

AUDIT REPORT 2024

July 1, 2023 - June 30, 2024



THE UNIVERSITY OF NEW MEXICO

June 30, 2024

TABLE OF CONTENTS

	Exhibit	Page
Board of Regents and Principal Officers		2
Report of Independent Auditors		3 - 6
Management's Discussion and Analysis (unaudited)		7 - 26

BASIC FINANCIAL STATEMENTS

Statements of Net Position	A	28 - 30
Statements of Revenues, Expenses, and Changes in Net Position	B	31 - 32
Statements of Cash Flows	C	33 - 34
Statements of Fiduciary Net Position – University of New Mexico Retiree Welfare Benefit Trust	D	35
Statements of Changes in Fiduciary Net Position – University of New Mexico Retiree Welfare Benefit Trust	E	36
Notes to the Basic Financial Statements		37 - 111

REQUIRED SUPPLEMENTAL INFORMATION (unaudited)

	Schedule	
Schedule of Proportionate Share of Net Pension Liability and Employer Contributions	1	112 - 113
Schedule of Changes in the University's Net OPEB Liability and Related Ratios	2	114 - 115
Schedule of University Contributions	3	116 - 117
Schedule of Investment Returns	4	118 - 119

SUPPLEMENTAL INFORMATION

Combining Statements of Net Position – Blended Component Units	5 - 6	120 - 121
Combining Statements of Revenues, Expenses, and Changes in Net Position – Blended Component Units	7 - 8	122 - 123
Combining Statements of Cash Flows – Blended Component Units	9 - 10	124 - 127
Combining Statements of Net Position – Discretely Presented Component Units	11 - 12	128 - 129
Combining Statements of Revenues, Expenses, and Changes in Net Position – Discretely Presented Component Units	13 - 14	130 - 131
Budgetary Comparison Schedules	15 - 17	132 - 135
Schedule of Pledged Collateral	18	136 - 139
Schedule of Individual Deposit and Investment Accounts	19	140 - 143

SINGLE AUDIT INFORMATION

Schedule of Expenditures of Federal Awards	20	144 - 164
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		166 - 167
Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance		168 - 170
Schedule of Findings and Questioned Costs		171 - 174
Summary Schedule of Prior Audit Findings		175 - 176

OTHER INFORMATION

Schedule of Section 12-6-5 NMSA 1978 Findings		177 - 185
Schedule of Pledged Revenues – University Only (unaudited)	21	187 - 188
Exit Conference		189

Cover photo: University of New Mexico, main campus

THE UNIVERSITY OF NEW MEXICO

June 30, 2024

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
Victor Reyes	Student Member	12/31/2024

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
Leslie McFadden	President, UNM Retiree Association
Felicia Finston	Chair, UNM Foundation
Heather Bratton	President, UNM Parent & Family Association

Principal Administrative Officials

University

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

UNM Hospitals

Kate Becker	Chief Executive Officer
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Principal Financial Officials

Main Campus

Norma Allen	University Controller
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Health Sciences Center

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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Independent Auditors' Report

The University of New Mexico 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, the fiduciary activities, and the aggregate discretely presented component units of the University of New Mexico (the University or UNM), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements for the years then ended as listed in the table of contents. We also have audited the budgetary comparison schedules (Schedules 15 through 17) presented as supplementary information, for the year ended June 30, 2024, 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, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles. In addition, in our opinion, the accompanying budgetary comparison schedules (Schedules 15 through 17) referred to above presents fairly, in all material respects, the respective budgetary comparison for the year ended June 30, 2024, in accordance with U.S. generally accepted accounting principles.

We did not audit the following entities and departments:

- UNM Hospital, UNM Behavioral Health Operations, UNM Medical Group Inc., UNM Rainforest Innovations, Lobo Development Corporation, and Lobo Energy, Inc., which represent 49% and 45%, respectively, of the total assets of the business-type activities as of June 30, 2024 and 2023, and 61% and 61%, respectively, of the total revenues for the years then ended.
- UNM Lobo Club and UNM Alumni Association, which represent 4% and 4%, respectively, of the total assets of the aggregate discretely presented component units as of June 30, 2024 and 2023, and 10% and 13%, respectively, of the total revenues for the years ended.

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 the entities and departments indicated above, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 Matter

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 business-type activities, each major fund, the fiduciary activities, and the aggregate discretely presented component units 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, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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.

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 the management's discussion and analysis, schedule of proportionate share of net pension liability and employer contributions (Schedule 1), schedule of changes in the University's net OPEB liability and related ratios (Schedule 2), schedule of University contributions (Schedule 3) and schedule of investment returns (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 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 audits 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedule of expenditures of federal awards (Schedule 20), as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, blended and discretely presented component unit combining schedules (Schedules 5 through 14), schedule of pledged collateral (Schedule 18), and schedule of individual deposit and investment accounts (Schedule 19) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of pledged 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 audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024 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

Austin, Texas
October 28, 2024

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

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, 2024, 2023, and 2022. 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 2024, 2023, and 2022. The primary institution includes two clinical units and five blended components. The clinical units are UNM Hospital (Hospital) and UNM Behavioral Health Operations (BHO). The blended components are Lobo Development Corporation (Lobo Development); Lobo Energy, Incorporated (Lobo Energy); UNM Rainforest Innovations (Rainforest); UNM Sandoval Regional Medical Center, Inc. (SRMC); and UNM Medical Group, Inc. (UNMMG). Effective January 1, 2024, the Hospital recognized the acquisition of SRMC, under a zero dollar purchase agreement. SRMC ceased to be a separate legal entity and became known as UNM Sandoval Regional Medical Center, a Campus of UNM Hospital (Sandoval Campus) and is operated as a site of the Hospital. In accordance with Governmental Accounting Standards Board (GASB) Statement 69, *Government Combinations and Disposals of Government Operations*, the Hospital's results of operations include the full year ended June 30, 2024 of the Sandoval Campus. 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

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

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.

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, 2024, 2023, and 2022 is as follows:

	2024	2023	2022
Assets			
Current assets	\$ 1,580,523,140	\$ 1,302,733,625	\$ 1,359,184,106
Capital assets, net	1,953,299,550	1,796,513,343	1,530,236,881
Other noncurrent assets	787,319,897	767,836,124	796,249,769
Total assets	\$ 4,321,142,587	\$ 3,867,083,092	\$ 3,685,670,756
Deferred Outflows of Resources	\$ 222,822,532	\$ 417,608,801	\$ 958,060,366
Liabilities			
Current liabilities	\$ 667,901,026	\$ 565,147,618	\$ 597,951,838
Noncurrent liabilities	2,261,131,496	2,194,200,922	1,857,109,205
Total liabilities	\$ 2,929,032,522	\$ 2,759,348,540	\$ 2,455,061,043
Deferred Inflows of Resources	\$ 309,486,913	\$ 857,205,877	\$ 1,650,176,269
Net Position			
Net investment in capital assets	\$ 1,243,990,908	\$ 1,156,050,064	\$ 993,638,442
Restricted - nonexpendable	174,273,283	157,607,006	150,615,863
Restricted - expendable	170,287,353	94,946,171	84,206,103
Unrestricted	(283,105,860)	(740,465,765)	(689,966,598)
Total net position	\$ 1,305,445,684	\$ 668,137,476	\$ 538,493,810

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

THE UNIVERSITY OF NEW MEXICO

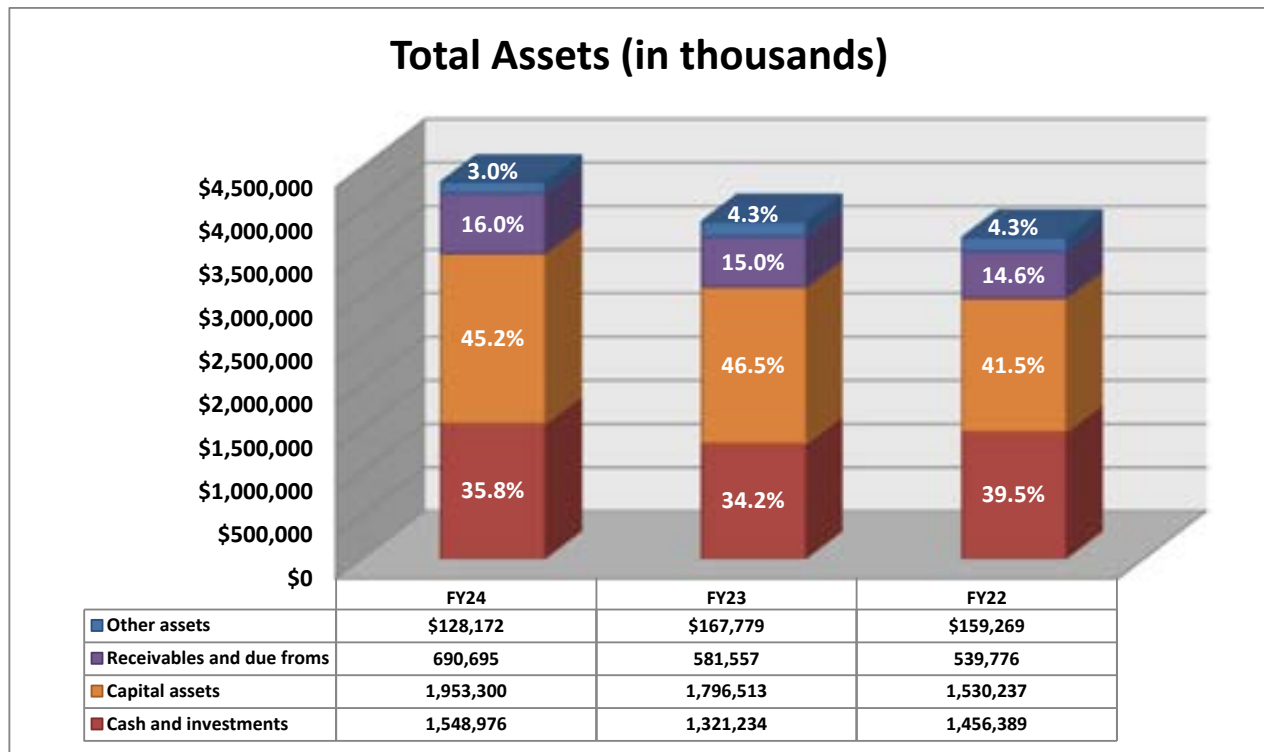
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

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, right to use assets, due from component units, and capital assets, net of accumulated depreciation.

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



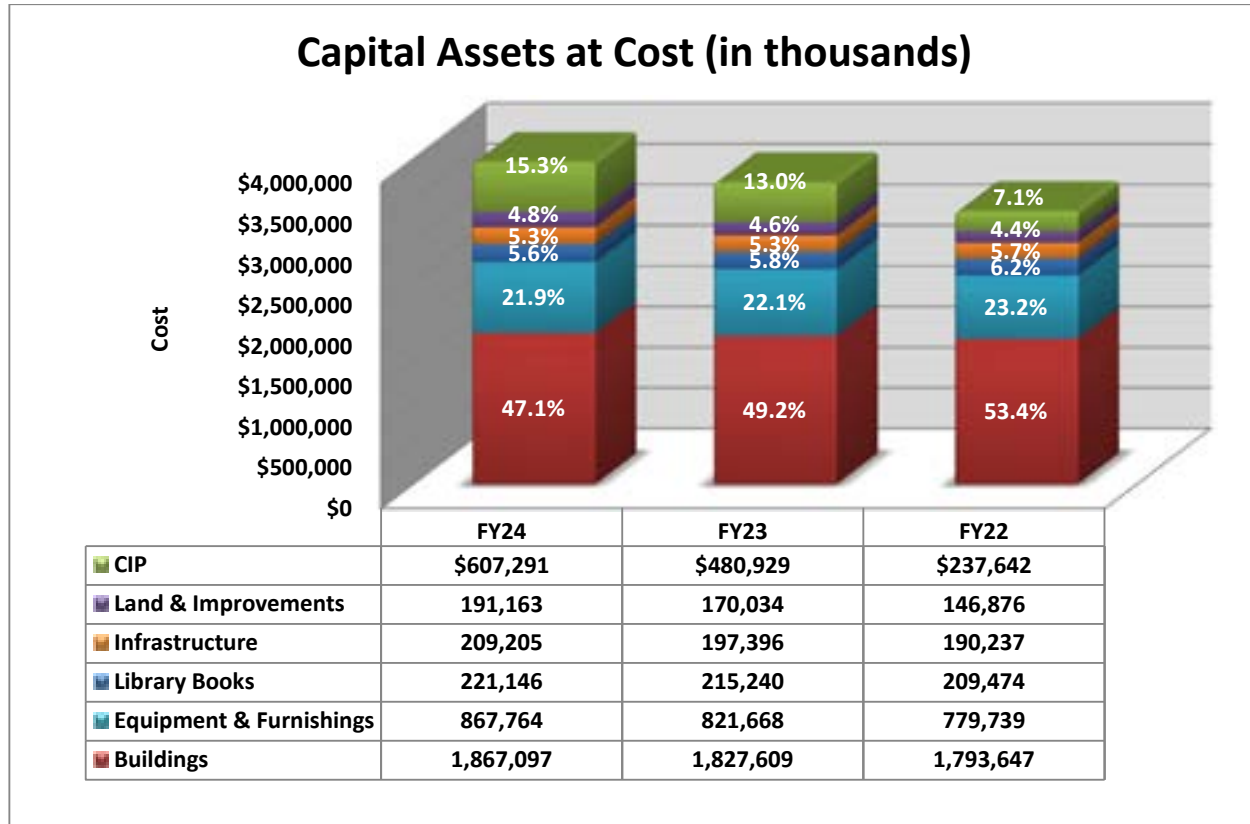
Total assets increased by \$454.1 million from FY23 to FY24, compared to an increase of \$181.4 million from FY22 to FY23. The significant increase for FY24 is primarily attributable to a rise in cash and cash equivalents, which increased by \$215.5 million, and an increase in capital assets of \$156.8 million. The increase in cash and cash equivalents is largely driven by \$39 million in new appropriation funding for capital projects in FY24, along with an increase in net patient service revenue of \$167.3 million. The increase in capital assets was primarily due to the ongoing construction of the new Critical Care Tower. This project, classified under Construction in Progress (CIP), is scheduled for completion by June 30, 2025.

The increase in total assets from FY22 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 Hospital expending \$121.8 million for construction of the Critical Care Tower. This is the most significant project in the Hospital's construction in-progress balance, which increased by \$239.0 million and was largely responsible for the overall increase in capital assets.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2024

Capital Assets and Commitments:



Capital assets are the largest category of noncurrent assets and are shown net of accumulated depreciation, at \$2.0 billion, \$1.8 billion, and \$1.5 billion as of June 30, 2024, 2023, and 2022, respectively. During FY24, the largest increase within capital assets for the University was CIP, which increased by \$126.4M and is primarily related to the construction of the Critical Care Tower. The second largest increase for UNM was Equipment & Furnishings which increased by \$46.1M which was part of general operations with no individually specific additions. The third largest increase was Buildings which increased by \$39.5M which is primarily driven by buildings being placed into service, namely UNM Center of Excellence, Lobo Welcome Center and L.F. “TOW” Diehm Athletic Complex.

