV5	1/1/2051	FHG-3	13,728,741
<i>Total Pledged Collateral</i>			<u>\$ 13,728,741</u>

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, 2023 - Primary Institution

Individual Deposit Accounts

Name of Bank/Broker	Account Type	Balance per Bank Statement	Reconciled Balance per Books
PNC Bank	*Lobo Development - Business Checking	Checking - Non-Interest Bearing \$ 436,710	\$ 3,366,697
PNC Bank	*Lobo Energy - Business Checking	Checking - Non-Interest Bearing 252,376	484,647
Enterprise Bank	Los Alamos Campus Depository	Checking - Interest Bearing 3,622	3,622
U.S. Bank	General Depository	Checking - Interest Bearing 25,070,514	11,151,748
Wells Fargo	UNMH Operating Account	Checking - Non-Interest Bearing 232,788,180	220,492,157
	UNMH Operating Account	Savings 21,980	21,980
	Petty Cash/Other	Cash on Hand	38,645
	*UNMMG Operating Accounting - interest bearing	Checking - Interest Bearing 76,732,817	76,663,488
	*UNMMG certificate of Deposit - interest bearing	CD 486,000	486,000
	*UNMMG Cancer Center - interest bearing	Checking - Interest Bearing 81,292	75,000
	*UNMMG Truman RX - interest bearing	Checking - Interest Bearing 34,097	34,097
Other	Interest-Bearing Cash Sweep (ICS)	Sweep 119,840,498	119,840,498
	UNMMG Money Markets	Money Market 648,931	645,537
	Component Unit deposits held by UNM	Cash on Hand	(5,881,592)
	VEBA Trust assets held by UNM	Trust 2,513,033	316,820
	Petty Cash/Other	Cash on Hand -	107,808
	**Rainforest Innovations	2,127,085	2,030,983
	**Sandoval Regional Medical Center	15,573,688	14,347,917
Total Cash and Cash Equivalents - Primary Institution		\$ 476,610,823	\$ 444,226,051

*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	\$ 409,246	\$ 409,246	
		U.S. Treasury Securities	2,490,369	2,490,369	
	VEBA Trust	Money Market	2,513,033	2,513,033	
		Mutual Funds - Fixed Income	19,052,704	19,052,704	
	Mutual Funds - Equity	39,530,842	39,530,842		
Fidelity Investments	ASM Student Portfolio Account	Savings	228,537	228,537	
		Exchange-Traded Funds	3,675,311	3,675,311	
		Equity	551,617	551,617	
Northern Trust	Consolidated Investment Fund	Money Market	25,590,591	25,590,591	
		Mutual Funds - Fixed	61,956,354	61,956,354	
		Mutual Funds - Equity	424,041,810	424,041,810	
		Real Estate Funds	12,479,200	12,479,200	
		Illiquid Real Assets	15,071,171	15,071,171	
		Private Investment Funds	141,809,669	141,809,669	
		Alternative Investments	32,933,048	32,933,048	
Societe Generale	Operating Investment Accounts	Flexible Repurchase Agreement	56,000,000	56,000,000	
US Bank	Operating Investment Accounts	Money Market	1,837,397	1,837,397	
		U.S. Treasury Securities	165,307,535	165,307,535	
		Foreign Issued	50,433,803	50,433,803	
		Corporate Bonds	117,970,495	117,970,495	
		Municipal Bonds	4,108,324	4,108,324	
	UNMH Short-Term Investment Accounts	Money Market	814,466	814,466	
	UNMH Short-Term Investment Accounts	U.S. Treasury Securities	35,767,375	35,767,375	
	*UNMMG Investment Account	U.S. Treasury Securities	13,704,760	13,704,760	
	*UNMMG Investment Account	Corporate Bonds	12,936,195	12,936,195	
	*UNMMG Investment Account	Municipal Bonds	320,703	320,703	
Wells Fargo	Bldg, Renewal & Replacement	Money Market	179,209	179,209	
		Certificate of Deposit	3,745,551	3,745,551	
		U.S. Government Agencies	4,312,499	4,312,499	
	Retirement of Indebtedness	Money Market	2,826,196	2,826,196	
		Commercial Paper	2,471,869	2,471,869	
		U.S. Treasury Securities	1,804,646	1,804,646	
	UNMH Trust Accounts (Short term)	Money Market	18,508,578	18,508,578	
	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	25,526,416	25,312,139
Less: Foundation Interest in CIF			(413,136,329)	(413,136,329)	
		**Rainforest Innovations	11,433,751	11,433,751	
		**Sandoval Regional Medical Center	15,468,034	15,468,034	
Total Investments - Primary Institution			\$ 926,393,436	\$ 926,179,159	

*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, 2023 - 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	\$ 41,555	\$ 41,555
Hilltop Securities	Charitable Trust Fund	Money Market	34,001	34,001
Morgan Stanley	Restricted Fund	Money Market	82	82
Nusenda Credit Union	General Fund	Savings	187,923	187,923
	Restricted Fund	Savings	20,051	20,051
Wells Fargo	Operating	Checking - Interest Bearing	8,126,192	8,019,124
	Development	Checking - Interest Bearing	4,049,697	4,107,713
Washington Federal	Operating	Checking - Interest Bearing	9,905	9,905
Total Cash and Cash Equivalents - UNM Foundation, Inc.			\$ 12,469,406	\$ 12,420,354
			**UNM Lobo Club	6,714,025
			**UNM Alumni Association	527,177
Total Cash and Cash Equivalents - Discretely Presented Component Units			\$ 19,710,608	\$ 19,661,556

*Discretely Presented Component Units - Public Money Entities

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

See accompanying independent auditors' report.

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	\$ 353,940	\$ 353,940
Hilltop Financial Services	Charitable Trust Fund	Domestic Corporate Stock	154,980
		Mutual Funds-Fixed	202,260
Morgan Stanley Smith Barney	UNM Foundation Inc.	Domestic Corporate Stock	75
Vanguard Investments	Operating Fund	Mutual Funds-Equity	2,354,418
Cash Value Life Insurance Policies	Nonendowed Fund	Other	502,639
CIF	Endowments	Consolidated Investment Fund	413,136,329
Total Investments - UNM Foundation, Inc.		<u>\$ 416,704,641</u>	<u>\$ 416,704,641</u>
		**UNM Alumni Association	10,067,051
Total Investments - Discretely Presented Component Units		<u>\$ 426,771,692</u>	<u>\$ 426,771,692</u>

*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, 2023

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
MAJOR PROGRAMS					
STUDENT FINANCIAL AID CLUSTER					
Department of Education					
Direct Awards					
Federal Supplemental Educational Opportunity Grants	84.007			-	2,229,484
Federal Work-Study Program	84.033			-	1,231,501
Federal Perkins Loans	84.038			-	1,529,583
Federal Pell Grant Program	84.063			-	36,000,515
Federal Direct Student Loans	84.268			-	71,439,133
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			-	73,083
		Total Department of Education Direct Awards		-	112,503,299
		Total Department of Education		-	112,503,299
Department of Health and Human Services					
Direct Awards					
Nurse Faculty Loan Program	93.264			-	652,726
Health Professions Student Loans	93.342			-	548,575
COVID-19 - Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			-	1,297,529
		Total Department of Health and Human Services Direct Awards		-	2,498,830
		Total Department of Health and Human Services		-	2,498,830
TOTAL STUDENT FINANCIAL AID CLUSTER					
				-	115,002,129
Department of Treasury					
Direct Awards					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027			-	23,576,903
		Total Department of the Treasury Direct Awards		-	23,576,903
Pass-Through Awards					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	7R212	-	360,896
		Total Department of the Treasury Pass-Through Awards		-	360,896
		Total Department of Treasury		-	23,937,799
Department of Education					
Direct Awards					
Higher Education Institutional Aid	84.031			-	3,452,999
		Total Department of Education Direct Awards		-	3,452,999
		Total Department of Education		-	3,452,999
Department of Health and Human Services					
Direct Awards					
COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498			-	32,418,893
		Total Department of Health and Human Services Direct Awards		-	32,418,893
		Total Department of Health and Human Services		-	32,418,893
TOTAL MAJOR PROGRAMS					
				-	174,811,820
NONMAJOR PROGRAMS					
CCDF CLUSTER					
Department of Health and Human Services					
Pass-Through Awards					
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	2RTP1	-	628,322
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	2RTU5	-	577,420
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	4R224	-	59,600
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	7R201	-	153,361
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	2RTH2	-	4,086
	93.575 Subtotal			-	1,422,789
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	State of New Mexico Early Childhood Education and Care Depart	2RTH2	-	6,078

THE UNIVERSITY OF NEW MEXICO

SCHEDULE 20

Schedule of Expenditures of Federal Awards					
Year Ended June 30, 2023					
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	-	480,993
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	-	2,516,447
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	-	(46,249)
	93.596 Subtotal			-	2,957,269
	Total Department of Health and Human Services Pass-Through Awards			-	4,380,058
		Total Department of Health and Human Services		-	4,380,058
TOTAL CCDF CLUSTER				-	4,380,058
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 Environmental and Conservation	2RPN2	-	7,162
		Total Environmental Protection Agency Pass-Through Awards		-	7,162
TOTAL CLEAN WATER STATE REVOLVING FUND CLUSTER				-	7,162
DRINKING WATER STATE REVOLVING FUND CLUSTER					
Environmental Protection Agency					
Pass-Through Awards					
Drinking Water State Revolving Fund	66.468	Vermont Department of Environmental Conservation	2RPX3	-	30,856
		Total Environmental Protection Agency Pass-Through Awards		-	30,856
TOTAL DRINKING WATER STATE REVOLVING FUND CLUSTER				-	30,856
ECONOMIC DEVELOPMENT CLUSTER					
Department of Commerce					
Pass-Through Awards					
Economic Adjustment Assistance	11.307	New Mexico Trade Alliance	2RTN9	-	17,171
		Total Department of Commerce Pass-Through Awards		-	17,171
TOTAL ECONOMIC DEVELOPMENT CLUSTER				-	17,171
HIGHWAY SAFETY CLUSTER					
Department of Transportation					
Direct Awards					
National Priority Safety Programs	20.616			-	197,123
		Total Department of Transportation Direct Awards		-	197,123
TOTAL HIGHWAY SAFETY CLUSTER				-	197,123
MEDICAID CLUSTER					
Department of Health and Human Services					
Direct Awards					
Medical Assistance Program	93.778			-	464,586
		Total Department of Health and Human Services Direct Awards		-	464,586
TOTAL MEDICAID CLUSTER				-	464,586
RESEARCH AND DEVELOPMENT CLUSTER					
Department of Agriculture					
Direct Awards					
Department of Agriculture	10.RD			-	7,413
Agriculture and Food Research Initiative (AFRI)	10.310			-	989,162
Cooperative Extension Service	10.500			-	5,436
Cooperative Extension Service	10.561			-	1,213,767
Forestry Research	10.652			-	222,677
Partnership Agreements	10.699			-	9,969
Research Joint Venture and Cost Reimbursable Agreements	10.707			-	24,290
		Total Department of Agriculture Direct Awards		-	2,472,714
		Total Department of Agriculture		-	2,472,714
Department of Commerce					
Direct Awards					
Marine Mammal Data Program	11.439			-	24,843
Congressionally-Identified Projects	11.617			-	71,812
		Total Department of Commerce Direct Awards		-	96,655
Pass-Through Awards					
Economic Adjustment Assistance	11.307	Albuquerque Hispano Chamber of Commerce	2RUJ9	-	26,322
		Total Department of Commerce Pass-Through Awards		-	26,322