During FY23, the largest increase within capital assets for the University was 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 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.

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

- Critical Care Tower - 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

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

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.

- **Center for Collaborative Arts and Technology (CCAT)** - The project is new construction for the College of Fine Arts (CFA) and will be located on the UNM Central Campus to the south of Johnson Field. It will contain approximately 59,000 SF including a 600-seat concert hall for music, opera, film, and lecture and stage-level support spaces. Also included is flexible indoor performance space, a 50-seat classroom, and an art gallery for students and faculty, as well as the new home to the CFA's art, research, technology & science lab. A soundstage will also be included for film and digital arts. The project will obtain a LEED Silver V.4 certification and meet or exceed all state requirements. The approved total project budget for phase 1 is \$82,135,428. Construction is scheduled to start in mid-October 2024 with a two-year construction period.
- **UNM Police Headquarters** - Located at the intersection of University Boulevard and Mesa Vista Road, on the northwest corner of UNM's main campus, the new UNM Police Department Headquarters will serve as a welcoming and secure gateway to campus for the entire UNM community. The new building is designed as a highly functional facility that celebrates and strengthens the architectural legacy of the University's campus while embracing the future. The new UNM Police Department Headquarters is a 2-story, 16,500 SF facility that contains a community room, fitness room, squad room, dispatch, administrative areas, staff lounge, interview rooms, booking and holding cells, and ample evidence storage. The project will obtain LEED Silver V4.1 certification. The total project budget is \$17,000,000 with construction scheduled to start in March 2025 with a 13-month construction duration.

Debt Activity: Bonds payable totaled \$414.8 million, \$448.1 million, and \$423.7 million at June 30, 2024, 2023, and 2022, respectively. The current portion of this debt was \$32.7 million, \$31.0 million, and \$30.2 million at June 30, 2024, 2023, and 2022, 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, 2024, 2023, and 2022 Single Audit.

On September 9, 2021, the Hospital closed on a mortgage loan to partially finance the construction of the Critical Care 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, 2024, 2023 and 2022, the Hospital drew down \$110.4 million, \$114.8 million and \$51.7 million and incurred interest of \$7.3 million, \$3.5 million and \$0.9 million, respectively. The Hospital had a mortgage liability of \$365.8 million, \$261.4 million and \$152.4 million at June 30, 2024, 2023 and 2022, respectively. The current portion of mortgage liability was \$12.4 million, \$5.9 million and \$5.8 million at June 30, 2024, 2023, and 2022, respectively.

In July 2020, the Sandoval Campus, entered into an agreement and mortgage to refinance Sandoval Campus's mortgage from an APR of 4.86% to an APR of 1.98%. In connection with the mortgage

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

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. Sandoval Campus was released from all obligations related to the bonds at that time. The Medical Center had mortgage liability of \$88.9 million, \$94.9 million, \$100.7 million at June 30, 2024, 2023, and 2022, respectively. The current portion of mortgage liability was \$6.1 million, \$5.9 million, and \$5.8 million at June 30, 2024, 2023 and 2022, respectively.

Deferred Outflows of Resources

Deferred outflows of resources decreased by \$194.8 million from FY23 to FY24 and decreased by \$540.5 million from FY22 to FY23. The most significant deferred outflow of resources is related to pensions. The amount recognized as a deferred outflow of resources related to pensions was \$158.5 million, \$373.8 million, and \$914.6 million as of June 30, 2024, 2023, and 2022, respectively. Deferred outflows of resources related to pensions decreased by \$215.3 million from FY23 to FY24 and decreased by \$540.9 million from FY22 to FY23.

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 FY23 to FY24, the University's changes of assumptions balance decreased by \$222.6 million. From FY22 to FY23, the University's changes of assumptions balance decreased by \$521.2 million. The decreases in both years were primarily associated with the amortization of a \$1.3 billion deferred outflow related to a FY20 change in assumptions, which was fully amortized in FY24.

Actuarial assumptions and methods are set by the NM ERB Board of Trustees, based upon recommendations made by the plan's actuary. The assumption for year ending June 30, 2023 were based on Board adopted assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ending June 30, 2019. A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2023; this is the same rate used for June 30, 2022. The 7.00% discount rate was based on a long-term expected rate of return on pension plan investments of 7.00%.

Liabilities

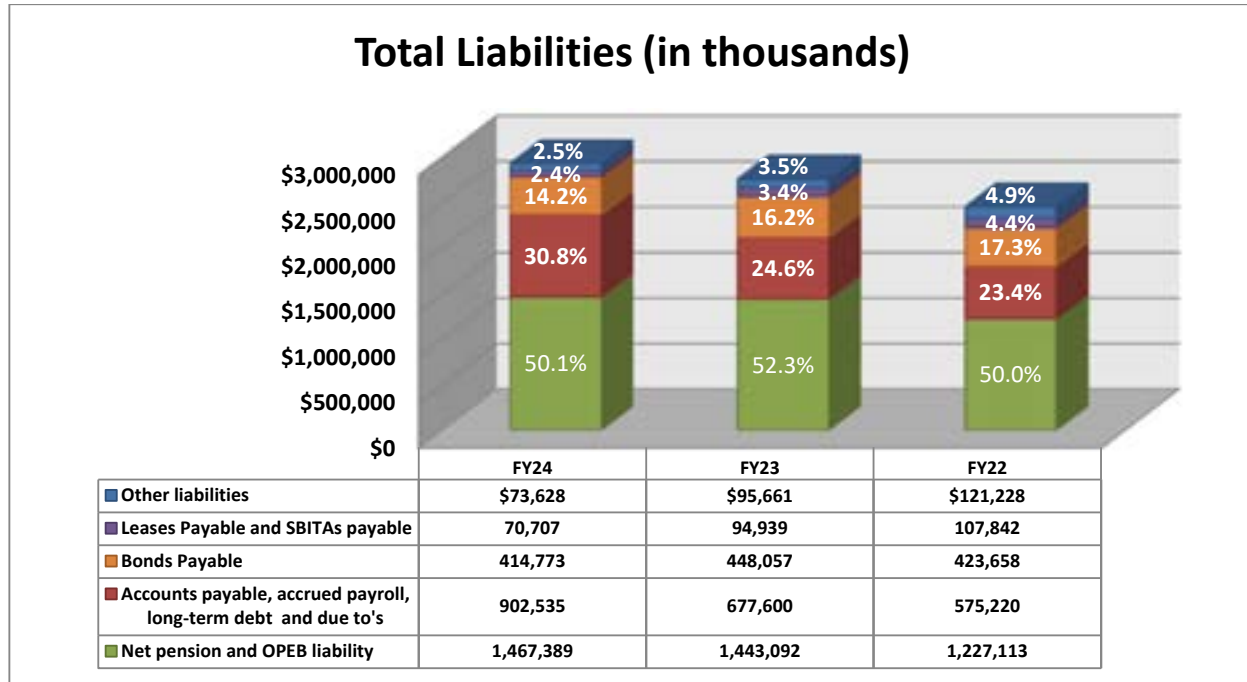
Current liabilities are generally defined as amounts due within one year. The most significant current liabilities of the University are accounts payable, accrued payroll, third-party settlements, unearned revenue, and accrued compensated absences.

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 composition of total liabilities is represented in the following chart:

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024



Total liabilities increased by \$169.7M from FY23 to FY24 and increased by \$304.3M from FY22 to FY23. The increase in total liabilities from FY23 to FY24 primarily consisted of long-term debt increasing by \$104.4M due to additional drawdowns of \$110.4M by the Hospital. The second largest consideration was an increase of \$78.7M of estimated third-party payor settlements payable primarily due to increases in intergovernmental transfers (IGT) due to NM Department of Health.

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, long-term debt 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*. Within accounts payable, accrued payroll, long-term debt and due to's, long-term debt is the most significant change, 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.

Deferred Inflows of Resources

Deferred inflows of resources decreased by \$547.7 million from FY23 to FY24 and decreased by \$793.0 million from FY22 to FY23. The most significant deferred inflow of resources is related to pensions. The amount recognized as a deferred inflow of resources related to pensions was \$247.9 million, \$800.0 million, and \$1.6 billion as of June 30, 2024, 2023, and 2022, 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. The decreases in both years was primarily associated with the

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

amortization of a \$1.3 billion deferred inflow related to a FY21 change in assumptions.

Net Position

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

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

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, 2024, 2023, and 2022 is as follows:

	2024	2023	2022
Operating Revenues			
Tuition and fees, net	\$ 109,678,856	\$ 110,120,466	\$ 125,958,824
Net patient service	1,819,035,032	1,651,779,834	1,657,610,012
Grants and contracts	452,103,068	399,335,007	427,996,838
Sales and services, net	145,035,820	139,642,275	122,224,023
Other operating revenues	56,369,804	45,698,401	73,353,664
Total operating revenues	\$ 2,582,222,580	\$ 2,346,575,983	\$ 2,407,143,361
Operating Expenses			
Instruction	\$ 282,433,726	\$ 260,748,645	\$ 253,282,983
Research	247,311,530	233,411,061	251,903,738
Public service	2,014,423,749	1,873,551,660	1,839,319,639
Academic support	59,501,552	54,872,186	47,693,813
Student services	38,398,648	34,504,952	30,402,504
Institutional support	80,559,897	72,876,694	65,352,230
Operation of plant	238,796,832	227,235,140	197,943,237
Student aid and activities	51,005,420	41,917,080	40,611,797
Intercollegiate athletics	40,363,002	34,948,601	31,199,909
Auxiliary enterprises	49,820,320	48,361,535	34,756,762
GASB 68 pension (income) expense	(202,385,019)	64,210,366	84,357,435
GASB 75 OPEB expense	6,862,300	3,992,200	229,400
Other operating expenses	89,719,054	81,554,331	81,265,169
Total operating expenses	\$ 2,996,811,011	\$ 3,032,184,451	\$ 2,958,318,616
Nonoperating Revenues			
Appropriations	\$ 481,464,158	\$ 414,605,700	\$ 363,569,839
Mill levies	136,373,354	128,748,434	122,165,497
Federal Pell Grants	42,252,126	36,000,515	32,786,601
NM Opportunity Scholarship	72,771,082	68,137,326	-
Gifts	58,879,528	41,008,943	68,464,831
Investment income	86,720,594	60,283,527	(27,933,275)
Other nonoperating revenues and expenses, net	69,610,599	15,356,375	87,788,126
Net nonoperating revenues	\$ 948,071,441	\$ 764,140,820	\$ 646,841,619
Income before capital contributions	533,483,010	78,532,352	95,666,364
Capital contributions	103,825,198	51,111,314	14,974,351
Change in net position	\$ 637,308,208	\$ 129,643,666	\$ 110,640,715
Net position - beginning of year	668,137,476	538,493,810	427,715,663
GASB 96 restatement impact	-	-	137,432
Net position - end of year	\$ 1,305,445,684	\$ 668,137,476	\$ 538,493,810

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

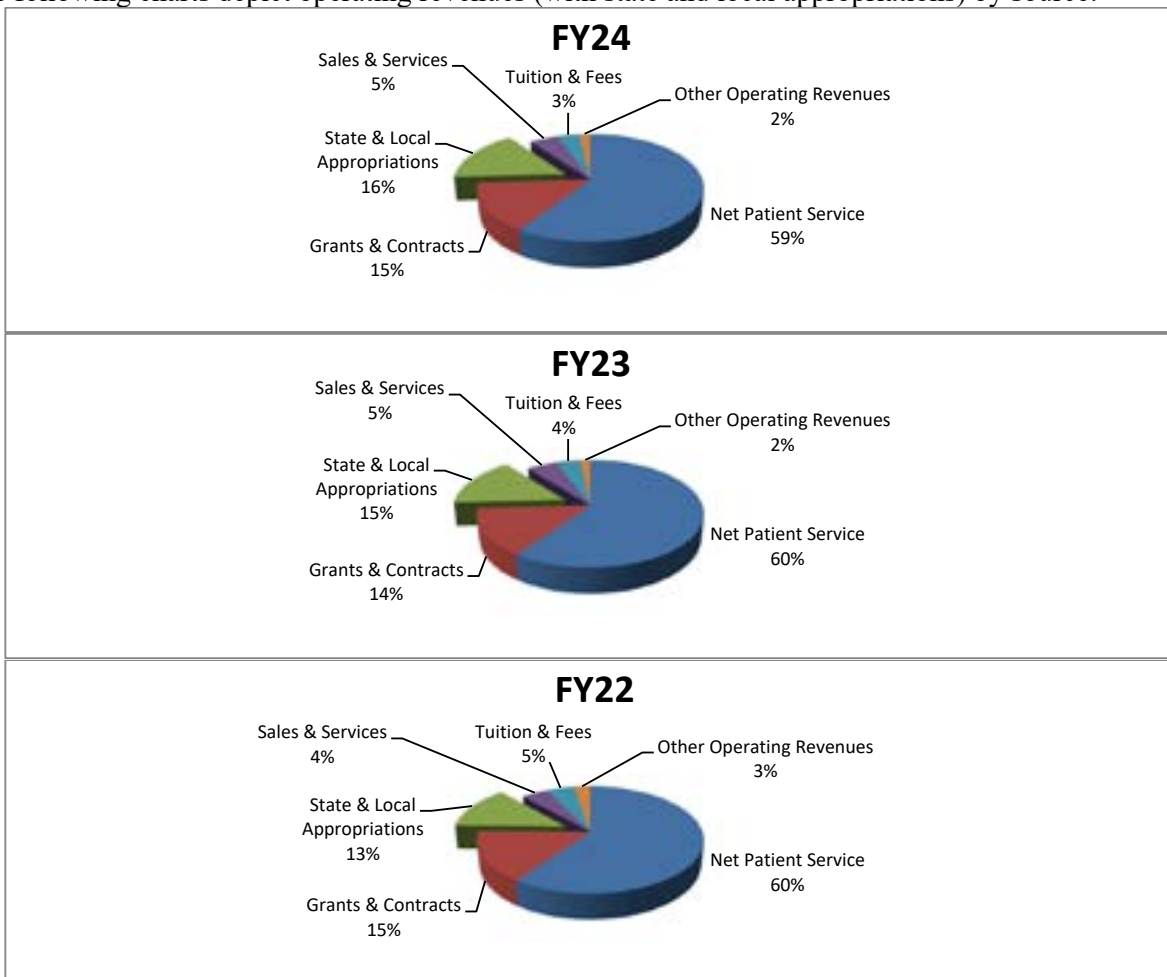
Year Ended June 30, 2024

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, federal grants, state and federal 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 16%, 15%, and 13% of total operating revenues for fiscal years 2024, 2023, and 2022, respectively.