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

				Total Department of Commerce	-	122,977
Department of Defense						
Direct Awards						
COVID-19 - Department of Defense	12.RD			-		(59)
Department of Defense	12.RD			1,165,948		3,595,860
		12.RD Subtotal		1,165,948		3,595,801
Collaborative Research and Development	12.114			-		221,839
Basic and Applied Scientific Research	12.300			892,929		3,964,278
Education	12.330			-		(99)
Scientific Research - Combating Weapons of Mass Destruction	12.351			69,681		888,110
Pest Management and Vector Control Research	12.355			-		15,987
Military Medical Research and Development	12.420			1,023,090		2,881,293
Basic Scientific Research	12.431			63,212		746,035
Research and Technical Assistance	12.615			-		160,336
Basic, Applied, and Advanced Research in Science and Engineering	12.630			-		589,918
COVID-19 - Uniformed Services University Medical Research Projects	12.750			4,824		5,391
Air Force Defense Research Sciences Program	12.800			1,371,793		5,331,681
Research and Technology Development	12.910			385,159		1,891,011
Total Department of Defense Direct Awards				4,976,636		20,291,581
Pass-Through Awards						
Department of Defense	12.RD	Applied Research Association Inc.	2RTX1	-		1,288
Department of Defense	12.RD	Applied Research Association Inc	2RUC6	-		53,973
Department of Defense	12.RD	Axient LLC	2RTX5	-		633,890
Department of Defense	12.RD	Brandywine Photonics	2RSV4	-		(5,899)
Department of Defense	12.RD	Clemson University	2RUA4	-		42,079
Department of Defense	12.RD	Hart Scientific Consulting International LLC	2RVS7	-		68,127
Department of Defense	12.RD	Leidos Inc	2RKQ6	-		(265)
Department of Defense	12.RD	Massachusetts Institute of Technology	2RTT9	-		86,551
Department of Defense	12.RD	Navarro Research & Engineering	2RWC3	-		64,056
Department of Defense	12.RD	New Mexico Military Affairs Department	2RVK1	-		4,886
Department of Defense	12.RD	New Space New Mexico	2RTJ6	-		118,566
Department of Defense	12.RD	Nexus Photonics	2RUC0	-		271,019
Department of Defense	12.RD	Stellar Science Ltd Co	2RVD2	-		25,150
Department of Defense	12.RD	Stellar Science Ltd Co	2RWB4	-		13,101
Department of Defense	12.RD	Thorlabs Inc	2RNF3	-		(663)
Department of Defense	12.RD	Utah State University Space Dynamics Laboratory	2RWF6	-		29,313
Department of Defense	12.RD	Verus Research	2RQZ0	-		18,865
Department of Defense	12.RD	Verus Research	2RTS9	-		157,396
Department of Defense	12.RD	Wyle Laboratories, Inc.	2RTX3	-		146,427
		12.RD Subtotal		-		1,727,860
Basic and Applied Scientific Research	12.300	Carnegie Mellon University	2RSU9	-		77,160
Basic and Applied Scientific Research	12.300	Clemson University	2RLF2	-		(9)
Basic and Applied Scientific Research	12.300	University of Colorado Boulder	2RVW2	-		11,024
Basic and Applied Scientific Research	12.300	University of Texas Arlington	2RLG6	-		149,994
		12.300 Subtotal		-		238,169
Basic Scientific Research	12.431	University of Missouri	2RNQ0	-		127,248
DOD, NDEP, DOTC - STEM Education Outreach Implementation	12.560	University Space Research Association	2RUW9	-		305,567
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	New Mexico Economic Development Dept	2RSS8	-		8
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Army Educational Outreach Program	2RSJ8	-		801
Basic, Applied, and Advanced Research in Science and Engineering	12.630	MSI STEM Research Development Consortium	2RVQ6	-		34,713
Basic, Applied, and Advanced Research in Science and Engineering	12.630	MSI STEM Research Development Consortium	2RVY6	-		44,094
Basic, Applied, and Advanced Research in Science and Engineering	12.630	MSI STEM Research Development Consortium	2RTZ1	-		60,281
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Rochester Institute of Technology	2RVQ3	-		1,309
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Technology Student Association	2RUP7	-		30,641
		12.630 Subtotal		-		171,839
Air Force Defense Research Sciences Program	12.800	Board of Trustees of Michigan State University	2RTN2	-		220,471
Air Force Defense Research Sciences Program	12.800	Carnegie Mellon University	2RUJ2	-		63,937
Air Force Defense Research Sciences Program	12.800	Clarkson Aerospace Corporation	2RTW2	-		143,017
Air Force Defense Research Sciences Program	12.800	NeuroGeneces	2RVN2	-		60,252
Air Force Defense Research Sciences Program	12.800	University of Illinois at Urbana-Champaign	2RUD2	-		110,782
Air Force Defense Research Sciences Program	12.800	University of Oklahoma	2RQK2	-		259,219
		12.800 Subtotal		-		857,678
Air Force Academy Athletic Programs	12.801	Prewitt Ridge Inc.	2RSV2	-		149
Research and Technology Development	12.910	Applied Research Association Inc	2RUM8	-		53,185
Research and Technology Development	12.910	Radiant Technology	2RTW9	-		59,186

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**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Research and Technology Development	12.910	Thermo Dynamic Films	2RMX7	-	11,092
Research and Technology Development	12.910	University of Southern California	2RUS8	-	125,659
	12.910 Subtotal			-	249,122
		Total Department of Defense Pass-Through Awards		-	3,677,640
		Total Department of Defense		4,976,636	23,969,221
Department of the Interior					
Direct Awards					
Department of the Interior	15.RD			-	72,201
Education Enhancements	15.151			-	376
Cultural Resources Management	15.159			-	12,412
Cultural and Paleontological Resources Management	15.224			-	115,002
Fish, Wildlife and Plant Conservation Resource Management	15.231			-	118,246
Joint Fire Science Program	15.232			-	39,763
Fish and Wildlife Coordination Act	15.517			-	193,461
Upper Colorado and San Juan River Basins Endangered Fish Recovery	15.529			35,736	135,505
SECURE Water Act - Research Agreements	15.560			-	284,827
Fish and Wildlife Coordination and Assistance	15.664			-	138,795
Cooperative Ecosystem Studies Units	15.678			-	52,574
Earthquake Hazards Program Assistance	15.807			-	30,913
Native American Graves Protection and Repatriation Act	15.922			-	9,761
American Battlefield Protection	15.926			-	5,200
Cooperative Research and Training Programs - Resources of the National Park System	15.945			27,055	449,705
National Park Service Conservation, Protection, Outreach, and Education	15.954			-	22,047
		Total Department of the Interior Direct Awards		62,791	1,680,788
Pass-Through Awards					
Department of the Interior	15.RD	GeoSystems Analysis, Inc	2RWG9	-	727
Indian Economic Development	15.032	Indian Pueblo Cultural Center	2RWD9	-	3,353
Fish and Wildlife Coordination Act	15.517	National Audubon Society Inc	2RPS1	-	14,180
Fish and Wildlife Coordination Act	15.517	Wayne State University	2RQX1	-	93,242
	15.517 Subtotal			-	107,422
Upper Colorado and San Juan River Basins Endangered Fish Recovery	15.529	Colorado State University	2RLH6	-	89,630
Wildlife Restoration and Basic Hunter Education	15.611	New Mexico Game and Fish Department	2RUV4	-	23,570
Assistance to State Water Resources Research Institutes	15.805	New Mexico State University	2RTR5	-	9,055
Assistance to State Water Resources Research Institutes	15.805	New Mexico Water Resources Research Institute	2RTV2	-	1,500
	15.805 Subtotal			-	10,555
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RPB9	-	191,096
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RSS9	-	145,747
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RTS4	-	13,693
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RTT7	15,000	29,460
	15.820 Subtotal			15,000	379,996
		Total Department of the Interior Pass-Through Awards		15,000	615,253
		Total Department of the Interior		77,791	2,296,041
Department of Justice					
Direct Awards					
Department of Justice	16.RD			-	(11,247)
COVID-19- Emergency Supplemental Funding Program	16.034			-	253,464
State Justice Statistics Program for Statistical Analysis Centers	16.550			-	105,709
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			-	705,298
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838			-	118,511
		Total Department of Justice Direct Awards		-	1,171,735
Pass-Through Awards					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Bernalillo County	2RVF3	-	49,966
		Total Department of Justice Pass-Through Awards		-	49,966
		Total Department of Justice		-	1,221,701
Department of State					
Pass-Through Awards					
Public Diplomacy Programs	19.040	Partners of the Americas Inc	2RMU4	-	(1,500)

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Schedule of Expenditures of Federal Awards				
Year Ended June 30, 2023				
Public Diplomacy Programs	19.040	Partners of the Americas Inc	2RNJ8	- 7,742
		Total Department of State Pass-Through Awards		- 6,242
		Total Department of State		- 6,242
Department of Transportation				
Direct Awards				
Department of Transportation	20.RD			9,545 57,334
Highway Training and Education	20.215			- 875
		Total Department of Transportation Direct Awards		<u>9,545 58,209</u>
Pass-Through Awards				
Department of Transportation	20.RD	Michigan Technological University	2RVQ8	- 5,630
Department of Transportation	20.RD	New Mexico Department of Transportation	2RLY9	- (36)
Department of Transportation	20.RD	New Mexico Department of Transportation	2RMM3	- 102,122
Department of Transportation	20.RD	New Mexico Department of Transportation	2RMS8	- 4,224
Department of Transportation	20.RD	New Mexico Department of Transportation	2RNT1	- (3)
Department of Transportation	20.RD	New Mexico Department of Transportation	2RPH8	- 435,190
Department of Transportation	20.RD	New Mexico Department of Transportation	2RPY0	- 56,403
	20.RD Subtotal			- 603,530
Highway Research and Development Program	20.200	Toole Design Group LLC	2RUD6	- 6,142
Highway Research and Development Program	20.200	University of Kansas Center for Research	2RSX1	- 26,413
	20.200 Subtotal			- 32,555
Railroad Research and Development	20.313	National Academy of Sciences	2RSJ7	- 17,506
University Transportation Centers Program	20.701	Louisiana State University	2RKR3	- (1,446)
University Transportation Centers Program	20.701	Louisiana State University	2RTR1	- 85,739
University Transportation Centers Program	20.701	Louisiana State University	2RUN7	- 206,426
University Transportation Centers Program	20.701	University of Colorado at Denver	2RUB9	- 1,920
	20.701 Subtotal			- 292,639
		Total Department of Transportation Pass-Through Awards		- 946,230
		Total Department of Transportation		9,545 1,004,439
National Aeronautics & Space Administration				
Direct Awards				
National Aeronautics and Space Administration	43.RD			- 62,504
Science	43.001			408,968 1,369,131
Office of Stem Engagement (OSTEM)	43.008			- 20,274
Safety, Security and Mission Services	43.009			- 500
Space Technology	43.012			- 249,227
		Total National Aeronautics & Space Administration Direct Awards		<u>408,968 1,701,636</u>
Pass-Through Awards				
National Aeronautics and Space Administration	43.RD	Intelligent Automation, Inc.	2RSJ2	- 12,645
National Aeronautics and Space Administration	43.RD	Jet Propulsion Lab	2RJ72	- 181,548
National Aeronautics and Space Administration	43.RD	New Mexico State University	2RTM6	- 14,779
National Aeronautics and Space Administration	43.RD	Space Telescope Science Institute	2RSG9	- (5,020)
National Aeronautics and Space Administration	43.RD	Space Telescope Science Institute	2RVR9	- 16,418
National Aeronautics and Space Administration	43.RD	Space Telescope Science Institute	2RVS0	- 25,767
	43.RD Subtotal			- 246,137
Science	43.001	Blue Marble Space Institute of Science	2RKW5	- (1,536)
Science	43.001	Georgetown University	2RNC1	- 82,648
Science	43.001	Georgia Institute of Technology	2RUU7	- 36,847
Science	43.001	Michigan Technological University	2RSH7	- 40,189
Science	43.001	Pennsylvania State University	2RUM2	- 29,070
Science	43.001	Smithsonian Astrophysical Observatory	2RQJ4	- (530)
Science	43.001	The University of Tennessee Knoxville	2RVN4	- 17,198
Science	43.001	University of Chicago	2RSY6	- 22,965
Science	43.001	University of Colorado	2RQX7	- 57,189
Science	43.001	University of Wisconsin	2RUM9	- 7,126
	43.001 Subtotal			- 291,166
Aeronautics	43.002	Board of Trustees of the Leland Stanford Junior University	2RQU9	- 159,179
Exploration	43.003	University of Central Florida	2RPQ6	- 31,144
Exploration	43.003	Wyle Laboratories, Inc.	2RQB0	- 1,914
	43.003 Subtotal			- 33,058
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RQF2	- (1,443)
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RQN2	- 31,040
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RTC7	- 1,209
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RVF5	- 25,000
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RSF2	- 35,825
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RVD1	- 18,333
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RVR0	- 64
	43.008 Subtotal			- 110,028
Space Technology	43.012	University of California, Santa Barbara	2RUQ1	- 31,350
Space Technology	43.012	University of Colorado	2RTV7	- 81,380

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

	43.012 Subtotal			-	112,730	
	Total National Aeronautics & Space Administration Pass-Through Awards			-	952,298	
	Total National Aeronautics & Space Administration			408,968	2,653,934	
National Endowment for the Humanities						
Direct Awards						
	Promotion of the Humanities Fellowships and Stipends	45.160		-	59,868	
	Promotion of the Humanities Research	45.161		-	48,027	
	Total National Endowment for the Humanities Direct Awards			-	107,895	
Pass-Through Awards						
	Promotion of the Humanities Research	45.161	California State University, Stanislaus	2RTV9	-	16,408
	Total National Endowment for the Humanities Pass-Through Awards				-	16,408
	Total National Endowment for the Humanities				-	124,303
National Science Foundation						
Direct Awards						
	National Science Foundation	47.RD			-	153,877
	Engineering	47.041			1,513,838	3,641,529
	COVID-19 - Engineering	47.041			-	36,042
	47.041 Subtotal				1,513,838	3,677,571
	Mathematical and Physical Sciences	47.049			1,478	2,217,229
	COVID-19 - Mathematical and Physical Sciences	47.049			-	139,303
	47.049 Subtotal				1,478	2,356,532
	Geosciences	47.050			1,483,348	3,908,933
	Computer and Information Science and Engineering	47.070			343,620	2,861,007
	Biological Sciences	47.074			136,263	5,018,619
	COVID-19 - Biological Sciences	47.074			-	12,773
	47.074 Subtotal				136,263	5,031,392
	Social, Behavioral, and Economic Sciences	47.075			-	889,633
	Education and Human Resources	47.076			-	195,044
	STEM Education (Formerly Education and Human Resources)	47.076			267,279	3,984,419
	47.076 Subtotal				267,279	4,179,463
	Polar Programs	47.078			-	190,794
	Office of International Science and Engineering	47.079			-	836,451
	Integrative Activities	47.083			2,644,019	6,267,933
	Total National Science Foundation Direct Awards				6,389,845	30,353,586
Pass-Through Awards						
	National Science Foundation	47.RD	University of Southern California	2RPT7	-	52,345
	Engineering	47.041	Trustees of Purdue University	2RKW0	-	628,492
	Engineering	47.041	University Industry Demonstration Partnership (UIDP)	2RSU5	-	56,745
	Engineering	47.041	University of Southern California	2RUB4	-	70,609
	Engineering	47.041	University of Texas Austin	2R913	-	205,466
	47.041 Subtotal				-	961,312
	Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RPD4	-	3,044
	Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RTJ8	-	18,364
	Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RTV6	-	28,180
	Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RVC2	-	29,102
	Mathematical and Physical Sciences	47.049	Cornell University	2RQZ3	-	94,207
	Mathematical and Physical Sciences	47.049	Duke University	2RMK1	-	119,545
	Mathematical and Physical Sciences	47.049	University of Colorado	2RQT3	-	458,044
	47.049 Subtotal				-	750,486
	Geosciences	47.050	Cornell University	2RKX8	-	3,375
	Geosciences	47.050	Regents of the University of Idaho	2RSR4	-	5,430
	Geosciences	47.050	University of Colorado	2RKP4	-	51,850
	Geosciences	47.050	University of Texas at El Paso	2RWB5	-	5,262
	Geosciences	47.050	University of Texas at San Antonio	2RUC7	-	29,410
	47.050 Subtotal				-	95,327
	Computer and Information Science and Engineering	47.070	Santa Fe Institute	2RSS1	-	18,104
	Computer and Information Science and Engineering	47.070	University of North Texas	2RUN9	-	128,126
	Computer and Information Science and Engineering	47.070	University of Tennessee	2RMP6	-	110,850
	Computer and Information Science and Engineering	47.070	University of Texas at El Paso	2RUA0	-	61,701
	Computer and Information Science and Engineering	47.070	University of Vermont	2RSD3	-	29,126
	47.070 Subtotal				-	347,907
	Biological Sciences	47.074	University of Colorado Boulder	2RVX5	-	12,777
	Biological Sciences	47.074	University of Washington	2RPK7	-	88,346
	Biological Sciences	47.074	Washington State University	2RMT5	-	51,280
	47.074 Subtotal				-	152,403
	Social, Behavioral, and Economic Sciences	47.075	President and Fellows of Harvard College	2RWC1	-	245
	Social, Behavioral, and Economic Sciences	47.075	Texas State University	2RVX4	-	12,318

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Schedule of Expenditures of Federal Awards					
Year Ended June 30, 2023					
	47.075	Subtotal		-	12,563
STEM Education (formerly Education and Human Resources)	47.076	Eastern Iowa Community Colleges	2RVJ4	-	11,866
STEM Education (formerly Education and Human Resources)	47.076	New Mexico State University	2RMQ3	-	74,243
STEM Education (formerly Education and Human Resources)	47.076	Pasadena City College	2RQS7	-	148,888
STEM Education (formerly Education and Human Resources)	47.076	University of Montana	2RVJ0	-	46,928
Education and Human Resources	47.076	Arizona State University	2RHY8	-	11,044
Education and Human Resources	47.076	New Mexico State University	2RWH5	-	9,691
	47.076	Subtotal		-	302,660
Polar Programs	47.078	Regents of the University of California	2RUL6	-	54,734
Integrative Activities	47.083	Brown University	2RTW3	-	127,569
Integrative Activities	47.083	Regents of the University of Idaho	2RUF3	-	169,598
Integrative Activities	47.083	University of Louisiana at Lafayette	2RTV5	-	223,379
Integrative Activities	47.083	University of Montana	2RTT8	-	15,683
Integrative Activities	47.083	University of Montana	2RWC5	-	79,224
	47.083	Subtotal		-	615,453
NSF Technology, Innovation, and Partnerships	47.084	NeuroGeneces	2RUV6	-	48,003
		Total National Science Foundation Pass-Through Awards		-	3,393,193
		Total National Science Foundation		6,389,845	33,746,779
Department of Veterans Affairs					
Direct Awards					
Department of Veterans Affairs	64.RD			-	108,998
COVID-19 - Department of Veterans Affairs	64.RD			-	20,310
		Total Department of Veterans Affairs Direct Awards		-	129,308
		Total Department of Veterans Affairs		-	129,308
Environmental Protection Agency					
Pass-Through Awards					
Regional Wetland Program Development Grants	66.461	New Mexico Environment Department	2RPX2	-	82,206
Regional Wetland Program Development Grants	66.461	New Mexico Environment Department	2RTD1	-	8,843
Regional Wetland Program Development Grants	66.461	New Mexico Environment Department	2RWA7	-	917
	66.461	Subtotal		-	91,966
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	Dine College	2RSX3	-	1,717
		Total Environmental Protection Agency Pass-Through Awards		-	93,683
		Total Environmental Protection Agency		-	93,683
Nuclear Regulatory Commission					
Direct Awards					
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008			-	37,343
		Total Nuclear Regulatory Commission Direct Awards		-	37,343
Pass-Through Awards					
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008	The University of Tennessee Knoxville	2RVN6	-	56,007
		Total Nuclear Regulatory Commission Pass-Through Awards		-	56,007
		Total Nuclear Regulatory Commission		-	93,350
Department of Energy					
Direct Awards					
Department of Energy	81.RD			-	418,539
COVID-19 - Department of Energy	81.RD			-	140,129
	81.RD	Subtotal		-	558,668
Office of Science Financial Assistance Program	81.049			355,072	1,509,236
COVID-19 - Office of Science Financial Assistance Program	81.049			-	185,709
	81.049	Subtotal		355,072	1,694,945
Renewable Energy Research and Development	81.087			-	498,124
Fossil Energy Research and Development	81.089			128,955	569,331
Stewardship Science Grant Program	81.112			-	29,865
Nuclear Energy Research, Development and Demonstration	81.121			307,387	947,282
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123			47,280	154,051
Predictive Science Academic Alliance Program	81.124			431,977	762,822
Advanced Research Projects Agency - Energy	81.135			-	152,216
		Total Department of Energy Direct Awards		1,270,671	5,367,304
Pass-Through Awards					
Department of Energy	81.RD	Batelle Memorial Institute	2RMT1	-	16,554
Department of Energy	81.RD	Batelle Memorial Institute	2RPX5	-	46,082
Department of Energy	81.RD	Batelle Memorial Institute	2RTP8	-	208,140
Department of Energy	81.RD	Board of Trustees of the Leland Standord Junior University	2RNC8	-	41,040

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Department of Energy	81.RD	Brookhaven Science Associates LLC	2RPP9	-	24,416
Department of Energy	81.RD	Brookhaven Science Associates LLC	2RVM7	-	40,833
Department of Energy	81.RD	Brookhaven Science Associates LLC	2RWJ3	-	2,742
Department of Energy	81.RD	Fermi Laboratory	2RVZ2	-	24,370
Department of Energy	81.RD	Honeywell Corporation	2RTW0	-	97,939
Department of Energy	81.RD	Honeywell Corporation	2RVZ7	-	66,855
Department of Energy	81.RD	Idaho National Laboratory	2RUL0	-	36,795
Department of Energy	81.RD	Lawrence Berkeley National Laboratory	2RQV7	-	294,728
Department of Energy	81.RD	Lawrence Berkeley National Laboratory	2RQZ1	-	414,742
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RTH5	-	22,530
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RTL7	-	202,145
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RUA7	-	35,891
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RVB0	-	59,270
Department of Energy	81.RD	Los Alamos National Laboratory	2RMW3	-	30,981
Department of Energy	81.RD	Los Alamos National Laboratory	2RPL6	-	12,652
Department of Energy	81.RD	Los Alamos National Laboratory	2RPY3	-	140,032
Department of Energy	81.RD	Los Alamos National Laboratory	2RSB5	-	279,209
Department of Energy	81.RD	Los Alamos National Laboratory	2RSQ6	-	39,969
Department of Energy	81.RD	Los Alamos National Laboratory	2RSU3	-	48,036
Department of Energy	81.RD	Los Alamos National Laboratory	2RSV7	-	30,683
Department of Energy	81.RD	Los Alamos National Laboratory	2RTD2	-	19,818
Department of Energy	81.RD	Los Alamos National Laboratory	2RTW5	-	112,158
Department of Energy	81.RD	Los Alamos National Laboratory	2RTW6	-	114,734
Department of Energy	81.RD	Los Alamos National Laboratory	2RTX4	-	30,915
Department of Energy	81.RD	Los Alamos National Laboratory	2RUD1	-	95,782
Department of Energy	81.RD	Los Alamos National Laboratory	2RUD9	-	19,353
Department of Energy	81.RD	Los Alamos National Laboratory	2RUJ7	-	5,322
Department of Energy	81.RD	Los Alamos National Laboratory	2RUL1	-	159,300
Department of Energy	81.RD	Los Alamos National Laboratory	5R164	-	15,357
Department of Energy	81.RD	Los Alamos National Laboratory	5R165	-	172,267
Department of Energy	81.RD	MIND Research Network	2RH75	-	28,064
		MSI STEM Research and Development Consortium			
Department of Energy	81.RD	Consortium	2RVH9	-	129,309
Department of Energy	81.RD	National Renewable Energy Laboratory	2RUX5	-	7,713
Department of Energy	81.RD	National Renewable Energy Laboratory	2RWB0	-	8,329
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RMV3	-	(102)
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RNZ8	-	107,624
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RPC7	-	70,952
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RPDZ	-	106,313
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RPJ1	-	26,405
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RPK0	-	61,954
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RPK4	-	50,626
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RPV7	-	7,138
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RPV8	-	21,215
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RPX4	-	258,609
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQA0	-	50,490
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQF5	-	(4,342)
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQR9	-	18,765
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQS3	-	23,301
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQU1	-	83,603
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQV3	-	81,678
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQV8	-	101,802
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQX3	-	71,399
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQY0	-	134,673
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQY2	-	100,865
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQY3	-	11,018
		National Technology & Engineering Solutions of Sandia LLC			
Department of Energy	81.RD	Sandia LLC	2RQY5	-	118,771