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



THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

Operating Revenues (with state and local appropriations): Operating revenues increased by 11.0% from FY23 to FY24 and decreased 2.5% from FY22 to FY23. 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 rose by 10.1% from FY23 to FY24, driven mainly by an increase in Directed Payment at Sandoval Campus. In contrast, revenues decreased by 0.4% from FY22 to FY23. The most significant increase in operating revenues was a 16.1% increase in state and local appropriations from FY23 to FY24.

UNM Health, which includes the Health Sciences Center (HSC), Hospital, BHO, Sandoval Campus, and 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 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, 2024, 2023, and 2022, there were approximately 10,302, 8,582, and 8,442 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 2024, 2023, and 2022 were \$103.2 million, \$84.7 million, and \$99.9 million, respectively.

UNM Health incurs costs associated with providing charity care and other services for which payment is not received. As of June 30, 2024, the estimated cost of care for providing these services in fiscal years 2024, 2023, and 2022 were \$127.9 million, \$104.4 million and \$104.1 million, respectively.

Tuition and fees are also a significant component of the University's total net operating revenues. UNM's total credit hour production for 2023-2024 was 561,008. This represents a 0.5% increase in credit hour totals compared to the previous year (558,449). New first-year student enrollment for the fall 2023 class was up 2.91% compared to the fall 2022 (3,611 vs. 3,509)—and a cumulative five-year increase of 39.2% between 2019 and 2023 fall terms. Another increase in new first-year student enrollment is anticipated for fall 2024. Larger incoming classes over the past five 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 FY23 to FY24 by \$16.5 million. Changes in enrollment and tuition and fees rates in academic functions of the University were as follows:

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

	Fall 2023	Fall 2022	Fall 2021
Enrollment change (headcount)	1.0%	1.8%	-0.5%
Tuition and fees rate change (full-time resident undergraduate)	0.0%	18.6%	-3.9%

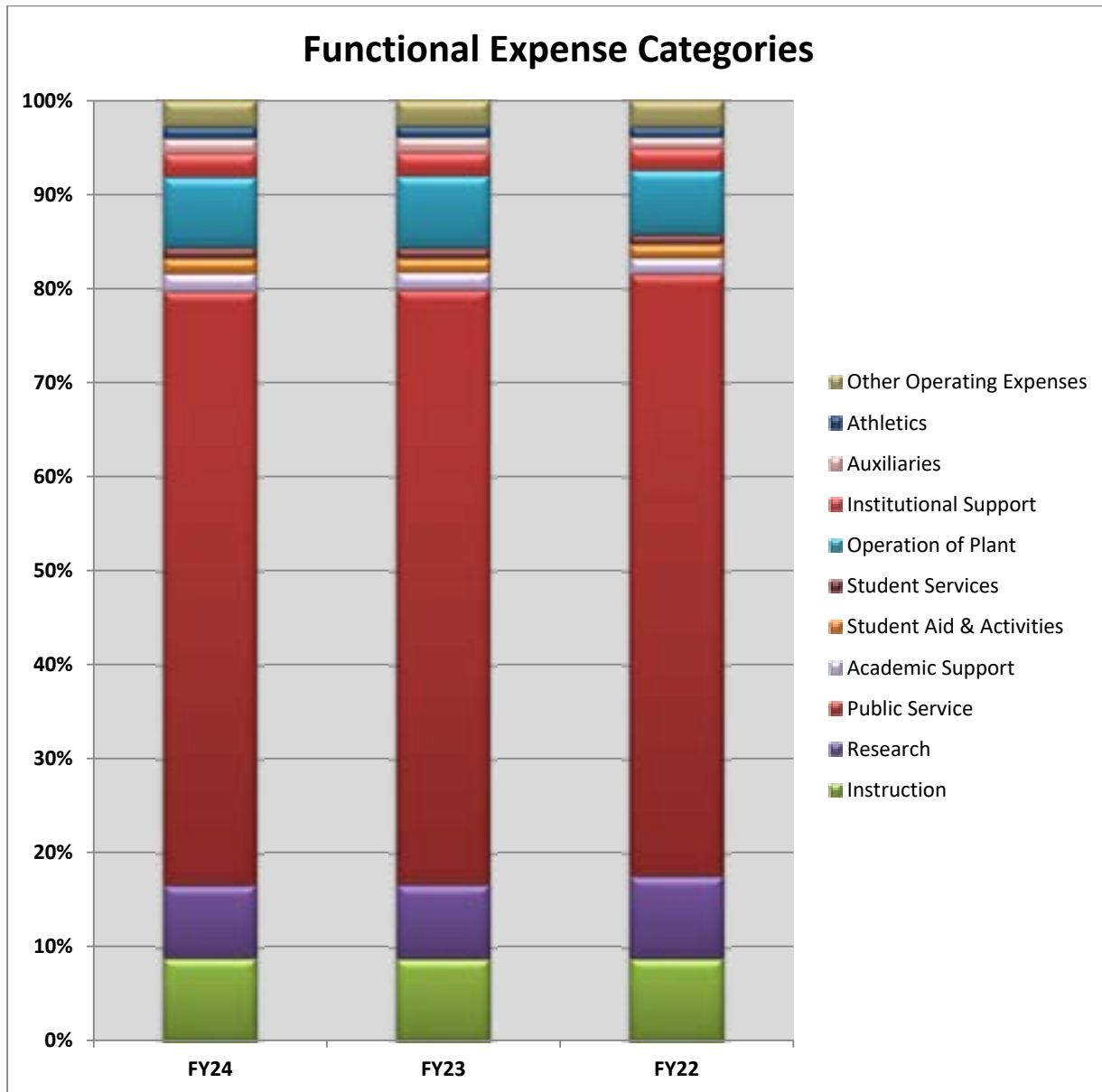
Nonoperating Revenues/Expenses (excluding state and local appropriations): Net nonoperating revenues increased by 33.5% from FY24 to FY23. Nonoperating revenues excluding state appropriations, are primarily driven by the Bernalillo and Sandoval County mill levies, NM Opportunity Scholarship, federal Pell Grants, gifts received by the University, and investment income/loss. The increase in net nonoperating revenues from FY23 to FY24, is driven primarily by two factors: \$52.1 million in federal CARES Act grants and a \$26.4 million rise in investment income. From FY22 to FY23, net nonoperating revenues increased by 19.0%, largely due to a \$68.1 million increase in state funds allocated for the Opportunity Scholarship and an \$88.2 million increase in investment income, which benefited from favorable marketplace conditions.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2024

Expenses

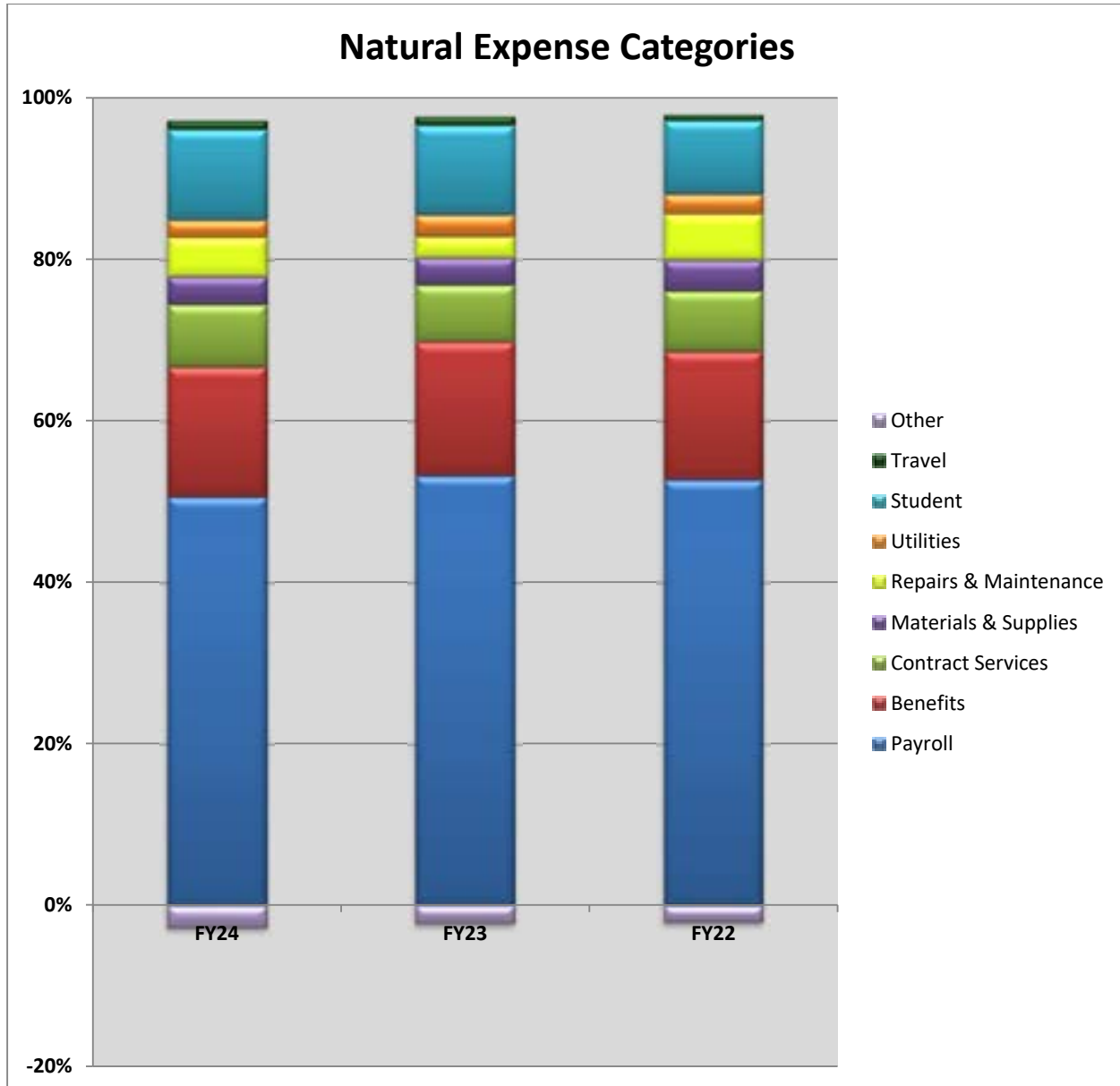
Operating Expenses: GASB standards allow public universities to present operating expenses in either a functional or natural format. UNM chose to present expenses on the statement of revenues, expenses, and changes in net position by the major functions of the University. The chart below shows the distribution of operating expenses by functional category (smaller categories have been combined), excluding GASB 68 pension expense (income) and GASB 75 OPEB expense, for the years ended June 30, 2024, 2023, and 2022:



THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2024

The chart below shows total expenses by natural category, excluding GASB 68 pension expense (income) and GASB 75 OPEB expense, for the University (excluding Hospital, BHO, and component units) for the years ended June 30, 2024, 2023, and 2022:



THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

Changes in Net Position

The University's total change in net position showed a net increase of \$637.3 million for FY24, a net increase of \$129.6 million for FY23, and a net increase of \$110.6 million for FY22.

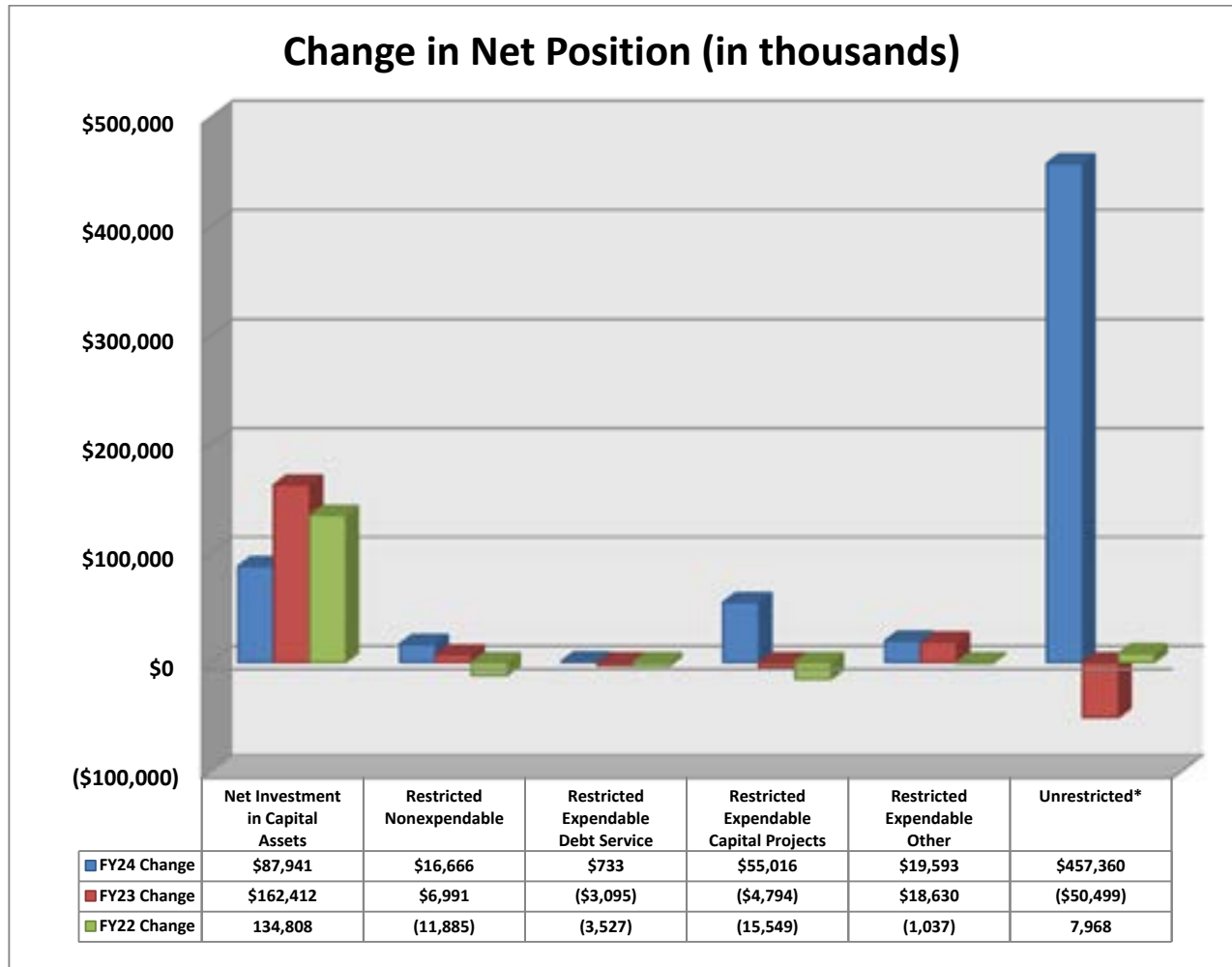
The major changes in net position in FY24 include an increase of \$457.4 million in unrestricted net position, an increase of \$16.7 million in nonexpendable restricted net position (scholarships, grants, bequests, and contributions), an increase of \$75.3 million in expendable restricted net position (scholarships, grants/bequests, contributions, debt services and capital projects) and a increase in net investment in capital assets of \$87.9M. The increase in unrestricted is primarily due to a net benefit recognized in FY24 related to the amortization of deferred pension inflows, increases in state and local appropriations, increases in federal CARES grants, and improved investment income over FY23.