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Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSA8	-	12,110
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSC7	-	45,484
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSD8	-	90,970
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSF8	-	46,177
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSG5	-	85,347
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSH1	-	294
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSK9	-	111,376
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSW4	-	123,929
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSY7	-	16,866
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTB1	-	34,151
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTC3	-	5,176
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTK8	-	27,247
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTS7	-	90,298
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTT2	-	79,649
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTT3	-	54,438
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTT4	-	14,849
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTT5	-	99,912
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTU0	-	95,579
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTU1	-	43,623
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTU7	-	54,871
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUC2	-	12,603
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUC4	-	119,201
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUD8	-	65,053
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUF6	-	106,382
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUH3	-	18,092
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUH9	-	9,893
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUJ3	-	84,531
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUJ4	-	7,765
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUK3	-	74,612
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUL4	-	17,286
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUM5	-	14,329
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUN5	-	(1,050)
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUP6	-	30,551
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUP8	-	49,994
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUP9	-	13,421
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUR4	-	17,526
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUS0	-	161,058
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUS6	-	28,711
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUX2	-	59,669

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Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVH8	-	49,921
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVL5	-	75,481
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVM1	-	26,941
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVN1	-	46,607
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVN7	-	37,650
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVN9	-	56,335
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVP1	-	24,031
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVP2	-	36,441
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVP3	-	24,483
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVR8	-	61,684
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVS3	-	55,005
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVS6	-	30,205
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVT4	-	21,955
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVX0	-	33,464
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVZ1	-	30,688
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWC4	-	23,259
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWF4	-	6,842
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWG4	-	4,780
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWH2	-	2,548
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWH8	-	942
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWK3	-	10,643
Department of Energy	81.RD	NMC Inc.	2RMU1	-	61,863
Department of Energy	81.RD	NMC Inc.	2RTT0	-	(349)
Department of Energy	81.RD	NMC Inc.	2RUB1	-	15,099
Department of Energy	81.RD	NMC Inc.	2RUT7	-	184,496
Department of Energy	81.RD	NMC Inc.	2RWJ1	-	6,460
Department of Energy	81.RD	Savannah River Nuclear Solutions, LLC	2RVW3	-	118,746
	81.RD Subtotal			-	7,706,005
Office of Science Financial Assistance Program	81.049	Eastern New Mexico University	2RVM5	-	24,379
Office of Science Financial Assistance Program	81.049	North Carolina State University	2RPN5	-	233,149
Office of Science Financial Assistance Program	81.049	XUV Lasers, Inc.	2RQX4	-	7,033
	81.049 Subtotal			-	264,561
Conservation Research and Development	81.086	Lumileds	2RQN6	-	145,172
Conservation Research and Development	81.086	Pennsylvania State University	2RVB5	-	4,000
Conservation Research and Development	81.086	Washington State University	2RSB1	-	76,760
	81.086 Subtotal			-	225,932
Renewable Energy Research and Development	81.087	Osazda Energy, Inc.	2RSN1	-	(7,163)
Fossil Energy Research and Development	81.089	New Mexico Institute of Mining and Technology	2RSB2	-	3,269
Fossil Energy Research and Development	81.089	University of Central Florida	2RTS3	-	25,042
	81.089 Subtotal			-	28,311
Environmental Remediation and Waste Processing and Disposal	81.104	Florida International University	2RTS8	-	31,102
Stewardship Science Grant Program	81.112	Cornell University	2RLK8	-	89,382
Defense Nuclear Nonproliferation Research	81.113	Regents of the University of Michigan	2RPC9	-	234,479
Defense Nuclear Nonproliferation Research	81.113	University of California Berkeley	2RTT6	-	131,656
	81.113 Subtotal			-	366,135
Nuclear Energy Research, Development and Demonstration	81.121	The University of Tennessee Knoxville	2RVL3	-	21,094
Nuclear Energy Research, Development and Demonstration	81.121	Trustees of Purdue University	2RVR5	-	36,585
Nuclear Energy Research, Development and Demonstration	81.121	University of Kentucky	2RVH3	-	39,587
	81.121 Subtotal			-	97,266
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Board of Regents Nevada System of Higher Education	2RTS2	-	343,793
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Savannah River Nuclear Solutions, LLC	2RUF7	-	125,596

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Schedule of Expenditures of Federal Awards
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National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Universidad Ana G. Mendez	2RQZ4	-	162,384
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	University of Texas at El Paso	2RVN3	-	66,346
	81.123 Subtotal			-	698,119
Advanced Research Projects Agency - Energy	81.135	HyperJet Fusion Corporation	2RSG3	-	147,982
Advanced Research Projects Agency - Energy	81.135	Rensselaer Polytechnic Institute	2RMM2	-	(5,495)
Advanced Research Projects Agency - Energy	81.135	Virginia Polytechnic Institute and State University	2RTP3	-	24,960
	81.135 Subtotal			-	167,447
		Total Department of Energy Pass-Through Awards		-	9,667,097
		Total Department of Energy		1,270,671	15,034,401
Department of Education					
Direct Awards					
Overseas Programs	84.019			-	44,768
Graduate Assistance in Areas of National Need	84.200			-	39,565
Education Research, Development and Dissemination	84.305			29,146	313,663
Student Support and Academic Enrichment Program	84.424			-	(13,766)
		Total Department of Education Direct Awards		29,146	384,230
Pass-Through Awards					
Twenty-First Century Community Learning Centers	84.287	Southwest Regional Education Cooperative (SWREC)	2RVA2	-	45,569
		Total Department of Education Pass-Through Awards		-	45,569
		Total Department of Education		29,146	429,799
Department of Health and Human Services					
Direct Awards					
Department of Health & Human Services	93.RD			615,291	4,322,204
COVID-19 - Department of Health & Human Services	93.RD			-	441,042
Child Health and Human Development Extramural Research	93.RD			-	29,394
	93.RD Subtotal			615,291	4,792,640
Global AIDS	93.067			-	19,672
COVID-19 - Global AIDS	93.067			-	(318)
	93.067 Subtotal			-	19,354
Environmental Public Health and Emergency Response	93.070			-	33,724
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079			-	223,183
Blood Disorder Program: Prevention, Surveillance, and Research	93.080			-	28,303
Food and Drug Administration Research	93.103			-	9,877
Maternal and Child Health Federal Consolidated Programs	93.110			-	849,723
Environmental Health	93.113			296,952	2,665,333
COVID-19 - Environmental Health	93.113			116,768	144,644
	93.113 Subtotal			413,720	2,809,977
Oral Diseases and Disorders Research	93.121			-	348,316
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135			-	679,965
COVID-19 - Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135			-	82,023
	93.135 Subtotal			-	761,988
Injury Prevention and Control Research and State and Community Based Programs	93.136			-	646,750
Injury Prevention and Control Research and State Grants	93.136			-	6,249
	93.136 Subtotal			-	652,999
Community Programs to Improve Minority Health Grant Program	93.137			-	396,569
NIEHS Superfund Hazardous Substances - Basic Research and Education	93.143			65,622	1,680,667
HIV-Related Training and Technical Assistance	93.145			2,789,444	4,447,262
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153			-	687,510
Research Related to Deafness and Communication Disorders	93.173			135,767	683,210
Tribal Self-Governance Program: IHS Compacts/Funding Agreements	93.210			-	158,396
Telehealth Programs	93.211			-	305,195
COVID-19 - Telehealth Programs	93.211			25,000	498,492
	93.211 Subtotal			25,000	803,687
Research on Healthcare Costs, Quality and Outcomes	93.226			-	79,748
Mental Health Research Grants	93.242			304,073	3,234,262

Schedule of Expenditures of Federal Awards
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Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	-	3,567,384
COVID-19 - Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	-	124,890
93.243 Subtotal		-	3,692,274
Advanced Nursing Education Workforce Grant Program	93.247	-	642,516
Grants for Education, Prevention, and Early Detection of Radiogenic Cancers and Diseases	93.257	-	235,661
Occupational Safety and Health Program	93.262	218	24,203
Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief	93.266	-	265,721
Alcohol Research Programs	93.273	585,701	7,388,351
COVID-19 - Alcohol Research Programs	93.273	-	8,625
93.273 Subtotal		585,701	7,396,976
Drug-Free Communities Support Program Grants	93.276	-	12,989
Drug Abuse and Addiction Research Programs	93.279	1,876,991	8,174,100
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	174,517
COVID-19 - Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	(683)
93.286 Subtotal		-	173,834
Minority Health and Health Disparities Research	93.307	984,541	4,049,796
COVID-19 - Minority Health and Health Disparities Research	93.307	-	(1,311)
93.307 Subtotal		984,541	4,048,485
NIH Roadmap Initiative	93.310	-	8,917
Trans-NIH Research Support	93.310	932,946	7,150,955
COVID-19 - Trans-NIH Research Support	93.310	51,569	341,195
93.310 Subtotal		984,515	7,501,067
Emerging Infections Programs	93.317	-	3,256
COVID-19 - Emerging Infectious Programs	93.317	-	1,059
93.317 Subtotal		-	4,315
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	-	458,739
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	-	111,458
93.323 Subtotal		-	570,197
National Center for Advancing Transitional Sciences	93.350	-	4,843,287
COVID-19 - National Center for Advancing Transitional Sciences	93.350	-	11,167
93.350 Subtotal		-	4,854,454
Construction Support	93.352	-	3,734,642
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	888,816	2,593,248
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	-	367,029
Nursing Research	93.361	-	125,017
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	-	54,015
Cancer Cause and Prevention Research	93.393	1,011,880	1,852,884
Cancer Detection and Diagnosis Research	93.394	22,839	500,558
Cancer Treatment Research	93.395	198,876	1,363,729
Cancer Biology Research	93.396	-	690,221
Cancer Centers Support	93.397	439,807	3,226,874
Cancer Research Manpower	93.398	-	418,513
Cancer Control	93.399	268,211	2,119,783
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	-	671,457
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	-	40,189
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	-	39,709
Congressional Directives	93.493	-	937,648
Child Care and Development Block Grant	93.575	-	473,068
COVID -19 - Child Care and Development Block Grant	93.575	-	1,041,710
93.575 Subtotal		-	1,514,778