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 Hospital 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 UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Year Ended June 30, 2024

The chart below shows the changes in net position by category for the fiscal years ended June 30, 2024, 2023, and 2022:



* Significant changes to the unrestricted net position in FY22, FY23, and FY24 were primarily the result of the significant changes to pension expense (income) reported by the University per the requirements of GASB Statement No. 68.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

Statement of Cash Flows

A comparison of the University's changes in cash and cash equivalents for the years ended June 30, 2024, 2023, and 2022 is as follows:

	2024	2023	2022
Cash provided by (used in):			
Operating activities	\$ (580,398,863)	\$ (684,677,286)	\$ (543,411,911)
Noncapital financing activities	861,800,464	718,418,418	630,213,677
Capital and related financing activities	(140,812,444)	(234,713,704)	(273,747,911)
Investing activities	74,893,719	13,816,668	26,966,825
Net increase (decrease) in cash and cash equivalents	215,482,875	(187,155,904)	(159,949,320)
Cash and cash equivalents — beginning of year	444,226,051	631,381,955	791,331,275
Cash and cash equivalents — end of year	\$ 659,708,926	\$ 444,226,051	\$ 631,381,955

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, federal CARES Act grants, 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 FY24, the University and employee contributions were \$1.9 million each, and the VEBA Trust gained \$7.2 million in net investment income. In FY23, the University and employee contributions were \$1.9 million each, and the VEBA Trust gained \$5.4 million in net investment income.

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

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 FY24 Main Campus revenues, there is an overall increase of approximately \$204.2 million, or 24.4%, over the FY23 original budget. State appropriations increased 12.6% over FY23 original budget, due primarily to increases in compensation, Employer ERB contributions, and a 3.3% increase for I&G funding, categorical funding, and Research and Public Service Projects (RPSPs) approved by the legislature. State and federal grants and contracts for Main Campus also increased by \$107.7 million, or approximately 56.1%, for FY24 compared to FY23 original budget. A large portion of this increase, approximately \$83.3 million, is related to the state-funded New Mexico Opportunity Scholarship, now included in the FY24 original budget. In addition, state and local bond revenue increased by \$34.8 million, or 123.34%, from the FY23 original budget.

State appropriations for Main Campus Operating increased by \$30.6 million, or approximately 12.6%, for FY24 compared to FY23 original budget. The 2023 State Legislative Session approved a 6% salary increase in FY24 for non-student faculty and staff, as included in House Bill 2 (HB2). In addition, HB2 included a 3.3%, or \$8.0 million, increase for I&G funding, categorical funding, and Research and Public Service Projects (RPSPs). The I&G increase included 1% of new money through the higher education funding formula, partial funding for a statutorily required 1% ERB employer contribution increase, and other non-formula base adjustments, including faculty compensation and student services.

The tuition and fee budget for Main Campus increased by \$12.1 million, or approximately 6.4%, for FY24 compared to FY23 original budget. A large portion of this increase, approximately \$7.1 million, is due to increased undergraduate enrollment. The remaining \$5 million projected increase in FY24 is primarily driven by student fee increases. Student fee increases for FY24 include an increase to the debt service facility fee of approximately \$77 per semester for undergraduates and \$69 per semester for graduates, an increase to the Student Health and Counseling (SHAC) fee of \$22 per semester, and a 3% mandatory student fee base increase. There was no base tuition rate increase for FY24.

In terms of FY24 Main Campus expenditures, there is an overall increase of approximately \$218.8 million, or 24.4%, over the FY23 original budget. Total labor expenses, including fringe benefits, increased by \$40.2 million, or approximately 8.3%, for FY24 compared to FY23 original budget. Total budgeted labor costs increased due primarily to a 6% salary increase in FY24 for non-student faculty and staff and a 1% ERB employer contribution increase, as included in HB2. Other expenses increased by \$119.1 million, or

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

approximately 42.2%. This increase is primarily driven by a \$83.3 million dollar increase in restricted student aid in FY24 for the New Mexico Opportunity Scholarship, which was previously unbudgeted in our FY23 original budget. The Opportunity Scholarship was reflected in the FY23 final budget. Capital projects and maintenance expenses increased by \$56.7 million, or approximately 60.8%.

Final Budget

For the FY24 revised final budget, Main Campus experienced a \$97.0 million increase in revenues and transfers primarily driven by a \$12.9 million increase in tuition and fees due to increased enrollment, \$32.5 million increase in plant fund revenues primarily from capital appropriations from the 2023 and 2024 Legislative sessions, \$19.3 million increase in restricted research and public service activity, and \$26.2 million increase in net transfers, primarily transfers in to plant funds for various projects around campus. Expenses increased primarily due to increases in instruction and academic support, increased research and public service activity, and other cost increases in salaries and fringe, software implementation and classroom IT upgrades, plant maintenance costs, and utilities.

At Health Sciences, changes from FY23 to F24 revised budget include unrestricted increases in State Appropriations and Patient Service Revenues. State Appropriations increased by \$31 million for employee compensation and targeted program expansion. Clinical revenue budgets increased \$21 million primarily due to increase in Cancer Research Treatment Center 340B funds. Federal awards budget decreased by \$47 million to bring the budget in line with trending actuals. In total, budgeted revenues increased by \$15.6 million or 1.6% over FY23 revised budget. Budgeted expenses decreased by \$21 million or (2.11%) over the FY23 revised budget. Noteworthy changes in expenses include clinical FTE increases and across the board compensation increases. Net transfers changed by (\$22) million compared to FY23 revised budget primarily due to increased transfers to plant for capital projects. Overall, the HSC budgeted a FY24 net loss of \$5 million, up \$15 million from the FY23 revised budget.

Overall, the University's change in net position on a budgetary basis for unrestricted and restricted funds was an increase of approximately \$111.7 million (Schedule 15), which is primarily due to increases in State Government Appropriations and an increase in Sales and Services. The University's change in net position on a budgetary basis for unrestricted I&G funds was a net increase of \$10.9 million (Schedule 16), which is primarily due to increases in tuition and fee revenue as well as an increase in State Government Appropriations.

Factors Impacting Future Periods

In the federal FY2025 IPPS Final Rule Centers for Medicare and Medicaid Services (CMS) finalized the Graduate Medical Education policy for additional distribution of GME residency slots under section 4122 of the Consolidated Appropriations Act (CAA), 2023. Section 4122 requires the distribution of an additional 200 Medicare-funded residency positions (or "slots") to train physicians nationally. This provision dedicates at least one-half of the total number of positions to psychiatry or psychiatry subspecialty residencies. This policy will focus on health professional shortage areas such as Bernalillo County to help bolster the health care workforce in rural and underserved areas to the extent slots are available. CMS estimates that this additional funding will total approximately \$74 million in support for teaching hospitals from FY 2026 through FY 2036. The Hospital intends to submit an application for additional resident slots in January 2025.

The Hospital continues to operate at physical capacity for adult patients. The new Critical Care Tower is

THE UNIVERSITY OF NEW MEXICO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Year Ended June 30, 2024

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, 2024 and 2023, 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

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THE UNIVERSITY OF NEW MEXICO

BASIC FINANCIAL STATEMENTS

Statements of Net Position as of June 30, 2024 and 2023

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2024	2023	2024	2023
ASSETS				
Current assets				
Cash and cash equivalents (note 3)	\$ 557,007,304	\$ 358,496,296	\$ 22,287,151	\$ 19,661,556
Short-term investments (note 3)	426,420,030	451,539,815	11,170,385	10,067,051
Accounts receivable, net (note 4)	71,282,046	73,105,682	1,940,766	1,323,979
Patient receivables, net (note 4)	239,108,068	212,824,102	-	-
Leases receivable (note 15)	4,120,263	5,352,270	-	-
Leases interest receivable (note 15)	77,770	62,757	-	-
Due from component units	9,870,115	6,093,302	-	-
Notes receivable (note 5)	4,775,103	2,807,293	-	-
Estimated third-party payor settlements	189,118,029	139,407,902	-	-
Other receivables (note 4)	27,818,957	7,517,839	-	-
Inventories	30,542,300	28,662,242	-	-
Other current assets (note 7)	20,383,155	16,864,125	1,574,140	1,140,391
Total current assets	\$ 1,580,523,140	\$ 1,302,733,625	\$ 36,972,442	\$ 32,192,977
Noncurrent assets				
Cash and cash equivalents (note 3)	\$ 43,113,836	\$ 48,282,642	\$ -	\$ -
Cash and cash equivalents – restricted (note 3)	59,587,786	37,447,113	-	-
Leases receivable (note 15)	29,139,860	33,430,786	-	-
Due from component units	113,552,497	99,031,417	-	-
Notes receivable (note 5)	1,831,938	1,923,913	-	-
Investments (note 3)	450,026,775	413,542,765	476,620,168	416,704,641
Investment in Lovelace UNM Rehab Hospital, net	12,820,253	11,925,039	-	-
Beneficial interest in irrevocable split interest agreements (note 3)	-	-	20,479,573	19,394,660
Other noncurrent assets (note 7)	7,481,655	28,257,409	4,478,330	3,693,704
Right-to-use SBITA, net (note 22)	33,577,583	43,108,480	-	-
Right-to-use leases, net (note 15)	36,187,714	50,886,560	-	-
Capital assets, net (note 6)	1,953,299,550	1,796,513,343	131,876	134,462
Total noncurrent assets	\$ 2,740,619,447	\$ 2,564,349,467	\$ 501,709,947	\$ 439,927,467
Total assets	\$ 4,321,142,587	\$ 3,867,083,092	\$ 538,682,389	\$ 472,120,444
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions (note 17)	\$ 158,478,897	\$ 373,750,192	\$ -	\$ -
Related to OPEB (note 18)	57,048,958	35,660,310	-	-
Interest rate swaps (note 13)	510,429	734,985	-	-
Loss on bond refundings	6,784,248	7,463,314	-	-
Total deferred outflows of resources	\$ 222,822,532	\$ 417,608,801	\$ -	\$ -

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, 2024 and 2023

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2024	2023	2024	2023
LIABILITIES				
Current liabilities				
Accounts payable and accrued payroll (note 8)	\$ 231,153,591	\$ 189,193,051	\$ 2,145,524	\$ 1,922,383
Bonds payable – current portion (notes 12 and 13)	32,745,000	31,035,000	-	-
Long-term debt – current portion (notes 12 and 13)	12,433,515	6,041,389	-	-
Leases payable (notes 12 and 15)	6,634,821	7,771,249	-	-
SBITA payable (notes 12 and 22)	11,975,031	15,296,717	-	-
Due to The University of New Mexico (note 12)	-	-	9,870,115	6,093,302
Due to FEMA	-	2,600,000	-	-
Unearned revenue (note 11)	54,242,686	68,015,837	647,292	548,947
Accrued compensated absences (note 9)	78,661,778	76,099,740	-	-
Estimated third-party payor settlements	226,673,479	148,011,004	-	-
Deposits and funds held for others	3,779,908	1,681,080	-	-
Other accrued liabilities (note 10)	9,601,217	19,402,551	6,842,610	5,366,474
Total current liabilities	\$ 667,901,026	\$ 565,147,618	\$ 19,505,541	\$ 13,931,106
Noncurrent liabilities (note 12)				
Bonds payable (notes 12 and 13)	\$ 382,027,540	\$ 417,022,142	\$ -	\$ -
Long-term debt (notes 12 and 13)	353,613,095	255,654,698	-	-
Leases payable (notes 12 and 15)	30,155,199	43,892,234	-	-
SBITA payable (note 12 and 22)	21,942,349	27,978,448	-	-
Due to The University of New Mexico (note 12)	-	-	113,552,497	99,031,417
Student loan program (note 12)	3,975,494	4,617,640	-	-
Derivative instruments – interest rate swaps (notes 12 and 13)	562,858	1,059,025	-	-
Net pension liability (notes 12 and 17)	1,339,157,564	1,324,449,719	-	-
Net OPEB liability (notes 12 and 18)	128,231,300	118,642,600	-	-
Other noncurrent liabilities (note 12)	1,466,097	884,416	1,413,724	1,658,386
Total noncurrent liabilities	\$ 2,261,131,496	\$ 2,194,200,922	\$ 114,966,221	\$ 100,689,803
Total liabilities	\$ 2,929,032,522	\$ 2,759,348,540	\$ 134,471,762	\$ 114,620,909
DEFERRED INFLOWS OF RESOURCES				
Related to pensions (note 17)	\$ 247,937,489	\$ 799,962,252	\$ -	\$ -
Related to OPEB (note 18)	30,211,858	18,882,910	-	-
Related to leases (note 15)	30,651,422	37,529,180	-	-
Gain on bond refundings	686,144	831,535	-	-
Beneficial interest in irrevocable split interest agreements	-	-	20,771,117	19,658,896
Total deferred inflows of resources	\$ 309,486,913	\$ 857,205,877	\$ 20,771,117	\$ 19,658,896

See accompanying notes to the basic financial statements.