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University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632			-	76,950
Section 9813: State Planning Grants for Qualifying Community-Based Mobile Crisis Intervention Services	93.639			-	29,699
Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act	93.664			-	7,099
COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665			-	157,355
Child Abuse and Neglect State Grants	93.669			-	14,051
Mental and Behavioral Health Education and Training Grants	93.732			131,072	1,016,967
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	93.738			-	72,896
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757			-	290
Medical Assistance Program	93.778			-	2,287,882
Opioid STR	93.788			-	1,152,721
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829			-	22,042
Cardiovascular Diseases Research	93.837			-	596,945
Lung Diseases Research	93.838			-	789,342
COVID -19 - Lung Diseases Research	93.838			180,105	2,734,963
93.838 Subtotal				180,105	3,524,305
Blood Diseases and Resources Research	93.839			-	365,393
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840			-	509,952
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847			221,215	2,236,957
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			426,030	5,128,512
Allergy and Infectious Diseases Research	93.855			379,113	5,202,729
COVID-19 - Allergy and Infectious Diseases Research	93.855			-	409,150
93.855 Subtotal				379,113	5,611,879
Biomedical Research and Research Training	93.859			236,398	13,369,437
Emerging Infections Sentinel Networks	93.860			-	63,914
Child Health and Human Development Extramural Research	93.865			10,000	630,039
Aging Research	93.866			369,121	3,089,229
COVID-19 - Aging Research	93.866			-	32,954
93.866 Subtotal				369,121	3,122,183
Vision Research	93.867			141,186	1,268,772
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898			-	36,793
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912			-	17,637
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946			-	67,415
Block Grants for Community Mental Health Services	93.958			-	3,934
COVID-19 - Block Grants for Community Mental Health Services	93.958			-	2,225,535
93.958 Subtotal				-	2,229,469
Coal Miners Respiratory Impairment Treatment Clinics and Services	93.965			-	139,687
CDC's Collaboration with Academia to Strengthen Public Health	93.967			-	376
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981			-	42,101
Mental Health Disaster Assistance and Emergency Mental Health	93.982			-	103,702
International Research and Research Training	93.989			472,446	539,155
Maternal and Child Health Services Block Grant to the States	93.994			-	10,884
Total Department of Health and Human Services Direct Awards				14,177,998	125,001,940
Pass-Through Awards					
Human Genome Research	93.172	Armonica Technologies, LLC	2RVJ9	-	30,815
Human Genome Research	93.172	President and Fellows of Harvard College	2RMC3	-	70,921
93.172 Subtotal				-	101,736
Research Related to Deafness and Communication Disorders	93.173	University of North Carolina at Chapel Hill	2RTH1	-	27,768

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Schedule of Expenditures of Federal Awards					
Year Ended June 30, 2023					
Research and Training in Complementary and Integrative Health	93.213	Pacific University	2RNG2	-	123,685
Research and Training in Complementary and Integrative Health	93.213	The University of Tennessee Health Science Center	2RUM3	-	40,741
Research and Training in Complementary and Integrative Health	93.213	University of Washington	2RVK0	-	108,487
	93.213 Subtotal			-	272,913
Mental Health Research Grants	93.242	Kaiser Foundation Research Institute	2RSA1	-	43,652
Occupational Safety and Health Program	93.262	The Center for Construction Research and Training (CPWR)	2RVD9	-	13,762
Alcohol Research Programs	93.273	Medical University of South Carolina	2RNF7	-	30,895
Alcohol Research Programs	93.273	University of Arkansas	2RMT4	-	105,940
Alcohol Research Programs	93.273	University of North Carolina at Chapel Hill	2RPF0	-	26,342
Alcohol Research Programs	93.273	Yale University	2RVR2	-	16,586
	93.273 Subtotal			-	179,763
Drug Abuse and Addiction Research Programs	93.279	Hennepin Healthcare Research Institute	2RTP6	-	6,800
Drug Abuse and Addiction Research Programs	93.279	Loyola University Chicago	2RUU1	-	34,173
Drug Abuse and Addiction Research Programs	93.279	Texas Christian University	2RPC8	-	239,729
	93.279 Subtotal			-	280,702
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	New Mexico Department of Health	2RVG6	-	26,826
Cancer Treatment Research	93.395	Rutgers the State University	2RMR9	-	190,566
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	2RTQ2	-	53,560
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Lovelace Biomedical & Environmental Research Institute	2RUM7	-	12,498
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	State University of Iowa	2RTV8	-	31,188
	93.853 Subtotal			-	43,686
Allergy and Infectious Diseases Research	93.855	University of Colorado		-	40,394
Biomedical Research and Research Training	93.859	New Mexico INBRE	2RSW5	-	39,737
Biomedical Research and Research Training	93.859	New Mexico State University	2RNU6	-	62,171
Biomedical Research and Research Training	93.859	New Mexico State University	2RSV6	-	28,594
Biomedical Research and Research Training	93.859	New Mexico State University	2RUR8	-	14,871
Biomedical Research and Research Training	93.859	ODMR Technologies, Inc	2RTU4	-	57,285
Biomedical Research and Research Training	93.859	San Diego State University Foundation	2RNH1	-	38,685
Biomedical Research and Research Training	93.859	Trustees of the University of Pennsylvania	2RPA7	-	12,139
Biomedical Research and Research Training	93.859	University of Utah	2RSP5	-	45,915
	93.859 Subtotal			-	299,397
Aging Research	93.866	Florida State University	2RSP6	-	20,101
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	State of New Mexico Early Childhood Education and Care Depart	2RHU5	-	(1,446)
Assisted Outpatient Treatment	93.997	City of Albuquerque	2RPF7	-	28,794
Total Department of Health and Human Services Pass-Through Awards				-	1,622,174
Total Department of Health and Human Services				14,177,998	126,624,114
Department of Homeland Security					
Direct Awards					
Cooperating Technical Partners	97.045			-	240,883
Total Department of Homeland Security Direct Awards				-	240,883
Total Department of Homeland Security				-	240,883
Agency for International Development					
Direct Awards					
USAID Foreign Assistance for Programs Overseas	98.001			10,000	408,418
Agency for International Development Direct Awards				10,000	408,418
Total Agency for International Development				10,000	408,418
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				27,350,600	210,672,307
SPECIAL EDUCATION CLUSTER (IDEA)					
Department of Education					
Direct Awards					
Special Education Grants to States	84.027			-	(38,823)
Special Education Preschool Grants	84.173			-	(13,781)
Total Department of Education Direct Awards				-	(52,604)
Total Department of Education				-	(52,604)
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				-	(52,604)
TRIO CLUSTER					
Department of Education					
Direct Awards					
TRIO Student Support Services	84.042			-	1,103,596

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Schedule of Expenditures of Federal Awards			
Year Ended June 30, 2023			
TRIO Upward Bound	84.047	-	947,684
TRIO Educational Opportunity Centers	84.066	-	280,541
TRIO McNair Post-Baccalaureate Achievement	84.217	-	270,031
		Total Department of Education Direct Awards	<u>2,601,852</u>
		Total Department of Education	<u>2,601,852</u>
TOTAL TRIO CLUSTER			<u>2,601,852</u>
OTHER NONMAJOR PROGRAMS			
Department of Agriculture			
Direct Awards			
Hispanic Serving Institutions Education Grants	10.223	77,794	209,525
Cooperative Extension Service	10.500	-	21,256
		Total Department of Agriculture Direct Awards	<u>77,794</u> <u>230,781</u>
		Total Department of Agriculture	<u>77,794</u> <u>230,781</u>
Department of Defense			
Direct Awards			
Department of Defense	12.U01	-	2,976
Department of Defense	12.U02	-	8,454
		Total Department of Defense Direct Awards	<u>-</u> <u>11,430</u>
Pass-Through Awards			
CyberSecurity Core Curriculum	12.905	University of Colorado 2RSK4	- 35,437
		Total Department of Defense Pass-Through Awards	<u>-</u> <u>35,437</u>
		Total Department of Defense	<u>-</u> <u>46,867</u>
Department of Housing and Urban Development			
Direct Awards			
Mortgage Insurance Hospitals	14.128	-	174,927,206
		Total Department of Housing and Urban Development Direct Awards	<u>-</u> <u>174,927,206</u>
		Total Department of Housing and Urban Development	<u>-</u> <u>174,927,206</u>
Department of the Interior			
Direct Awards			
Department of the Interior	15.U07	-	332,375
Department of the Interior	15.U08	-	32,455
Department of the Interior	15.U09	-	2,420
Department of the Interior	15.U10	-	20,004
Department of the Interior	15.U11	-	9,402
Department of the Interior	15.U12	-	248
Department of the Interior	15.U14	-	761,398
Department of the Interior	15.U15	-	779,376
Department of the Interior	15.U16	-	425,196
		Total Department of the Interior Direct Awards	<u>-</u> <u>2,362,874</u>
		Total Department of the Interior	<u>-</u> <u>2,362,874</u>
Department of Justice			
Direct Awards			
Department of Justice	16.U11	-	4,577
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	-	153,983
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	-	77,473
Crime Victim Assistance	16.575	-	131,375
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	-	62,205
Judicial Training on Child Maltreatment for Court Personnel Juvenile Justice Programs	16.757	-	22,971
		Total Department of Justice Direct Awards	<u>-</u> <u>452,584</u>
Pass-Through Awards			
Justice Systems Response to Families	16.021	Enlace Comunitario 2RPN4	- 31,445
		Total Department of Justice Pass-Through Awards	<u>-</u> <u>31,445</u>
		Total Department of Justice	<u>-</u> <u>484,029</u>
Department of Labor			
Direct Awards			
Department of Labor	17.U12	-	(1,558)
Department of Labor	17.U13	-	66,844

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Schedule of Expenditures of Federal Awards					
Year Ended June 30, 2023					
Department of Labor	17.U14			-	24,682
		Total Department of Labor Direct Awards		-	89,968
		Total Department of Labor		-	89,968
Department of Transportation					
Direct Awards					
Highway Training and Education	20.215			-	25,143
		Total Department of Transportation Direct Awards		-	25,143
Pass-Through Awards					
Highway Planning and Construction	20.205	New Mexico Department of Transportation	2RVQ9	-	4,993
Highway Planning and Construction	20.205	New Mexico Department of Transportation	2RSY0	-	44,192
		Total Department of Transportation Pass-Through Awards		-	49,185
		Total Department of Transportation		-	74,328
Department of the Treasury					
Direct Awards					
COVID-19 - Emergency Rental Assistance Program	21.023			-	404,638
		Total Department of the Treasury Direct Awards		-	404,638
		Total Department of the Treasury		-	404,638
Library of Congress					
Direct Awards					
Library of Congress	42.U01			-	21,080
		Total Library of Congress Direct Awards		-	21,080
		Total Library of Congress		-	21,080
National Endowment for the Arts					
Direct Awards					
Promotion of the Arts Grants to Organizations and Individuals	45.024			-	15,910
		Total National Endowment for the Arts Direct Awards		-	15,910
		Total National Endowment for the Arts		-	15,910
National Endowment for the Humanities					
Direct Awards					
Promotion of the Humanities Division of Preservation and Access	45.149			-	9,574
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162			-	3,665
Promotion of the Humanities Professional Development	45.163			-	6,941
		Total National Endowment for the Humanities Direct Awards		-	20,180
Pass-Through Awards					
Promotion of the Humanities Federal/State Partnership	45.129	New Mexico Humanities Council	2RTX7	-	4,912
Promotion of the Humanities Federal/State Partnership	45.129	New Mexico Humanities Council	2RUG0	-	2,269
		Total National Endowment for the Humanities Pass-Through Awards		-	7,181
		Total National Endowment for the Humanities		-	27,361
Institute of Museum and Library Services					
Direct Awards					
Museums for America	45.301			-	41,774
National Leadership Grants	45.312			3,078	17,699
		Total Institute of Museum and Library Services Direct Awards		3,078	59,473
		Total Institute of Museum and Library Services		3,078	59,473
National Science Foundation (NSF)					
Direct Awards					
National Science Foundation	47.U01			-	(510)
		Total National Science Foundation (NSF) Direct Awards		-	(510)
		Total National Science Foundation (NSF)		-	(510)
Small Business Administration					
Direct Awards					
COVID-19 - Small Business Administration	59.075			-	182
		Total Small Business Administration Direct Awards		-	182
		Total Small Business Administration		-	182
Department of Veterans Affairs					
Direct Awards					
Department of Veterans Affairs	64.U14			-	13,802
		Total Department of Veteran Affairs Direct Awards		-	13,802
		Total Department of Veteran Affairs		-	13,802
Environmental Protection Agency					
Direct Awards					
Environmental Finance Center Grants	66.203			-	254,427