(Continued)

EXHIBIT A
Statements of Net Position as of June 30, 2024 and 2023

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2024	2023	2024	2023
NET POSITION				
Net investment in capital assets	\$ 1,243,990,908	\$ 1,156,050,064	\$ 131,876	\$ 134,462
Restricted for:				
Nonexpendable:				
Scholarships	168,276,522	151,608,691	-	-
Grants, bequests, and contributions	5,996,761	5,998,315	331,082,768	296,693,590
Expendable:				
Scholarships	35,541,075	23,316,188	-	-
Grants, bequests, and contributions	32,055,106	24,686,890	-	-
Debt service	45,977,069	45,244,515	-	-
Capital projects	56,714,103	1,698,578	-	-
Other	-	-	30,385,582	20,193,335
Unrestricted (note 20)	(283,105,860)	(740,465,765)	21,839,284	20,819,252
Total net position	\$ 1,305,445,684	\$ 668,137,476	\$ 383,439,510	\$ 337,840,639

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, 2024 and 2023

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2024	2023	2024	2023
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of \$148,618,210 in 2024 and \$132,086,226 in 2023)	\$ 109,678,856	\$ 110,120,466	\$ -	\$ -
Net patient service (note 14)	1,819,035,032	1,651,779,834	-	-
Federal grants and contracts	316,135,514	281,633,703	-	-
State and local grants and contracts	89,561,763	79,239,158	-	-
Nongovernmental grants, contracts, bequests, and contributions	46,405,791	38,462,146	42,060,044	27,737,974
Sales and services	110,086,270	104,836,699	563,414	339,548
Auxiliary enterprises (net of scholarship allowances of \$19,642,301 in 2024 and \$17,265,559 in 2023)	34,949,550	34,805,576	-	-
Other operating revenues	56,369,804	45,698,401	9,544,740	9,656,038
Total operating revenues	\$ 2,582,222,580	\$ 2,346,575,983	\$ 52,168,198	\$ 37,733,560
OPERATING EXPENSES				
Educational and general				
Instruction	\$ 282,433,726	\$ 260,748,645	\$ -	\$ -
Research	247,311,530	233,411,061	-	-
Public service	2,014,423,749	1,873,551,660	-	-
Academic support	59,501,552	54,872,186	-	-
Student services	38,398,648	34,504,952	-	-
Institutional support	80,559,897	72,876,694	-	-
Operation and maintenance of plant	103,979,992	94,076,629	-	-
Depreciation and amortization expense	134,816,840	133,158,511	-	-
Student aid	41,075,650	32,952,815	-	-
Student activities	9,929,770	8,964,265	-	-
Intercollegiate athletics	40,363,002	34,948,601	-	-
Auxiliary enterprises	49,820,320	48,361,535	-	-
GASB 68 pension expense (income) (note 17)	(202,385,019)	64,210,366	-	-
GASB 75 OPEB expense (note 18)	6,862,300	3,992,200	-	-
Distributions to The University of New Mexico	-	-	25,473,695	36,208,555
Other operating expenses	89,719,054	81,554,331	47,298,017	23,217,974
Total operating expenses	\$ 2,996,811,011	\$ 3,032,184,451	\$ 72,771,712	\$ 59,426,529
Operating loss	\$ (414,588,431)	\$ (685,608,468)	\$ (20,603,514)	\$ (21,692,969)

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, 2024 and 2023

	PRIMARY INSTITUTION		DISCRETELY PRESENTED COMPONENT UNITS	
	2024	2023	2024	2023
NONOPERATING REVENUES (EXPENSES)				
State appropriations	\$ 466,093,232	\$ 404,313,948	\$ -	\$ -
Local appropriations	15,370,926	10,291,752	-	-
County mill levies	136,373,354	128,748,434	-	-
Federal Pell grants	42,252,126	36,000,515	-	-
Federal CARES Act grants	52,514,007	352,942	-	-
State lottery scholarships	-	15,750,232	-	-
State lottery - federally funded	41,250,564	21,105,232	-	-
NM Opportunity Scholarship	72,771,082	68,137,326	-	-
Gifts	58,879,528	41,008,943	-	-
Investment income (note 3)	86,720,594	60,283,527	52,526,859	25,581,008
Interest on capital asset-related debt	(22,846,970)	(18,526,653)	32,067	-
Loss on disposal of capital assets	(23,865)	(994,287)	-	-
Other nonoperating revenues and expenses, net	(1,283,137)	(2,331,091)	(129,897)	(83,904)
Net nonoperating revenues (expenses)	\$ 948,071,441	\$ 764,140,820	\$ 52,429,029	\$ 25,497,104
Income before capital contributions	\$ 533,483,010	\$ 78,532,352	\$ 31,825,515	\$ 3,804,135
Capital appropriations	\$ 103,546,070	\$ 47,295,932	\$ -	\$ -
Capital grants and gifts	279,128	3,815,382	-	-
Contributions to permanent endowments	-	-	13,773,356	26,908,040
Total capital contributions	\$ 103,825,198	\$ 51,111,314	\$ 13,773,356	\$ 26,908,040
Change in net position	\$ 637,308,208	\$ 129,643,666	\$ 45,598,871	\$ 30,712,175
NET POSITION				
Net position at beginning of year	668,137,476	538,493,810	337,840,639	307,128,464
Net position at end of year	\$ 1,305,445,684	\$ 668,137,476	\$ 383,439,510	\$ 337,840,639

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tuition and fees	\$ 112,336,009	\$ 112,204,615
Cash received from grants and contracts	433,071,669	393,700,006
Cash received from insurance and patients	1,884,335,144	1,659,672,658
Cash received from sales and services	108,613,494	106,194,020
Cash received from auxiliary enterprise charges	33,678,046	30,397,334
Cash payments to employees	(1,584,720,848)	(1,508,217,538)
Cash payments for benefits	(320,712,126)	(299,242,021)
Cash payments to suppliers	(869,316,696)	(810,755,228)
Cash payments for utilities	(42,471,255)	(46,628,212)
Cash payments for scholarships and fellowships	(52,987,691)	(42,603,686)
Cash payments to State of New Mexico for intergovernmental transfer	(43,571,091)	(40,354,685)
Cash payments to State of New Mexico for gross receipts tax	(31,679,447)	(28,287,977)
Loans issued to students	(3,206,089)	(890,957)
Collection of loans to students	707,590	1,151,619
Other cash payments	(204,475,572)	(211,017,234)
Net cash used in operating activities	\$ (580,398,863)	\$ (684,677,286)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from state appropriations	\$ 465,885,032	\$ 404,112,048
Cash received from local appropriations	15,370,926	10,291,752
Cash received from county mill levies	135,545,836	128,814,698
Cash received from federal Pell grants	42,285,965	37,324,453
Cash received from NM Opportunity scholarships	72,771,082	68,137,326
Cash received from federal CARES Act grants	52,514,007	21,655,082
Cash received from state lottery scholarships	-	36,855,464
Cash received from state lottery scholarships - Federally funded	41,250,564	-
Cash received from gifts and the University of New Mexico Foundation	45,289,176	2,930,525
Drawdowns of federal direct loan proceeds	65,388,615	72,477,300
Disbursements of federal direct loans to students	(66,106,090)	(70,434,271)
Other nonoperating cash receipts (payments)	(8,394,649)	6,254,041
Net cash provided by noncapital financing activities	\$ 861,800,464	\$ 718,418,418
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from bond issuance	\$ -	\$ 56,691,173
Cash received from capital appropriations	87,984,693	31,128,483
Cash received from disposal of capital assets	13,927,665	315,789
Cash received from draws on construction loan	110,377,410	114,810,679
Purchases of capital assets	(289,405,204)	(375,283,006)
Principal payments on bonds	(33,284,602)	(32,291,721)
Interest payments on bonds	(22,810,014)	(15,181,234)
Principal payments on mortgage	(5,938,858)	(5,822,520)
Interest and insurance payments on mortgage	-	(2,486,726)
Other cash payments	(1,663,535)	(6,594,621)
Net cash used in capital and related financing activities	\$ (140,812,444)	\$ (234,713,704)

See accompanying notes to the basic financial statements.

(Continued)

EXHIBIT C

Statements of Cash Flows for the years ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	\$ 286,568,954	\$ 366,113,866
Purchases of investments	(262,430,699)	(401,656,464)
Distributions from land grant permanent fund and land maintenance fund	15,814,684	16,353,261
Investment income	30,347,401	28,024,010
Investment in Lovelace UNM Rehab Hospital	4,593,379	4,981,995
Net cash provided by investing activities	\$ 74,893,719	\$ 13,816,668
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents – beginning of year	444,226,051	631,381,955
Cash and cash equivalents – end of year	\$ 659,708,926	\$ 444,226,051
NONCASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Right to Use - Leases	\$ (10,573,266)	\$ 12,818,276
Lease Receivable	(1,627,385)	5,500,077
Right to Use - SBITAs	7,699,291	-
Change in accounts payable with purchase of capital assets	5,100,542	801,090
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (414,588,431)	\$ (685,608,468)
Adjustments to reconcile net operating loss to net cash used in operating activities		
Depreciation expense	125,732,909	125,137,318
Amortization, right to use asset	9,083,932	8,874,417
Provision for doubtful accounts	100,152,120	87,593,619
Changes in assets, deferred outflows, liabilities, and deferred inflows		
Accounts receivable	(13,475,434)	(8,791,230)
Patient receivables	(107,921,364)	(101,657,673)
Estimated third-party payor settlements receivables	(49,710,127)	(10,415,197)
Notes receivable	(1,875,836)	1,130,667
Inventories	(1,880,058)	(920,344)
Other assets	(3,369,784)	(872,072)
Due from component units	(240,765)	(84,232)
Due to component units	-	-
Accounts payable	24,616,562	(36,285,085)
Accrued expenses and compensated absences	10,244,906	(16,622,230)
Other current liabilities	2,213,435	(1,497,692)
Estimated third-party payor settlements liability	78,662,475	16,143,504
Unearned revenue	(15,526,780)	(841,665)
Medicare advance payment plan	-	(17,841,519)
Net pension liability	14,707,845	204,218,907
Net OPEB liability	9,588,700	11,760,700
Deferred outflows of resources	193,882,647	538,602,355
Deferred inflows of resources	(540,695,815)	(796,701,366)
Net cash used in operating activities	\$ (580,398,863)	\$ (684,677,286)

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO
EXHIBIT D

BASIC FINANCIAL STATEMENTS

 University of New Mexico Retiree Welfare Benefit Trust
 Statements of Fiduciary Net Position as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 617,238	\$ 316,820
Investments	72,237,330	61,096,579
Interest receivable	3,803	10,254
Other current assets	19,065	19,066
Total assets	<u>\$ 72,877,436</u>	<u>\$ 61,442,719</u>
LIABILITIES		
Unsettled transactions	\$ 302,000	\$ -
Total liabilities	<u>\$ 302,000</u>	<u>\$ -</u>
NET POSITION		
Net position restricted for postemployment benefits other than pensions	\$ 72,575,436	\$ 61,442,719
Total net position	<u>\$ 72,575,436</u>	<u>\$ 61,442,719</u>

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO
EXHIBIT E

BASIC FINANCIAL STATEMENTS

University of New Mexico Retiree Welfare Benefit Trust
 Statements of Changes in Fiduciary Net Position for the years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ADDITIONS		
University of New Mexico contributions	\$ 1,945,707	\$ 1,939,469
Employee contributions	1,945,707	1,939,469
Investment (loss) income:		
Net increase in fair value of investments	6,008,007	4,251,188
Interest and dividends	1,329,277	1,194,891
Less investment expense	(88,985)	(82,298)
Net investment income	<u>\$ 7,248,299</u>	<u>\$ 5,363,781</u>
Total additions	<u>\$ 11,139,713</u>	<u>\$ 9,242,719</u>
DEDUCTIONS		
Administrative expenses	<u>\$ 6,996</u>	<u>\$ 6,573</u>
Total deductions	<u>\$ 6,996</u>	<u>\$ 6,573</u>
Net increase in net position	\$ 11,132,717	\$ 9,236,146
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS		
Net position at beginning of year	<u>\$ 61,442,719</u>	<u>\$ 52,206,573</u>
Net position at end of year	<u>\$ 72,575,436</u>	<u>\$ 61,442,719</u>

See accompanying notes to the basic financial statements.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

(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, 2024 and 2023

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 was 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, 2024 and 2023

Effective January 1, 2024, the University of New Mexico Hospital acquired SRMC under a zero-dollar purchase agreement. Under the purchase agreement, the Hospital acquired all the assets and liabilities of SRMC. With the effective date of the acquisition, SRMC ceased to be a separate legal entity and became known as UNM Sandoval Regional Medical Center, a Campus of UNM Hospital (Sandoval Campus) and is operated as a site of the Hospital. This transaction is accounted for in accordance with Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations*, which requires the Hospital to recognize the acquisition as of the first day of the fiscal year in which the transaction occurred, which is July 1, 2023. Accordingly, the accompanying financial statements include the results of operations of the Sandoval Campus for the full fiscal year ended June 30, 2024.

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. Most of the 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.

- **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.

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 OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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 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, and UNMMG receive payments for services rendered to patients under payment arrangements with payors, which include (i) Medicare and Medicaid, (ii) other third-party payors including commercial carriers and health maintenance organizations, and (iii) others. The other payor category includes United States Public Health Service, self-pay, counties, and other government agencies. Progressive percentages are reserved beginning at 90 days for all payors, ramping up to 100% fully reserved at 210 days. Self-pay receivables are fully reserved after 30 days when they are referred to internal collections, and they are charged off when they are deemed uncollectible and are turned over to a collection agency. The following summarizes the percentage of gross patient receivables from all payors as of June 30:

	<u>2024</u>	<u>2023</u>
Medicare and Medicaid	55%	58%
Other third-party payors	33%	30%
Others	12%	12%
	<u>100%</u>	<u>100%</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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 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 \$650,878 and \$729,990 at June 30, 2024 and 2023, respectively.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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.

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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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 \$56,745,498 and \$61,295,622 at June 30, 2024 and 2023, respectively. The Hospital had no unspent bond proceeds at June 30, 2024 and 2023, respectively. Unamortized prepaid bond insurance for the University was \$290,062 and \$302,118 at June 30, 2024 and 2023, respectively.

Restricted net position represents those operating funds on which external restrictions have been imposed that limit the purposes for which such funds can be used. *Restricted expendable* net position is resources that the University is legally or contractually obligated to spend in accordance with imposed restrictions by third parties. *Restricted nonexpendable* net position consists of endowment and similar funds in which third parties have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income. The income generated from the principal may be expended or added to the principal.

Unrestricted net position, which may contain multiple year contractual commitments, consists of those operating funds over which the governing board retains full control to use in achieving any of its authorized purposes.

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

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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 the eligibility requirements have been met.

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

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

discounts and allowances, c) utilities, supplies, and other services, d) professional fees, and e) depreciation expenses related to university property, plant, and equipment.

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

(D) *Income Taxes*

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

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

(E) *Joint Powers Agreements*

(1) The Regents of The University of New Mexico and the Board of County Commissioners of the County of Bernalillo entered into a lease agreement for operation and lease of county healthcare facilities, effective July 1, 1999, amended June 2004 and terminating June 20, 2040. The purpose of the agreement is to operate and maintain UNM Hospital and UNM Behavioral Health Operations in accordance with the provisions of the Hospital Funding Act for the term of the agreement. The agreement continues in force until rescinded or terminated by either party. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.

(2) The University has entered into Joint Powers Agreements with fifty-two (52) Municipal School Districts (the Districts) throughout the State of New Mexico. The University and the Districts have formed an organization for promoting their mutual educational purposes known as the New Mexico Research and Study Council (Council). The purpose of this agreement is to create a mechanism by which the Districts can jointly and cooperatively undertake any activities in their function of providing public educational services. The University has entered into this agreement in order to facilitate such joint activities. This agreement remains in force until terminated. The Council may be terminated by a two-thirds vote of all current parties. UNM acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

- (3) The Regents of the University of New Mexico, the Regents of New Mexico State University, and the Regents of the New Mexico Institute of Mining and Technology entered into an agreement to form the New Mexico University Research Consortium (NMURC) effective May 4, 2006. The purpose of the Research Consortium is to promote statewide cooperation in attracting research resources to New Mexico, managing them for the state's higher education research facilities, other New Mexico research facilities and for the benefit of New Mexico economic development. The agreement continues in force indefinitely. Any party may choose to withdraw with 60 days' written notice. At such time, the remaining parties have 45 days to agree to maintain the NMURC or the Joint Powers Agreement will terminate on the date of withdrawal. Each party shall bear its own cost for participating in the NMURC and may elect to make contributions from its funds to or to make payments on behalf of the NMURC. The agreement does not create any obligation for the parties to transfer any funds to the NMURC. The parties shall ensure that all receipts and disbursements of the NMURC are subject to annual audit, either as part of the annual audit of one of the parties, or independently. There is no specific amount estimated since the agreement describes an ongoing relationship.
- (4) The University of New Mexico Natural Heritage Program (NHP) and the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) entered into a Joint Powers Agreement effective August 8, 2005, amended on April 28, 2008 and December 20, 2010. EMNRD's Rare and Endangered Plant Program often receives federal grants to develop projects that require botanical field research, greenhouse studies, and data management. NHP, as a branch of the UNM-Southwest Museum of Biology, maintains the only comprehensive database for New Mexico rare and endangered plant species and is capable of providing professional field and research assistance, greenhouse access, and data management. The purpose of the agreement is for administrative efficiency so that the projects can be carried out through a single program. The agreement continues indefinitely unless earlier terminated by one or both parties. The University of New Mexico Natural Heritage Program acts as fiscal agent, reporting revenues and expenses, and accepting audit responsibility. There is no specific amount estimated since the agreement describes an ongoing relationship.
- (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.
- (F) *Impact of Recently Issued Accounting Standards*
- (1) GASB Statement 100 – *Accounting Changes and Error Corrections*. This statement was adopted during the fiscal year. This statement clarifies the requirements for reporting accounting changes and error corrections, ensuring more reliable and consistent information for decision-making and accountability purposes. The statement defines accounting changes as changes in accounting principles or changes within the financial reporting entity. After evaluation, the University has determined that the adoption of GASB 100 had no impact on its financial statements for the current fiscal year.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

- (2) 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.
- (3) GASB Statement 102 – *Certain Risk Disclosures*. This statement aims to enhance financial reporting by delivering critical information to users that is often not disclosed because it has not been explicitly required. The required disclosures provide timely insights into significant concentrations or constraints, as well as related events that may expose the government to substantial impacts. This improved transparency allows users to better understand and anticipate potential risks to the government’s financial health. The statement goes into effect for fiscal years beginning after June 15, 2024 and all reporting periods thereafter. The university is current evaluating the impact GASB 102 will have on its financial statements.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

(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 \$659,708,926 and \$444,226,051 at June 30, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, the total primary institution's deposits were fully insured and/or collateralized.

During FY24, the primary institution used an overnight interest-bearing cash sweep account to invest excess checking balances. At June 30, 2024, this cash equivalent had a carrying value of \$176,465,687 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, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Demand and time deposits	\$ 664,362,356	\$ 448,998,834
Money markets	410,133	645,537
VEBA Trust	617,238	316,820
Other (includes petty cash and component units' cash held by UNM)	(5,680,801)	(5,735,140)
	<u>\$ 659,708,926</u>	<u>\$ 444,226,051</u>

The discretely presented component units' cash accounts held in demand and time deposits at various institutions had carrying amounts totaling \$22,287,151 and \$19,661,556 at June 30, 2024 and 2023, respectively. Certain amounts are invested in overnight sweep accounts and are collateralized at various levels of the invested balance. At June 30, 2024 and 2023, these funds were collateralized by government-backed securities held in the component unit's name. At June 30, 2024 and June 30, 2023, 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)
- Commercial paper
- Bankers' acceptances

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

- 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 consolidated for investment purposes, whenever possible, in the CIF. Under the terms of the 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

The fair value of the endowment pools owned by the University and the Foundation for years ended June 30, 2024 and 2023 are shown on the following tables in the “Endowment Pools” column. The University’s endowments are shown in the Primary Institution tables and the Foundation’s endowments are shown on the discretely presented component unit tables.

Total primary institution investments by type at June 30, 2024 and 2023 are as follows:

	Short Term Investments	Endowment Pools	Other Noncurrent Investments	VEBA Trust	Fair Value
Primary Institution 2024					
Money Market	5,922,647	8,243,512	35,433,100	1,001,905	50,601,164
Flexible Repurchase Agreements	56,037,113	-	-	-	56,037,113
Commercial Paper	-	-	2,473,622	-	2,473,622
U S Treasury Securities	169,671,670	-	24,299,117	-	193,970,787
U S Government Agencies	-	-	4,572,546	-	4,572,546
Corporate Bonds/Notes	132,041,806	-	12,393,400	-	144,435,206
Municipal Bonds	4,259,776	-	335,561	-	4,595,337
Mutual Funds — Fixed	-	41,543,255	-	17,423,485	58,966,740
Mutual Funds — Equity	1,022,218	199,535,427	-	53,811,940	254,369,585
Exchange-Traded Funds	3,782,886	-	-	-	3,782,886
Foreign Issues	43,634,067	-	-	-	43,634,067
Equity	10,047,847	-	33,056,364	-	43,104,211
Alternative Investments	-	15,670,482	-	-	15,670,482
Private investment funds	-	60,813,904	-	-	60,813,904
Illiquid real assets funds	-	6,440,756	-	-	6,440,756
Real estate funds	-	5,215,729	-	-	5,215,729
Total Investments	426,420,030	337,463,065	112,563,710	72,237,330	948,684,135

	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	10,750,002	18,552,474	2,513,033	37,882,023
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	26,103,869	-	19,052,704	46,707,525
Mutual Funds — Equity	551,617	178,660,155	-	39,530,842	218,742,614
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	-	13,875,574	-	-	13,875,574
Private investment funds	-	59,748,206	-	-	59,748,206
Illiquid real assets funds	-	6,349,887	-	-	6,349,887
Real estate funds	-	5,257,821	-	-	5,257,821
Total Investments	451,539,815	300,745,514	112,797,251	61,096,579	926,179,159

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

Total discretely presented component unit investments by type at June 30, 2024 and 2023 are as follows:

<i>Discretely Presented Component Units 2024</i>	Short Term	Endowment	Other	Fair Value
	Investments	Pools	Noncurrent Investments	
Money Market	\$ -	\$ 11,600,515	\$ -	\$ 11,600,515
U.S. Government Obligations	442,644	-	-	442,644
Mortgage/Asset-Backed Bonds	971,810	-	-	971,810
Corporate Bonds/Notes	548,001	-	-	548,001
Mutual Funds — Fixed	1,473,360	57,758,889	2,664,837	61,897,086
Mutual Funds — Equity	792,965	280,217,221	449,907	281,460,093
Equity	5,531,910	-	230,426	5,762,336
Alternative Investments	1,409,695	21,996,364	-	23,406,059
Private Investment Funds	-	84,255,521	-	84,255,521
Illiquid Real Assets Funds	-	9,555,754	-	9,555,754
Real Estate Funds	-	7,395,456	-	7,395,456
Life Insurance Contracts	-	-	495,278	495,278
Total Investments	\$ 11,170,385	\$ 472,779,720	\$ 3,840,448	\$ 487,790,553

<i>Discretely Presented Component Units 2023</i>	Short Term	Endowment	Other	Fair Value
	Investments	Pools	Noncurrent 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 — Equity	3,329,824	245,381,655	353,940	249,065,419
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

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 Years 2024 and 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 \$56,037,113 and \$56,000,000 at June 30, 2024 and 2023, respectively. The

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

flexible repurchase agreement is subject to custodial credit risk. At June 30, 2024 and 2023, the discretely presented component units had exposure to custodial credit risk in the amounts of \$8,904,060 and \$6,892,282, respectively.

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates. The University does have policies to mitigate exposure to interest rate risk by prohibiting certain high-risk investments and investment practices and by establishing duration and maturity guidelines for investments. Fixed income mutual funds are classified in the following tables by the fund's weighted average maturity. A summary of the investments at June 30, 2024 and 2023 and their exposure to interest rate risk are as follows:

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

<i>Primary Institution 2024</i>	Fair Value	Investment Maturities			
		Less than 1 Year	1—5 Years	6—10 Years	Greater than 10 Years
Fixed income securities subject to interest rate risk:					
Commercial Paper	\$ 2,473,622	\$ 2,473,622	\$ -	\$ -	\$ -
U S Treasury Securities	193,970,787	42,200,695	147,964,567	3,805,525	-
U S Government Agencies	4,572,546	4,572,546	-	-	-
Corporate Bonds/Notes	144,435,206	19,973,153	102,829,736	16,935,421	4,696,896
Municipal Bonds	4,595,337	335,561	4,259,776	-	-
Foreign Issues	43,634,067	12,413,574	30,192,745	1,027,748	-
Mutual Funds — Fixed	58,966,740	3,725,727	37,817,528	17,423,485	-
	<u>\$ 452,648,305</u>	<u>\$ 85,694,878</u>	<u>\$ 323,064,352</u>	<u>\$ 39,192,179</u>	<u>\$ 4,696,896</u>
Items not subject to interest rate risk:					
Money Market	50,601,164				
Flexible Repurchase Agreements	56,037,113				
Mutual Funds — Equity	254,369,585				
Exchange-Traded Funds	3,782,886				
Equity	43,104,211				
Alternative Investments	15,670,482				
Private Investment Funds	60,813,904				
Illiquid Real Assets Funds	6,440,756				
Real Estate Funds	5,215,729				
Total Investments	<u>948,684,135</u>				

<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	-	-
Mutual Funds — Fixed	46,707,525	164,367	45,214,642	1,328,516	-
	<u>\$ 478,786,367</u>	<u>\$ 85,880,562</u>	<u>\$ 379,685,866</u>	<u>\$ 13,219,939</u>	<u>\$ -</u>
Items not subject to interest rate risk:					
Cash	228,537				
Money Market	37,882,023				
Flexible Repurchase Agreements	56,000,000				
Mutual Funds — Equity	218,742,614				
Exchange-Traded Funds	3,675,311				
Equity	45,632,819				
Alternative Investments	13,875,574				
Private Investment Funds	59,748,206				
Illiquid Real Assets Funds	6,349,887				
Real Estate Funds	5,257,821				
Total Investments	<u>926,179,159</u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

<i>Discretely Presented Component Units</i> 2024	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	\$ 442,644	\$ -	\$ 48,958	\$ 75,633	\$ 318,053
Corporate Bonds/Notes	548,001	-	279,417	247,782	20,802
Mortgage/Asset-Backed Bonds	971,810	-	-	-	971,810
Mutual Funds — Fixed	61,897,086	7,789,487	53,414,850	692,749	-
	<u>\$ 63,859,541</u>	<u>\$ 7,789,487</u>	<u>\$ 53,743,225</u>	<u>\$ 1,016,164</u>	<u>\$ 1,310,665</u>
Items not subject to interest rate risk:					
Money Market	\$ 11,600,515				
Mutual Funds — Equity	281,460,093				
Equity	5,762,336				
Alternative Investments	23,406,059				
Private Investment Funds	84,255,521				
Illiquid Real Assets Funds	9,555,754				
Real Estate Funds	7,395,456				
Life Insurance Contracts	495,278				
Total Investments	<u>\$ 487,790,553</u>				

<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	-	-
Mutual Funds — Fixed	38,409,163	225,750	38,183,413	-	-
	<u>\$ 39,962,712</u>	<u>\$ 225,750</u>	<u>\$ 39,736,962</u>	<u>\$ -</u>	<u>\$ -</u>
Items not subject to interest rate risk:					
Money Market	\$ 14,840,589				
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 Investments	<u>\$ 426,771,692</u>				

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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, 2024 and 2023 and their exposure to credit risk are as follows:

Primary Institution 2024

Fixed income securities subject to credit risk:

Credit Rating	Commercial Paper	U S Government Agencies	Corporate Bonds/Notes	Municipal Bonds	Mutual Funds — Fixed	Foreign Issues	Fair Value
Moody's — Aaa	\$ -	\$ -	\$ 13,605,635	\$ -	\$ -	\$ 5,345,089	\$ 18,950,724
Moody's — Aa1	-	-	1,007,100	-	-	-	1,007,100
Moody's — Aa2	-	-	7,652,976	-	-	5,927,768	13,580,744
Moody's — Aa3	-	-	3,755,583	3,338,856	-	-	7,094,439
Moody's — A1	-	-	28,123,787	920,920	-	11,527,890	40,572,597
Moody's — A2	-	-	14,584,631	-	-	6,043,188	20,627,819
Moody's — A3	-	-	15,855,108	-	-	3,023,941	18,879,049
Moody's — Baa1	-	-	15,078,289	-	-	4,466,726	19,545,015
Moody's — Baa2	-	-	15,383,045	-	-	7,299,465	22,682,510
Moody's — Baa3	-	-	4,330,894	-	-	-	4,330,894
Moody's — Ba1	-	-	1,008,762	-	-	-	1,008,762
S&P — AAA	-	-	47,180	-	-	-	47,180
S&P — AA	-	-	542,322	-	31,528,279	-	32,070,601
S&P — A	-	-	9,530,713	335,561	-	-	9,866,274
S&P — BBB	-	-	2,839,442	-	-	-	2,839,442
S&P — B	-	-	-	-	10,014,976	-	10,014,976
Not Rated	2,473,622	4,572,546	11,089,739	-	17,423,485	-	35,559,392
Total items subject to credit risk	2,473,622	4,572,546	144,435,206	4,595,337	58,966,740	43,634,067	258,677,518

Items not subject to credit risk:

Money Market	50,601,164
Flexible Repurchase Agreements	56,037,113
U S Treasury Securities	193,970,787
Mutual Funds — Equity	254,369,585
Exchange-Traded Funds	3,782,886
Equity	43,104,211
Alternative Investments	15,670,482
Private Investment Funds	60,813,904
Illiquid Real Assets Funds	6,440,756
Real Estate Funds	5,215,729
Total items not subject to credit risk	\$ 690,006,617
Total Investments	\$ 948,684,135

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

Primary Institution 2023
Items subject to credit risk:

Credit Rating	U S Government		Corporate	Municipal	Mutual Funds	Foreign Issues	Fair Value
	Commercial Paper	Agencies	Bonds/Notes	Bonds	— Fixed		
Moody's — Aaa	\$ -	\$ 4,312,499	\$ 4,281,164	\$ -	\$ -	\$ 5,139,961	\$ 13,733,624
Moody's — Aa2	-	-	4,477,092	-	-	1,178,795	5,655,887
Moody's — Aa3	-	-	2,550,594	3,215,104	-	2,291,213	8,056,911
Moody's — A1	-	-	30,031,559	893,220	-	15,284,170	46,208,949
Moody's — A2	-	-	19,508,547	-	-	8,927,410	28,435,957
Moody's — A3	-	-	23,840,468	-	-	6,324,284	30,164,752
Moody's — Baa1	-	-	19,129,451	-	-	7,343,660	26,473,111
Moody's — Baa2	-	-	12,309,722	-	-	3,944,310	16,254,032
Moody's — Baa3	-	-	585,786	-	-	-	585,786
S&P — AA	-	-	547,108	-	26,103,869	-	26,650,977
S&P — A	-	19,087	10,205,486	320,703	-	-	10,545,276
S&P — BBB	-	-	2,624,790	-	-	-	2,624,790
S&P — BBB+	-	-	1,275,758	-	-	-	1,275,758
S&P — B	-	-	25,414	-	-	-	25,414
Not Rated	2,471,869	-	27,547	-	20,603,656	-	23,103,072
Total items subject to credit risk	2,471,869	4,331,586	131,420,486	4,429,027	46,707,525	50,433,803	239,794,296

Items not subject to credit risk:

Cash	228,537
Money Market	37,882,023
Certificate of Deposit	3,745,551
Flexible Repurchase Agreements	56,000,000
U S Treasury Securities	235,246,520
Mutual Funds — Equity	218,742,614
Exchange-Traded Funds	3,675,311
Equity	45,632,819
Alternative Investments	13,875,574
Private Investment Funds	59,748,206
Illiquid Real Assets Funds	6,349,887
Real Estate Funds	5,257,821
Total items not subject to credit risk	\$ 686,384,863
Total Investments	\$ 926,179,159

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

Discretely Presented Component Units 2024

Items subject to credit risk:

Credit Rating	U.S.				Fair Value
	Government Obligations	Corporate Bonds/Notes	Mutual Funds — Fixed	Mortgage/Asset-Backed Bonds	
S&P — AAA	\$ -	\$ -	\$ 2,479,964	\$ -	\$ 2,479,964
S&P — AA+	18,021	-	-	-	18,021
S&P — AA	-	26,709	43,834,755	-	43,861,464
S&P — A+	-	25,756	-	-	25,756
S&P — A-	-	205,595	-	-	205,595
S&P — BBB+	-	201,062	-	-	201,062
S&P — BBB	-	88,879	-	-	88,879
S&P — B	-	-	13,924,134	-	13,924,134
Not Rated	424,623	-	1,658,233	971,810	3,054,666
Total items subject to credit risk	\$ 442,644	\$ 548,001	\$ 61,897,086	\$ 971,810	\$ 63,859,541

Items not subject to credit risk:

Money Market	11,600,515
Mutual Funds — Equity	281,460,093
Equity	5,762,336
Alternative Investments	23,406,059
Private Investment Funds	84,255,521
Illiquid Real Assets Funds	9,555,754
Real Estate Funds	7,395,456
Life Insurance Contracts	495,278
Total items not subject to credit risk	\$ 423,931,012
Total Investments	\$ 487,790,553

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

Discretely Presented Component Units 2023

Items subject to credit risk:

Credit Rating	U.S.				Fair Value
	Government Obligations	Corporate Bonds/Notes	Mutual Funds — Fixed	Mortgage/Asset-Backed Bonds	
S&P — AAA	\$ 286,657	\$ -	\$ 2,354,418	\$ 13,918	\$ 2,654,993
S&P — AA+	-	13,792	-	-	13,792
S&P — AA	-	21,360	35,852,485	-	35,873,845
S&P — AA-	-	-	-	-	-
S&P — A+	-	21,426	-	-	21,426
S&P — A	-	-	-	-	-
S&P — A-	-	129,865	-	-	129,865
S&P — BBB+	-	163,435	-	-	163,435
S&P — BBB	-	103,790	-	-	103,790
S&P — BBB-	-	-	-	-	-
S&P — BB+	-	-	-	-	-
S&P — B	-	-	-	-	-
Not Rated	33,525	-	202,260	765,781	1,001,566
Total items subject to credit risk	\$ 320,182	\$ 453,668	\$ 38,409,163	\$ 779,699	\$ 39,962,712

Items not subject to credit risk:

Money Market	14,840,589
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	\$ 386,808,980
Total Investments	\$ 426,771,692

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, 2024 and 2023, 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

Investment Income — At June 30, 2024 and 2023, investment income consisted of the following:

	<u>2024</u>	<u>2023</u>
Primary Institution Investment Income		
<i>Investment Revenue</i>		
Investment income	\$ 29,841,314	\$ 20,902,130
Land Grant Permanent Fund distributions	15,814,684	16,353,261
<i>Realized Gains (Losses)</i>		
Endowments — Endowment Pools	9,270,113	13,204,056
Nonendowment investments	(1,412,517)	(11,226,006)
<i>Unrealized Gains (Losses)</i>		
Endowments — Endowment Pools	21,085,069	36,342,843
Nonendowment investments	12,121,932	(15,292,757)
Primary Institution Investment Income	<u>\$ 86,720,594</u>	<u>\$ 60,283,527</u>
Discretely Presented Component Units Investment Income	<u>\$ 52,526,859</u>	<u>\$ 25,581,008</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.

The investments valued using NAV include the following strategies:

- Multi-strategy hedge funds
- Distressed/restructuring hedge funds
- Global macro hedge funds
- Technology hedge funds
- Private investment funds
- Illiquid real assets funds
- Real estate funds

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

A summary of fair value measurements at June 30, 2024 and 2023 is as follows:

<i>Primary Institution 2024</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:				
U S Treasury Securities	\$ 193,970,787	\$ 178,176,770	\$ 15,794,017	\$ -
U S Government Agencies	4,572,546	4,572,546	-	-
Corporate Bonds/Notes	144,435,206	2,117,823	142,317,383	-
Municipal Bonds	4,595,337	-	4,595,337	-
Mutual Funds — Fixed	58,966,740	58,966,740	-	-
Mutual Funds — Equity	254,369,585	218,842,234	35,527,351	-
Exchange-Traded Funds	3,782,886	3,782,886	-	-
Foreign Issues	43,634,067	-	43,634,067	-
Equity — Markatable	10,051,295	10,051,295	-	-
Equity — Non-markatable	33,052,916	-	-	33,052,916
Total	\$ 751,431,365	\$ 476,510,294	\$ 241,868,155	\$ 33,052,916
	Fair Value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Investments measured at the NAV:				
Private Investment Funds	\$ 60,813,904	\$ 34,436,164	Not eligible	Not eligible
Illiquid Real Assets Funds	6,440,756	3,338,088	Not eligible	Not eligible
Real Estate Funds	5,215,729	2,382,092	Not eligible	Not eligible
Alternative Investments	15,670,482	-	Monthly/Quarterly/ Annually/Rolling 2 Years	3 to 90 days
Total	\$ 88,140,871	\$ 40,156,345		
Investments measured at amortized cost:				
Money Market	\$ 50,601,164			
Flexible Repurchase Agreements	56,037,113			
Commercial Paper	2,473,622			
Total	\$ 109,111,899			
Total Investments	\$ 948,684,135			

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

<i>Primary Institution 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)
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	46,707,525	46,707,525	-	-
Mutual Funds — Equity	218,742,614	40,082,459	-	-
Exchange-Traded Funds	3,675,311	3,675,311	-	-
Foreign Issues	50,433,803	-	50,433,803	-
Equity — Markatable	8,602,220	8,602,220	-	-
Equity — Non-markatable	37,030,599	-	-	37,030,599
Total	\$ 744,365,242	\$ 339,159,416	\$ 189,515,072	\$ 37,030,599

	Fair Value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Investments measured at the NAV:				
Private Investment Funds	\$ 59,748,206	\$ 25,362,986	Not eligible	Not eligible
Illiquid Real Assets Funds	6,349,887	6,770,664	Not eligible	Not eligible
Real Estate Funds	5,257,821	7,588,834	Not eligible	Not eligible
Alternative Investments	13,875,574	-	Monthly/Quarterly/ Annually/Rolling 2 Years	2 to 90 days
Total	\$ 85,231,488	\$ 39,722,484		

Investments measured at amortized cost:	
Money Market	\$ 37,882,023
Flexible Repurchase Agreements	56,000,000
Commercial Paper	2,471,869
Total	\$ 96,353,892

Other:	
Cash	\$ 228,537
Total Investments	\$ 926,179,159

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

<i>Discretely Presented Component Units 2024</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	\$ 20,479,573	-	\$ 20,479,573	-
Investments held by the Component Units:				
U.S. Government Obligations	\$ 442,644	\$ 424,623	\$ 18,021	-
Corporate Bonds/Notes	548,001	-	548,001	-
Mortgage/Asset-Backed Bonds	971,810	-	971,810	-
Mutual Funds — Fixed	61,897,086	59,232,249	2,664,837	-
Mutual Funds — Equity	281,460,093	232,019,466	49,440,627	-
Equity — Marketable	5,762,336	5,762,336	-	-
Life Insurance Contracts	495,278	-	495,278	-
Total	\$ 351,577,248	\$ 297,438,674	\$ 54,138,574	\$ -
	Fair Value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Investments measured at the NAV:				
Alternative Investments	\$ 23,406,059	-	Monthly/Quarterly/ Annually/Rolling 2 Years	2 to 90 days
Private Investment Funds	84,255,521	47,554,703	Not eligible	Not eligible
Illiquid Real Assets Funds	9,555,754	4,609,741	Not eligible	Not eligible
Real Estate Funds	7,395,456	3,289,556	Not eligible	Not eligible
Total	\$ 124,612,790	\$ 55,454,000		
Investments measured at the amortized cost:				
Money Market	\$ 11,600,515			
Total	\$ 11,600,515			
Total Investments	\$ 487,790,553			

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

<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	249,065,419	190,698,478	58,366,941	-
Equity — Marketable	4,057,686	4,057,686	-	-
Life Insurance Contracts	502,639	-	502,639	-
Total	\$ 293,588,456	\$ 230,895,306	\$ 62,693,150	\$ -
	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/Rolling 2 Years	2 to 90 days
Private Investment Funds	82,061,463	25,362,986	Not eligible	Not eligible
Illiquid Real Assets Funds	8,721,284	6,770,664	Not eligible	Not eligible
Real Estate Funds	7,221,379	7,588,834	Not eligible	Not eligible
Total	\$ 118,342,647	\$ 39,722,484		
Investments measured at the amortized cost:				
Money Market	\$ 14,840,589			
Total	\$ 14,840,589			
Total Investments	\$ 426,771,692			

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

(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, 2024 and 2023, receivables consisted of the following:

	<u>2024</u>	<u>2023</u>
Accounts receivable, net		
Primary Institution:		
Contracts and grants	\$ 51,982,837	\$ 52,643,577
Tuition and fees	19,635,956	18,287,898
Auxiliaries	538,314	6,853,544
Sales and services	5,970,457	5,204,735
State of New Mexico bonds	17,282,709	13,336,354
HSC health services	7,465,660	7,265,183
Other	4,855,604	1,782,991
Total accounts receivable	<u>\$ 107,731,537</u>	<u>\$ 105,374,282</u>
Less: Allowance for doubtful accounts	<u>(36,449,491)</u>	<u>(32,268,600)</u>
Total accounts receivable, net	<u>\$ 71,282,046</u>	<u>\$ 73,105,682</u>
Discretely Presented Component Units	<u>\$ 1,940,766</u>	<u>\$ 1,323,979</u>
Patient receivables, net		
Primary Institution:		
Patient receivables	\$ 536,980,326	\$ 488,273,913
Less: Allowance for doubtful accounts and contractual adjustments	<u>(297,872,258)</u>	<u>(275,449,811)</u>
Total patient receivables, net	<u>\$ 239,108,068</u>	<u>\$ 212,824,102</u>
Other receivables		
Primary Institution:		
Interest receivable	\$ 2,113,228	\$ 1,577,908
Bernalillo County mill levy	2,862,606	2,035,088
Other receivables	<u>22,843,123</u>	<u>3,904,843</u>
Total other receivables	<u>\$ 27,818,957</u>	<u>\$ 7,517,839</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

(5) Notes Receivable

At June 30, 2024 and 2023, notes receivable consisted of the following:

	<u>2024</u>	<u>2023</u>
Primary Institution:		
Student loans, current	\$ 4,775,103	\$ 2,807,293
Student loans, noncurrent	1,831,938	1,923,913
Total notes receivable	<u>\$ 6,607,041</u>	<u>\$ 4,731,206</u>

Federal Perkins Loans make up approximately 4.3% and 15.0% of the student loans at June 30, 2024 and 2023, 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

(6) Capital Assets

	Year Ended June 30, 2024				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
Primary Institution:					
Capital assets not being depreciated					
Land	\$ 70,049,342	\$ 1,955,008	\$ -	\$ -	\$ 72,004,350
Construction in progress	480,928,682	214,868,001	(88,506,056)	-	607,290,627
Fabricated equipment in progress	2,247,183	345,978	(543,380)	-	2,049,781
Total capital assets not being depreciated	<u>\$ 553,225,207</u>	<u>\$ 217,168,987</u>	<u>\$ (89,049,436)</u>	<u>\$ -</u>	<u>\$ 681,344,758</u>
Depreciable capital assets					
Land improvements	\$ 99,984,374	\$ 167,841	\$ 19,006,337	\$ -	\$ 119,158,552
Infrastructure	197,396,057	-	11,808,708	-	209,204,765
Buildings	1,827,608,930	62,893	43,794,687	(4,369,213)	1,867,097,297
Equipment and furnishings	819,420,930	46,838,715	14,439,704	(14,984,455)	865,714,894
Library books	215,240,041	5,906,014	-	-	221,146,055
Total depreciable capital assets	<u>\$ 3,159,650,332</u>	<u>\$ 52,975,463</u>	<u>\$ 89,049,436</u>	<u>\$ (19,353,668)</u>	<u>\$ 3,282,321,563</u>
Less: Accumulated depreciation for					
Land improvements	\$ (70,357,969)	\$ (4,491,150)	\$ -	\$ -	\$ (74,849,119)
Infrastructure	(155,057,819)	(5,690,697)	-	-	(160,748,516)
Buildings	(874,589,553)	(47,160,222)	-	828,030	(920,921,745)
Equipment and furnishings	(612,280,455)	(46,923,976)	-	15,016,735	(644,187,696)
Library books	(204,076,400)	(5,583,295)	-	-	(209,659,695)
Total accumulated depreciation	<u>\$ (1,916,362,196)</u>	<u>\$ (109,849,340)</u>	<u>\$ -</u>	<u>\$ 15,844,765</u>	<u>\$ (2,010,366,771)</u>
Total depreciable capital assets, net	<u>\$ 1,243,288,136</u>	<u>\$ (56,873,877)</u>	<u>\$ 89,049,436</u>	<u>\$ (3,508,903)</u>	<u>\$ 1,271,954,792</u>
Capital asset summary					
Capital assets not being depreciated	\$ 553,225,207	\$ 217,168,987	\$ (89,049,436)	\$ -	\$ 681,344,758
Depreciable capital assets at cost	3,159,650,332	52,975,463	89,049,436	(19,353,668)	3,282,321,563
Total cost of capital assets	\$ 3,712,875,539	\$ 270,144,450	\$ -	\$ (19,353,668)	\$ 3,963,666,321
Less: Accumulated depreciation	(1,916,362,196)	(109,849,340)	-	15,844,765	(2,010,366,771)
Capital assets, net	<u>\$ 1,796,513,343</u>	<u>\$ 160,295,110</u>	<u>\$ -</u>	<u>\$ (3,508,903)</u>	<u>\$ 1,953,299,550</u>
Discretely Presented Component Units:					
Capital assets, net	<u>\$ 134,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,586)</u>	<u>\$ 131,876</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