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Schedule of Expenditures of Federal Awards					
Year Ended June 30, 2023					
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water Act	66.424			690,446	1,065,880
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436			375,555	549,740
Technical Assistance for Treatment Works (Clean Water Act [CWA] Section 104(b)(8))	66.446			414,497	1,093,120
		Total Environmental Protection Agency Direct Awards		<u>1,480,498</u>	<u>2,963,167</u>
Pass-Through Awards					
Environmental Finance Center Grants	66.U15	The Cadmus Group, Inc.	2RMP9	-	106
Environmental Finance Center Grants	66.U16	The Cadmus Group, Inc.	2RMP9	-	37,582
Environmental Finance Center Grants	66.U19	PG Environmental	2RLR8	-	50,914
Environmental Protection Agency	66.U20	The Cadmus Group, Inc.	2RMP9	-	6,027
Environmental Finance Center Grants	66.U21	The Cadmus Group, Inc.	2RMP9	-	211,891
Environmental Finance Center Grants	66.U22	PG Environmental	2RVZ5	-	14,645
Environmental Finance Center Grants	66.203	California State University Sacramento	2RVX7	-	199,920
Environmental Finance Center Grants	66.203	Wichita State University	2RPS4	-	38,583
	66.203 Subtotal			-	238,503
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water Act	66.424	University of North Carolina at Chapel Hill	2RMT2	-	(1,361)
Innovative Water Infrastructure Workforce Development Program (SDWA 1459E)	66.445	Syracuse University	2RUV7	-	40,884
Innovative Water Infrastructure Workforce Development Program (SDWA 1459E)	66.445	Wichita State University	2RUS3	-	58,236
	66.445 Subtotal			-	99,120
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	Kansas State University	2RLG2	-	98,041
		Total Environmental Protection Agency Pass-Through Awards		-	755,468
		Total Environmental Protection Agency		1,480,498	3,718,635
Department of Energy					
Direct Awards					
Department of Energy	81.U22			-	29
Epidemiology and Other Health Studies Financial Assistance Program	84.108			-	5,017
		Total Department of Energy Direct Awards		-	5,046
Pass-Through Awards					
Department of Energy	81.U28	NMC Inc	2RUT7	-	270,824
Department of Energy	81.U27	National Technology & Engineering Solutions of Sandia LLC	2RNX2	-	117,833
		Total Department of Energy Pass-Through Awards		-	388,657
		Total Department of Energy		-	393,703
Department of Education					
Direct Awards					
COVID-19 - Department of Education	84.U29			-	1,649
Department of Education	84.U30			-	149,321
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	84.015			-	204,910
Undergraduate International Studies and Foreign Language Programs	84.016			12,220	101,967
Fund for the Improvement of Postsecondary Education	84.116			-	23,908
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126			-	733,820
Migrant Education High School Equivalency Program	84.141			-	431,167
Migrant Education College Assistance Migrant Program	84.149			-	500,936
Special Education - Grants for Infants and Families	84.181			-	829,262
India Education - Special Programs for Indian Children	84.299			-	(115)
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			-	236,114
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326			-	119,520
Child Care Access Means Parents in School	84.335			-	761,425
		Total Department of Education Direct Awards		12,220	4,093,884

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Pass-Through Awards					
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	4R221	-	144,645
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	5R172	-	84,071
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	5R173	-	15,901
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R203	-	(42)
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R208	-	192
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R213	-	202,668
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R215	-	15,884
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R195	-	(275)
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R197	-	(1)
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R205	-	118,373
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R207	-	15,891
	84.002 Subtotal			-	597,307
Career and Technical Education - Basic Grants to States	84.048	NM Public Education Department	4R217	-	(6,033)
Career and Technical Education - Basic Grants to States	84.048	NM Public Education Department	4R226	-	107,012
Career and Technical Education - Basic Grants to States	84.048	NM Public Education Department	6R207	-	34,012
Career and Technical Education - Basic Grants to States	84.048	NM Public Education Department	6R219	-	63,105
Career and Technical Education - Basic Grants to States	84.048	NM Public Education Department	7R216	-	39,498
	84.048 Subtotal			-	237,594
School Safety National Activities	84.184	Central Region Educational Cooperative	2RWA1	-	24,534
School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	84.184	High Plains Regional Education Cooperative	2RTR4	-	5,177
	84.184 Subtotal			-	29,711
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RSV9	-	579,923
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RSY9	-	1,031,326
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RTY5	-	126,860
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RUR5	-	293,990
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RWG1	-	71,978
	84.295 Subtotal			-	2,104,077
COVID-19 - Education Stabilization Fund	84.425 E,F,L	New Mexico Higher Education Department	2RSG2	(1,110)	224,457
COVID-19 - Education Stabilization Fund	84.425 E,F,L	New Mexico Higher Education Department	2RUZ7	-	481,262
COVID-19 - Education Stabilization Fund	84.425 E,F,L	State of New Mexico Early Childhood Education and Care Depart	2RUN8	-	76,724
	84.425 Subtotal			(1,110)	782,443
		Total Department of Education Pass-Through Awards		(1,110)	3,751,132
		Total Department of Education		11,110	7,845,016
Department of Health and Human Services					
Direct Awards					
Department of Health & Human Services	93.U30			-	211
Department of Health & Human Services	93.U31			-	172,670
Department of Health & Human Services	93.U34			-	8,443
Department of Health & Human Services	93.U36			-	5
Department of Health & Human Services	93.U40			-	(1,593)
Department of Health & Human Services	93.U42			-	1,668
Department of Health & Human Services	93.U43			-	36
Department of Health & Human Services	93.U44			-	(529)
Department of Health & Human Services	93.U45			-	17,606
Department of Health & Human Services	93.U46			-	11,537
Department of Health & Human Services	93.U47			-	10,139
Department of Health & Human Services	93.U49			-	4,990
Department of Health & Human Services	93.U50			-	603,039
Department of Health & Human Services	93.U51			-	200,450
Department of Health & Human Services	93.U52			-	600
Department of Health & Human Services	93.U53			-	571
COVID-19 - National Organizations of State and Local Officials	93.011			-	446,857
Public Health Emergency Preparedness	93.069			-	20,163
COVID-19 - Public Health Emergency Preparedness	93.069			-	302
	93.069 Subtotal			-	20,465
Area Health Education Centers	93.107			336,546	443,389
Maternal and Child Health Federal Consolidated Programs	93.110			-	423,261
Preventive Medicine Residency	93.117			-	362,696
Emergency Medical Services for Children	93.127			-	8,335
Injury Prevention and Control Research and State Grants	93.136			-	(151)

Schedule of Expenditures of Federal Awards			
Year Ended June 30, 2023			
COVID-19 - Community Programs to Improve Minority Health Grant Program	93.137	-	793,847
HIV-Related Training and Technical Assistance	93.145	-	18
Centers of Excellence	93.157	-	382,349
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	-	45,180
Advanced Nursing Education Workforce Grant Program	93.247	-	33,443
Poison Center Support and Enhancement Grant	93.253	-	120,492
Immunization Cooperative Agreements	93.268	-	105,430
COVID-19 - Immunization Cooperative Agreements	93.268	-	2,712,788
93.268 Subtotal		-	2,818,218
Emerging Infectious Programs	93.317	-	1,609,751
COVID-19 - Emerging Infectious Programs	93.317	-	9,240
93.317 Subtotal		-	1,618,991
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	-	102,750
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	-	588
93.323 Subtotal		-	103,338
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	-	101,334
Nurse Education, Practice Quality and Retention Grants	93.359	-	74,921
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	-	576,016
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	-	2,405,672
93.391 Subtotal		-	2,981,688
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	-	4,569
COVID-19 - Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	-	(1,520)
93.421 Subtotal		-	3,049
1332 State Innovation Waivers	93.423	-	864,336
Congressional Directives	93.493	-	37,426
Public Health Training Centers Program	93.516	-	390
MaryLee Allen Promoting Safe and Stable Families Program	93.556	-	(17,383)
Developmental Disabilities Basic Support and Advocacy Grants	93.630	-	206,755
University Centers for Excellence in Development Disabilities Education, Research, and Service	93.632	-	591,771
Indian Health Services Behavioral Health Programs	93.654	-	62,157
COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	-	71,854
Health Careers Opportunity Program (HCOP)	93.822	-	594,332
Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	-	16,700
Tribal Maternal, Infant, and Early Childhood Home Visiting	93.872	-	15,369
Medical Library Assistance	93.879	-	7,984
Primary Care Training and Enhancement	93.884	49,678	634,952
National Bioterrorism Hospital Preparedness Program	93.889	-	54,321
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	-	33,245
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	-	849,233
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924	-	237,404
Cooperative Agreements to Support State - Based Safe Motherhood and Infant Health Initiative Programs	93.946	-	(13,091)
Block Grants for Community Mental Health Services	93.958	-	464,833
Coal Miners Respiratory Impairment Treatment Clinics and Services	93.965	-	(19,296)
Maternal and Child Health Services Block Grant to the States	93.994	-	33,798
Total Department of Health and Human Services Direct Awards		386,224	16,538,653

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Pass-Through Awards					
Department of Health & Human Services	93.U48	New Mexico Department of Health	3RMN8	-	198,083
Immunization Cooperative Agreements	93.268	New Mexico Black Leadership Council	2RVB3	-	13,420
Immunization Cooperative Agreements	93.268	New Mexico Department of Health	2RVT7	-	55,201
	93.268 Subtotal			-	68,621
1332 State Innovation Waivers					
	93.423	New Mexico Department of Health	3RFU7	-	263,609
Every Student Succeeds Act/ Preschool Development Grants	93.434	State of New Mexico Early Childhood Education and Care Depart	2RWD5	-	7,636
Every Student Succeeds Act/ Preschool Development Grants	93.434	State of New Mexico Early Childhood Education and Care Depart	7R214	-	2,996
	93.434 Subtotal			-	10,632
Temporary Assistance for Needy Families					
Temporary Assistance for Needy Families	93.558	New Mexico Human Services Department	6R206	-	3,079
Temporary Assistance for Needy Families	93.558	New Mexico Human Services Department	6R216	-	461,081
Temporary Assistance for Needy Families	93.558	State of New Mexico Early Childhood Education and Care Depart	2RUP2	-	871,582
	93.558 Subtotal			-	1,335,742
State Court Improvement Program					
	93.586	New Mexico Administrative Office of the Courts	2RUC5	-	48,683
State Court Improvement Program	93.586	New Mexico Administrative Office of the Courts	2RVU3	-	67,089
	93.586 Subtotal			-	115,772
Maternal, Infant and Early Childhood Home Visiting Grant					
	93.870	State of New Mexico Early Childhood Education and Care Depart	2RVC7	-	301,341
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	State of New Mexico Early Childhood Education and Care Depart	2RVC6	-	206,498
	93.870 Subtotal			-	507,839
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations					
	93.898	Department of Health	UNMH	-	85,000
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	2RTD6	-	(1,794)
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	2RVL1	-	11,269
	93.898 Subtotal			-	94,475
Block Grants for Community Mental Health Services					
	93.958	BHSD	UNMH	-	975,823
Block Grants for Prevention and Treatment of Substance Abuse	93.959	BHSD	UNMH	-	69,899
Maternal and Child Health Services Block Grant to the States	93.994	Department of Health	UNMH	-	136,560
	Total Department of Health and Human Services Pass-Through Awards			-	3,777,055
	Total Department of Health and Human Services			386,224	20,315,708
Corporation for National and Community Service					
Pass-Through Awards					
AmeriCorps	94.006	Public Allies Inc	2RVF4	-	135,921
AmeriCorps	94.006	Public Allies Inc	2RVZ8	-	157,376
	Total Corporation for National and Community Service Pass-Through Awards			-	293,297
	Total Corporation for National and Community Service			-	293,297
Department of Homeland Security					
Pass-Through Awards					
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	Department of Health	UNMH	-	18,171,845
COVID - 19 Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	New Mexico Department of Homeland Security	UNMH	-	(425,355)
	Total Department of Homeland Security Pass-Through Awards			-	17,746,490
	Total Department of Homeland Security			-	17,746,490
TOTAL OTHER NONMAJOR PROGRAMS				1,958,704	229,070,838
TOTAL NONMAJOR PROGRAMS				29,309,304	447,389,349
TOTAL FEDERAL AWARDS				29,309,304	622,201,169

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

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

Federal awards revenue (per Exhibit B):		
Federal grants and contracts revenue	\$	281,633,703
Federal pell grant revenue		36,000,515
Federal COVID revenue		352,942
Federal capital grants and gifts revenue		3,815,381
Total federal awards revenue		321,802,541
Reconciling items:		
Lottery Scholarship - Federal Funding		21,105,232
NM Opportunity Scholarship - Federal Funding		536,888
Department of Housing and Urban Development loan guarantees		174,927,206
Federal Direct loans advanced to students		71,439,133
Perkins loans outstanding		1,529,583
Nurse faculty loans outstanding		652,726
Health professions student loans outstanding		548,575
Fee for service federal contract revenues - not reportable on schedule 20		(17,546,861)
Residual balances on federal grants and contracts		(2,778,973)
Federal Grant revenue reported in prior year		49,985,119
Total federal expenditures per schedule 20	\$	622,201,169

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 for the year ended June 30, 2023. 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).

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, 2023 consists of:

Federal Assistance Listing and Program Name	Outstanding Balance at June 30, 2023
84.038 - Federal Perkins Loans	\$ 730,979
93.264 - Nurse Faculty Loan Program	\$ 564,988
93.342 - Health Professions Student Loans	\$ 506,678

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, 2023, \$67,965,000 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, 2023, \$94,854,683 is outstanding and is considered subject to continuing compliance requirements under OMB Uniform Guidance.

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KPMG LLP
Two Park Square, Suite 700
6565 Americas Parkway, N.E.
Albuquerque, NM 87110-8179

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

The University of New Mexico Board of Regents
University of New Mexico
and
Mr. Joseph M. Maestas, P.E.
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 of UNM) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 21, 2023.

Our report includes a reference to other auditors who audited the departmental financial statements of UNM Hospitals and UNM Behavioral Operations, the blended component unit financial statements of UNM Medical Group, Inc., Sandoval Regional Medical Center (SRMC), UNM Rainforest Innovations, Lobo Development Corporation, and Lobo Energy, Inc., and the discretely presented component unit financial statements of UNM Lobo Club and UNM Alumni Association, 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*.

The results of our tests disclosed certain matters that are required to be reported per Section 12-6-5 NMSA 1978 that we have described in the accompanying Schedule of Section 12-6-5 NMSA 1978 Findings as items 2023-002 to 2023-006.

Management's Response to Findings

The University's responses to the findings identified in our audit are described in the accompanying Schedule of Section 12-6-5 NMSA 1978 Findings. 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.

KPMG LLP

Albuquerque, New Mexico
December 21, 2023



KPMG LLP
Two Park Square, Suite 700
6565 Americas Parkway, N.E.
Albuquerque, NM 87110-8179

Independent Auditors' Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Regents of the University of New Mexico
Mr. Joseph M. Maestas, P.E.
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, 2023. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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; 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 Auditors' 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.

Auditors' 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001, Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address the audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address the audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

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.

KPMG LLP

Albuquerque, New Mexico
December 21, 2023

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2023

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? X Yes _____ 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)?

X Yes _____ No

Identification of major federal programs:

Student Financial Aid Cluster – Various Federal Assistance Listing Numbers

Higher Education Institutional Aid – 84.031

COVID-19 – Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution – 93.498

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – 21.027

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, 2023

Section II – Basic Financial Statement Findings

None

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs

Finding Reference Number: 2023-001

Federal Agency: U.S. Department of Education (USDE)

Program Name: Student Financial Assistance Cluster

ALN: 84.268

Award Numbers: NA

Federal Award Year: 2022-23

Questioned Costs: None

Compliance Requirement: Special Tests and Provisions – Disbursements to or on Behalf of Students

Type of Finding: Significant Deficiency and Material Non-Compliance

Condition:

The University of New Mexico (UNM) has opted-in to the federal direct loan (FDL) disbursement notifications Common Originations and Disbursement online (COD) service and the majority of the spring notifications were not sent within the required timeframe. UNM was unaware the spring notifications were not sent timely.

For 40 FDL disbursements during the 2022-23 federal award year, 12 spring disbursements included in our sample were sent outside the 30-day required timeframe. All 12 of these spring notifications were sent with the correct content.

Criteria:

Per 34 CFR 668.165, when FDL are being credited to a student's account, the institution must notify the student, or parent, in writing of (1) the date and amount of the disbursement; (2) the student's right, or parent's right, to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan; and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan. Institutions that implement an affirmative confirmation process (as described in 34 CFR 668.165 (a)(6)(i)) must make this notification to the student or parent no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution with FDL.

2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Effective internal controls should include procedures to ensure that FDL notification are sent timely.

Effect:

UNM is not complying with the 30 day before/after the actual disbursement requirement for the FDL notification.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2023

Cause:

UNM did not monitor the FDL notifications at a sufficient level to determine the spring notifications were not sent timely. During the audit, UNM noted that when the university sends a COD record for one student with both fall and spring FDL amounts and fall and spring dates of disbursement, COD sends the letter within 30 days of the fall disbursement date. The notification letter includes the required content including the date and amount for both the fall and spring disbursement. The notification is not resent within 30 days of the spring disbursement date. Spring disbursements notification that are updated or are singular (there is no associated fall award) are being sent within the 30 days of the spring disbursement date.

Questioned Costs:

None

Repeat Finding:

A similar finding was not reported in the prior year audit.

Statistical Sampling:

The sample was not intended to be, and was not, a statistically valid sample.

Auditors' Recommendation:

UNM should continue discussions with COD on how to correct or implement an internal solution.

Management Response:

UNM agrees with this recommendation. UNM will implement an internal loan disbursement notification process. UNM's Financial Aid Director, is responsible for the corrective action plan, with an anticipated completion date of January 15, 2024.

THE UNIVERSITY OF NEW MEXICO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2023

2022-001. Asset Disposal – Other non-compliance as required by Section 12-6-5 NMSA 1978

Current year status - Resolved

2022-002. Asset Inventory Control - Other non-compliance as required by Section 12-6-5 NMSA 1978

Current year status - Resolved

2022-003. User Access Review - Other non-compliance as required by Section 12-6-5 NMSA 1978 – UNM Medical Group

Current year status – Modified and repeated as 2023-002.

2022-004. Controls Over Financial Close and Reporting - Other non-compliance as required by Section 12-6-5 NMSA 1978 – UNM Lobo Club

Current year status - Resolved

2022-005. Financial Close and Reporting Process - Other non-compliance as required by Section 12-6-5 NMSA 1978 at the Institution Level. Material Weakness at the Individual Component Unit Level – UNM Rainforest Innovations

Current year status - Resolved

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2023

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

2023-002 (2019-004). User Access Review (Other matter) – UNM Medical Group

Condition:

In our test work related to the controls over user access reviews, we noted for IDX that while management did ensure user accounts for employees that have separated or transferred departments were disabled, roles and permissions for active users were not reviewed.

In prior years, it had been 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 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 IDX 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.

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, a user access review should include a review over each user's roles and permissions for appropriateness and segregation of duties conflicts.

Effect:

A lack of precision over the review of users' roles and permissions within a system may lead to 1) unauthorized access to data that might result in destruction of data or improper changes to data, including the recording of unauthorized or non-existent transactions or inaccurate recording of transactions (particular risks might arise when multiple users access a common database), 2) the possibility of IT personnel gaining access privileges beyond those necessary to perform their assigned duties, thereby breaking down segregation of duties, and 3) unauthorized changes to data in master files.

Cause:

The user access review was not performed due to an overhaul of the review process during the current audit period.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2023

Auditor's Recommendation:

Management should design and implement formal procedures to perform annual reviews of the accounts with access to systems impacting financial reporting: user accounts, admin-level accounts, and service-level accounts, and access to server room. This review should include artifacts (e.g., ticket, management signoffs, user listings used in the execution of the control, report parameters used to generate user listings used in the control, etc.) noting user accounts reviewed and management's approval. The evidentiary artifacts should include instances of how management resolved instances of inappropriate access.

Management Response:

Improvements to communication between HR and IT have been implemented to ensure the timely deactivation of terminated employees. In addition, UNMMG implemented a process to perform a periodic (90-day) review and termination of any inactive IDX accounts.

We recognize the importance and need for periodic reviews and validation of user roles to ensure that users only have the access required to perform their job duties. To assist in verifying appropriate user access to IDX, UNMMG we will implement the following processes:

- 1) Create a set of standardized IDX user access roles and permissions.

Standard user roles will ensure that IDX users only have the access/permissions required to perform their daily job functions and restrict them from accessing other areas of the system and data.

- 2) Implement an annual audit of IDX users and roles and permissions.

An annual report will be provided to management teams requesting them to validate that their employees have appropriate access to the IDX system.

This review will include a validation of administrative accounts and service-level account users and permissions.

All reports created, reviewer approvals, and any requested changes to permissions will be documented and provided to UNMMG leadership for review.

The Chief Information Officer and the Chief Financial Officer will be responsible for the corrective action plan, with a completion date of March 31, 2024.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2023

2023-003. Stale Dated Checks (Other Non-compliance) – UNM Rainforest Innovations

Condition:

The Corporation had 24 checks that were over 1 year old. The total amount of the stale checks was \$24,262.17. The Corporation has not reported the payees or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

Criteria:

The Uniform Unclaimed Property Act Section 7 8A 2.A(12) Presumptions of abandonment requires nonprofits to cancel or void any checks that are unpaid for one year after it is written. The Corporation has not reported the payees or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

Effect: The Corporation is not in compliance with the Uniform Unclaimed Property Act Section 7 8A 2.A(12) Presumptions of abandonment. The Corporation's cash balance may be misstated by the amount of the stale checks.

Cause:

The Corporation did not void stale dated checks at fiscal year end and uses its outstanding check list as a mechanism to keep track of miscellaneous vendors and inventors who do not have current updated addresses. Corporation management is aware of the requirement to remit stale dated check funds to the New Mexico Taxation and Revenue Department

Auditors' Recommendation:

We recommend that the outstanding checks be voided as soon as possible and that a procedure to track and void stale dated checks be implemented. We also recommend that the Corporation remit the stale dated check funds to the New Mexico Taxation and Revenue Department.

Management Response:

UNMRI continues to work with its Agreements Section and Intellectual Property Managers to have up to date addresses for every inventor to avoid any undeliverable checks. Accounts Payable will also continue to ensure that we have current information on file. The Chief Financial Officer and Accounting Manager will review, on a monthly basis, any outstanding checks and make appropriate adjustments as necessary. This process will start with September reconciliation cycle.

The Chief Financial Officer and Accounting Manager is responsible for the corrective action plan, which has been completed.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2023

2023-004. Incorrect Accrual Balance (Other matter) – UNM Alumni Association

Condition:

The Association did not accrue accounts receivable in the amount of \$41,075 for activities related to FY 2023.

Criteria:

The COSO 2013 Internal Control Integrated Framework provides guidelines for designing and implementing a system of internal controls that incorporates five necessary components of internal controls. These five components consist of the control environment, risk assessment, control activities, information and communication, and monitoring. Good accounting practices require the Association to implement and follow sound accounting and internal control policies and procedures.

Effect:

As provided by the Association accounts receivable were understated.

Cause:

Management failed to identify items as accounts receivable at year end.

Auditors' Recommendation:

The Association should review all receipts before and after the balance sheet date to prepare an accurate and complete listing of accounts receivables.

Management Response:

UNM license plate revenues are collected monthly. However, there is a one month lag when the deposits are distributed. The Association was reconciling the deposit receipts on a monthly basis to UNM Banner systems as part of the consolidating process between the UNM agency account and the Association accounts based on the date the deposit was made, not for the timeframe the revenues were collected. The UNM Banner system was recording deposits on a cash basis versus an accrual basis, and the Association assumed these deposits were recorded on an accrual basis instead of a cash basis. This has been the historical practice for the past several years without audit findings. The Association accounting team under Fiscal Shared Services recognizes that UNM Banner deposits are accounted for on a cash basis, therefore understands that each deposit will have to be recognized in the month the revenue is collected and not the month the distribution is deposited. The Association accounting team has access to the state' license plate distribution reports, which they will use in addition to the UNM Banner deposits to appropriately record the revenue distributions in the correct fiscal year.

The Assistant Vice President for Academic Resource Management is responsible for the corrective action plan, which has been completed.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2023

2023-005. Finance personnel have access to change permissions within the accounting application (Other matter) – UNM Foundation

Condition:

The responsibility for managing, updating, and changing access permissions and rights within the Foundation's general ledger system is assigned to the Chief Financial Officer who is also a user of the general ledger system and possess certain approval rights within the system. Per review of all transactions recorded during the fiscal year we concluded that the CFO did not prepare any of the transactions during the fiscal year.

Criteria:

Per the American Institute of Certified Public Accounts (AICPA), segregation of duties is a basic building block of sustainable risk management and internal controls for a business. The principle of SOD is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks are far less manageable.

Effect:

The lack of segregation of duties between the users of the general ledger system and those with the authorization and ability to make changes to how the general ledger system operates could lead to the circumventing of internal controls in place and the recording of unauthorized and/or inappropriate activity.

Cause:

Management lacked sufficient controls in place over the segregation of duties related to the management of the general ledger system.

Auditor's Recommendation:

Policies and procedures should be revised to ensure that the ability to setup, modify, remove access permissions and other change management functions within the general ledger system are properly segregated from the Foundation's finance and accounting personnel (e.g. assigned to the Foundation's IT department). Necessary access and changes should be submitted, processed and approved via appropriate change management policies and procedures.

Management Response:

The Managing Director of Finance and Chief Financial Officer serve as the system administrators to the accounting system, specifically for the purpose of adding/removing roles to users of the accounting system. New users are added to the system by the software vendor. The Managing Director of Finance and Chief Financial Officer have always served as the system administrators to the Foundation's accounting systems including the current and prior systems due to the complexity and number of the roles structured over multiple tables in the system, and requires some level of accounting knowledge to ensure a user has the proper access. Users of the accounting system range from report users to transaction processing users. It should be noted that the number of non-finance team users far exceeds the number of finance team users, so ensuring a user has the proper role is critical. The accounting system is also a standalone system used to record accounting transactions, and it is not integrated with other Foundation systems or software programs.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2023

The adding/removing of roles for users is conducted primarily by the Managing Director of the Finance position, and backed up by the Chief Financial Officer. The Chief Financial Officer reviews the system's user activity report for any unsound changes to the Managing Director of Finance user settings and roles. Further, any changes to either of these user roles is performed by the other user, which has been rare and has only happened due to turnover in these positions. Since April 1, 2023, the Managing Director of Finance position has been vacant resulting in the Chief Financial Officer to be the sole system administrator at this time. However, as noted by the auditors, their review of transactions recorded during the fiscal year did not indicate any instances of abuse by the Chief Financial Officer during the fiscal year.

The UNM Foundation takes into full consideration and appreciates the auditor's recommendation to move this responsibility to the Foundation's IT department. However, due to the mentioned reasons above of why the Managing Director of Finance and Chief Financial Officer manage the user roles in the finance system, we don't believe this would be the most effective way to ensure users have the proper access to the accounting system. We do believe that we should move the review of the user roles that is performed by the Chief Financial Officer to the IT department, so that the review is independent and includes a review of both system administrators. This change is also more cost beneficial to the organization as it would require minimal training to the IT department and/or no need to hire an IT professional who has some accounting knowledge to support assigning user roles in the accounting system. The Chief Financial Officer will ensure these changes are implemented by December 31, 2023.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2023

2023-006. Overstatement of amounts due to the University of New Mexico (Other matter) – UNM Foundation

Condition:

The Foundation has a Treasury Management Agreement wherein certain UNM owned assets are held and managed by the Foundation. These assets are reported on the books of the Foundation as an investment along with an equal offsetting amount recorded as a payable due to UNM. When the fair value of the total Foundation reported investments changes an adjustment is recorded via unrealized gain/loss. Subsequently, the portion of the unrealized gain/loss associated with the UNM owned assets is reversed via an offsetting entry to the payable due to UNM.

As part of current year audit testwork, we noted that unrealized gain/loss was not consistent with expectations. Upon further investigation it was determined that management incorrectly recorded the year-end adjustment to the portion of the unrealized gain/loss associated with the UNM owned assets. The debits and credits for this adjustment were reversed.

Criteria:

In accordance with the COSO Internal Control Framework – 2013, control activities are the actions established through policies and procedures that help ensure that management’s directives to mitigate risks to the achievement of objectives associated with the entity’s operations, reporting, and compliance are carried out. Control activities are performed at all levels of the entity, at various stages within business processes. They may be preventive or detective in nature and may encompass a range of manual and automated activities.

Effect:

The investment income of the Foundation was understated by \$4.9 million associated with unrealized gain/loss, and the payable due to UNM was overstated by the same amount.

Cause:

Management incorrectly accounted for certain of the transactions associated with the Treasury Operating Agreement and internal controls failed to identify the resulting error.

Auditor’s Recommendation:

Policies and procedures should be revised to ensure transactions related to the Treasury Management Agreement, and in particular the transactions related to the recording of unrealized gain/losses and the payable due to UNM are sufficiently reviewed and reconciled back to the Foundation’s books and records.

Management Response:

The year-end entries involve two (2) transactions that are recorded annually to true up the amounts Due to UNM based on the investment activities of two (2) gift funds. These entries are recorded annually at June 30th to true up the Due to UNM balances, and reversed subsequently on July 1. It was an oversight during management’s review to ensure the transactions were recorded correctly as a debit and credit. We will ensure the finance staff are trained on proper recording and reviewing of these annual entries, including the current vacant finance staff positions. Of the two (2) vacant finance positions, one is the Director of Finance Position that has been vacant

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2023

since April 1, 2023, and is highly involved in reconciling and reviewing transactions and balances of the gift funds. The Chief Financial Officer will ensure the updated training of the finance staff is completed by December 31, 2023.

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THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Revenues for the year ended June 30, 2023 — University Only Unaudited

	Tuition and fees	Net patient service	Grants and contracts	Sales, services, and auxiliary enterprises
Revenues	\$ 110,120,466	\$ 1,651,779,834	\$ 485,673,583	\$ 139,642,275
Excluded Revenues:				
State appropriations	-	-	-	-
Local appropriations	-	-	-	-
Distributions to UNM from UNMMG	-	(200,757,851)	-	-
Distributions to UNM from SRMC	-	(1,015,296)	-	-
Restricted funds	19,123,172	-	-	9,547,632
Federal grants & contracts	-	-	302,844,018	-
State grants & contracts	-	-	143,468,022	-
Nongovernmental grants & contracts	-	-	35,921,527	-
Facilities and administrative cost recovery	-	-	(61,770,545)	-
University of New Mexico Hospital (Hospital)	-	1,263,891,258	1,809,284	-
University of New Mexico Behavioral Health Operations (BHO)	-	42,895,023	3,300,080	-
Blended component units	-	342,294,058	2,173,131	51,143,116
Total Excluded Revenues	<u>\$ 19,123,172</u>	<u>\$ 1,447,307,192</u>	<u>\$ 427,745,516</u>	<u>\$ 60,690,748</u>
Pledged Revenues	<u>\$ 90,997,294</u>	<u>\$ 204,472,642</u>	<u>\$ 57,928,067</u>	<u>\$ 78,951,527</u>

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

Pledged Revenues	\$ 622,275,920
Less FY23 debt service for the University:	
University's interest payments on debts	9,192,361
University's principal repayments on debts	23,930,000
	<u>33,122,361</u>
Excess of pledged revenues over debt service	<u>\$ 589,153,559</u>
University's future average annual debt service through year ended June 30, 2053	\$ 16,903,153
University's future highest annual debt service year ended June 30, 2026	\$ 38,194,930

See accompanying independent auditors' report.

SCHEDULE 21

State and local appropriations	County mill levies	Investments	Capital	Gifts	Other	Total
\$ 414,605,700	\$ 128,748,434	\$ 60,283,527	\$ 51,111,314	\$ 41,008,943	\$ 150,691,191	\$ 3,233,665,267
386,434,874	-	-	-	-	-	386,434,874
10,291,752	-	-	-	-	-	10,291,752
-	-	-	-	-	-	(200,757,851)
-	-	-	-	-	-	(1,015,296)
-	-	1,535,099	44,546,515	-	245,809	74,998,227
-	-	-	-	-	-	302,844,018
-	-	-	-	-	-	143,468,022
-	-	-	-	-	-	35,921,527
-	-	-	-	-	-	(61,770,545)
7,408,800	102,552,193	2,636,914	-	5,110,819	37,965,787	1,421,375,055
9,320,374	18,097,446	-	6,564,799	25,425	(206,982)	79,996,165
1,149,900	8,098,795	1,632,276	-	17,178	13,094,946	419,603,400
\$ 414,605,700	\$ 128,748,434	\$ 5,804,289	\$ 51,111,314	\$ 5,153,422	\$ 51,099,560	\$ 2,611,389,347
\$ -	\$ -	\$ 54,479,238	\$ -	\$ 35,855,521	\$ 99,591,631	\$ 622,275,920

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EXIT CONFERENCE

June 30, 2023

The financial statements were prepared by the financial officials of the University of New Mexico. An exit conference was conducted on October 26, 2023, in which the contents of this report were discussed with the following:

UNIVERSITY OF NEW MEXICO

Jack Fortner	Chair, UNM Board of Regents Audit Committee
Paula Tackett	Vice Chair, UNM Board of Regents Audit Committee
Kim Rael	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
Joseph Wrobel	Chief Budget and Facilities Officer, HSC
Jason Galloway	Chief Financial Services Officer, HSC
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

KPMG LLP

John Kennedy	Partner
John Bunnell	Senior Manager

MOSS ADAMS LLP

Josh Lewis	Partner
Lauren Kistin	Senior Manger
Sujan Bhandari	Senior Manger

CARR, RIGGS & INGRAM, LLC

Alan Bowers	Partner
Paul Garcia	Senior Manger