	Year Ended June 30, 2023				
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
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	<u>\$ 3,357,614,958</u>	<u>\$ 375,692,284</u>	<u>\$ -</u>	<u>\$ (20,431,703)</u>	<u>\$ 3,712,875,539</u>
Less: 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>
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>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

(7) Other Assets – Current and Noncurrent

At June 30, 2024 and 2023, other assets consisted of the following:

	<u>2024</u>	<u>2023</u>
Other current assets		
Primary Institution:		
Prepaid expenses	\$ 18,221,203	\$ 14,148,915
Broadcast rights	964,730	847,060
Other	1,197,222	1,868,150
Total other current assets	<u>\$ 20,383,155</u>	<u>\$ 16,864,125</u>
Discretely Presented Component Units	<u>\$ 1,574,140</u>	<u>\$ 1,140,391</u>
Other noncurrent assets		
Primary Institution:		
Art and special collections	5,996,761	5,998,315
Prepaid expenses	290,062	302,118
Other	1,194,832	21,956,976
Total other noncurrent assets	<u>\$ 7,481,655</u>	<u>\$ 28,257,409</u>
Discretely Presented Component Units	<u>\$ 4,478,330</u>	<u>\$ 3,693,704</u>

(8) Accounts Payable and Accrued Payroll

At June 30, 2024 and 2023, accounts payable and accrued payroll consisted of the following:

	<u>2024</u>	<u>2023</u>
Primary Institution:		
Trade payables	\$ 154,095,402	\$ 125,555,290
Accrued payroll	73,012,900	58,770,664
Self-insurance reserve	4,045,289	4,867,097
Total accounts payable and accrued payroll	<u>\$ 231,153,591</u>	<u>\$ 189,193,051</u>
Discretely Presented Component Units	<u>\$ 2,145,524</u>	<u>\$ 1,922,383</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

(9) Accrued Compensated Absences

During the years ended June 30, 2024 and 2023, the following changes occurred in accrued compensated absences for the primary institution:

Fiscal Year	Balance July 1	Additions	Deductions	Balance June 30
2024	\$ 76,099,740	\$ 87,027,101	\$ (84,465,063)	\$ 78,661,778
2023	74,324,953	\$ 79,873,534	\$ (78,098,747)	76,099,740

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

(10) Other Accrued Liabilities — Current

At June 30, 2024 and 2023, other accrued liabilities consisted of the following:

	2024	2023
Primary Institution:		
Bond interest	\$ 1,036,480	\$ 1,533,198
Royalty sharing	1,591,362	1,399,343
Other	6,973,375	16,470,010
Total other accrued liabilities, current	\$ 9,601,217	\$ 19,402,551
Discretely Presented Component Units	\$ 6,842,610	\$ 5,366,474

(11) Unearned Revenue

At June 30, 2024 and 2023, unearned revenue consisted of the following:

	2024	2023
Primary Institution:		
Contracts and grants	\$ 33,408,703	\$ 47,840,738
Prepaid tuition and fees	9,247,516	8,750,374
Gifts	7,220,110	5,466,481
Prepaid auxiliary operations sales	3,331,896	4,020,159
Sales and services	408,539	1,312,163
Other	625,922	625,922
Total unearned revenue	\$ 54,242,686	\$ 68,015,837
Discretely Presented Component Units	\$ 647,292	\$ 548,947

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

(12) Noncurrent Liabilities

At June 30, 2024 and 2023, noncurrent liabilities consisted of the following:

	Year Ended June 30, 2024					
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion	Noncurrent Portion
Primary Institution:						
Bonds payable	\$ 448,057,142	\$ -	\$ (33,284,602)	\$ 414,772,540	\$ 32,745,000	\$ 382,027,540
Lease payable	51,663,483	5,997,012	(20,870,475)	36,790,020	6,634,821	30,155,199
SBITA payable	43,275,165	7,586,735	(16,944,520)	33,917,380	11,975,031	21,942,349
Long-term debt	261,696,087	110,377,410	(6,026,887)	366,046,610	12,433,515	353,613,095
Student loan programs	4,617,640	161,420	(803,566)	3,975,494	-	3,975,494
Derivative instruments — interest rate swaps	1,059,025	-	(496,167)	562,858	-	562,858
Net pension liability	1,324,449,719	569,525,545	(554,817,700)	1,339,157,564	-	1,339,157,564
Net OPEB liability	118,642,600	24,296,500	(14,707,800)	128,231,300	-	128,231,300
Other	884,416	581,681	-	1,466,097	-	1,466,097
Total	<u>\$ 2,254,345,277</u>	<u>\$ 718,526,303</u>	<u>\$ (647,951,717)</u>	<u>\$ 2,324,919,863</u>	<u>\$ 63,788,367</u>	<u>\$ 2,261,131,496</u>
Discretely Presented Component Units:						
Due to University of New Mexico	\$ 105,124,719	\$ 46,774,124	\$ (28,476,231)	\$ 123,422,612	\$ 9,870,115	\$ 113,552,497
Other	1,658,386	-	(244,662)	1,413,724	-	1,413,724
Total	<u>\$ 106,783,105</u>	<u>\$ 46,774,124</u>	<u>\$ (28,720,893)</u>	<u>\$ 124,836,336</u>	<u>\$ 9,870,115</u>	<u>\$ 114,966,221</u>
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 swaps	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
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>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

(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 \$715,847,410 and \$622,275,290 as of June 30, 2024 and 2023 (see Schedule 21).

At June 30, 2024 and 2023, bonds payable for the University consisted of the following:

	2024	2023
System Improvement Revenue Bonds	\$ 51,895,000	\$ 51,995,000
Series 2023 with interest ranging from 4.12% to 5.50% - final maturity 2053		
Taxable Subordinate Lien System Refunding Revenue Bond	70,080,000	71,575,000
Series 2021 with interest ranging from 0.819% to 2.172% - final maturity 2035		
Taxable Subordinate Lien System Refunding Revenue Bond	15,000,000	16,675,000
Series 2019 with interest ranging from 2.43% to 3.02% - final maturity 2032		
Subordinate Lien System Improvement Revenue Bonds	36,055,000	36,900,000
Series 2017 with interest ranging from 3.25% to 5.00% - final maturity 2047		
Subordinate Lien System Refunding & Improvement Revenue Bonds	134,405,000	140,105,000
Series 2016A with interest ranging from 2.25% to 5.00% - final maturity 2046		
Subordinate Lien System Refunding & Improvement Revenue Bonds	-	1,765,000
Series 2016B with interest ranging from 0.72% to 2.48% - final maturity 2024		
Subordinate Lien System Improvement Revenue Bonds	-	280,000
Series 2014B with interest ranging from 0.49% to 3.28% - final maturity 2024		
Subordinate Lien System Improvement Revenue Bonds	-	5,230,000
Series 2014C with interest ranging from 1.50% to 5.00% - Refunded 3.4.2021 - final maturity 2024		
Subordinate Lien System Refunding Revenue Bonds	5,455,000	7,185,000
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	17,020,000	19,585,000
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	6,755,000	9,925,000
Series 2001 Variable Rate Demand Bonds — rates reset weekly Weekly rate as of June 30, 2024 was 3.7% Ceiling of 12% – final maturity 2026		
	\$ 336,665,000	\$ 361,220,000
Add: Bond premium	16,622,540	18,872,142
Less: Current portion of bonds payable	(26,055,000)	(24,555,000)
Noncurrent bonds payable	\$ 327,232,540	\$ 355,537,142

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

Future debt service for the University as of June 30, 2024 for the bonds is as follows:

Year Ending June 30	Principal	Interest	Total
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	23,375,000	9,158,145	32,533,145
2030–2034	99,315,000	36,547,530	135,862,530
2035–2039	46,980,000	21,307,547	68,287,547
2040–2044	31,795,000	13,727,581	45,522,581
2045–2049	24,940,000	6,395,638	31,335,638
2050–2053	12,240,000	1,727,825	13,967,825
	<u>\$336,665,000</u>	<u>\$132,301,937</u>	<u>\$468,966,937</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 \$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, 2024 and 2023 was \$0 and \$63,509,930, respectively.

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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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, 2024 and 2023 were as follows:

	2001	2002B	2002C	Total
FY 24	\$ -	-	\$ 26,120	\$ 26,120
FY 23	\$ 94,278	\$ 60,401	\$ 135,429	\$ 290,108

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, 2024 and 2023 were \$26,120 and \$290,108 respectively. A schedule including the provider and maturities is presented below, as of June 30, 2024. 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.S. Bank				
Liquidity Expiration	Series 2001	Series 2002B	Series 2002C	Grand Total
6/01/2026	\$ 6,755,000	\$ 5,455,000	\$ 17,020,000	\$29,230,000

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.
- (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)

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

Interest Rate Swap Agreements:

As of June 30, 2024, the University had the following derivative instruments outstanding:

Item/Counter-party	Type	Objective	Effective Date	Maturity Date	Terms	Current Year	Prior Year	Current Year	Prior Year
						Fair Value	Fair Value	Notional Amount	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	\$ (19,379)	\$ (39,804)	\$ 3,377,500	\$ 2,481,250
B - JP Morgan	Pay-fixed/Receive Variable interest rate swap	Hedge against rising SIFMA rates related to the 2002C Refunding Revenue Bonds (Underlying Swan)	10/30/2002	6/1/2030	Receive SIFMA USD - Pay 3.94% Fixed	\$ (425,766)	\$ (573,026)	\$ 17,020,000	\$ 19,585,000
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	\$ (45,301)	\$ (81,175)	\$ 1,688,750	\$ 7,185,000
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	\$ (19,983)	\$ (40,980)	\$ 17,020,000	\$ 2,481,250
Investment Derivatives									
E - JP Morgan	Pay-Variable/Receive Variable interest rate swap	Hedge against falling SIFMA rates related to the 2001 System Imprv Rev Bonds (Swap Overlays)	8/15/2006	6/1/2026	Receive 63.55% of 5 year USD swap rate + .31% - Pay SIFMA	\$ (35,404)	\$ (97,552)	\$ 5,455,000	\$ 4,962,500
F - JP Morgan	Pay-Variable/Receive Variable interest rate swap	Hedge against falling SIFMA rates related to the 2002C Refunding Rev Bonds (Swap Overlays)	8/15/2006	6/1/2030	Receive 63.93% of 5 year USD swap rate + .38% - Pay SIFMA	\$ (17,025)	\$ (226,480)	\$ 1,688,750	\$ 19,585,000

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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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, 2024, the interest rate on the University's variable-rate hedged debt (SIFMA) was 3.88%, while the 63.55% of five-year USD Swap Rate, 4.34%, plus 0.31% was 3.07%. 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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

Commitments

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

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

The collateral to be posted is to be in the form of U.S. Treasury securities in the amount of the fair value of derivative instruments in liability positions net of the effect of applicable netting arrangements. If the University or the counterparty does not post collateral, the derivative instrument may be terminated. The University's credit rating is AA-/Aa3 at June 30, 2024; therefore, no collateral has been posted.

Derivative Instrument Payments and Hedged Debt

As of June 30, 2024, 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, 2024. 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.

Fiscal Year Ending June 30	Principal	Interest	Hedging Derivative Instruments, Net	Total
2025	\$ 7,770,000	\$ 1,020,127	\$ 118,188	\$ 8,908,315
2026	\$ 9,900,000	\$ 649,488	\$ 180,258	\$ 10,729,745
2027	\$ 2,900,000	\$ 329,209	\$ 126,255	\$ 3,355,464
2028	\$ 3,030,000	\$ 259,083	\$ 82,121	\$ 3,371,204
2029	\$ 3,160,000	\$ 173,404	\$ 48,418	\$ 3,381,822
2030	\$ 2,470,000	\$ 73,160	\$ 24,158	\$ 2,567,318
	<u>\$ 29,230,000</u>	<u>\$ 2,504,471</u>	<u>\$ 579,397</u>	<u>\$ 32,313,869</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

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, 2024. 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 2024 for the hedge instruments was a \$224,556 decrease to the liability and an equal offsetting decrease to the asset. For fiscal year 2023 the change was a \$1,394,001 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, 2024, was recorded to investment unrealized loss in the amount of \$271,612. As of June 30, 2023 the fair value change for swaps E and F was recorded to unrealized loss in the amount of \$526,916.

(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 \$62,490,000 (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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

Under the GNMA Mortgage-Backed Securities Program, the GNMA securities are a “fully modified pass through” mortgage backed security issued and serviced by the Lender. The face amount of the GNMA securities is to be the same amount as the outstanding principal balance of the Mortgage Note. The Lender is required to pass through to the trustee, as the holder of the GNMA securities, by the 15th day of each month, the monthly scheduled installments of principal and interest on the mortgage note (less the GNMA 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 \$2.3 million and \$2.5 million for the years ended June 30, 2024 and 2023, respectively. Interest income earned from the investment of the bond proceeds was approximately \$1.1 million and \$670 thousand for the years ended June 30, 2024 and 2023, respectively.

Bonds payable activity consists of the following:

	Year Ended June 30, 2024				
	Beginning Balance	Additions	Deductions	Ending Balance	Amount Due Within One Year
Bonds Payable					
Bond Series 2015	\$ 67,965,000	\$ -	\$ (6,480,000)	\$ 61,485,000	\$ 6,690,000
	<u>\$ 67,965,000</u>	<u>\$ -</u>	<u>\$ (6,480,000)</u>	<u>\$ 61,485,000</u>	<u>\$ 6,690,000</u>
	Year Ended June 30, 2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Amount Due Within One Year
Bonds Payable					
Bond Series 2015	\$ 74,250,000	\$ -	\$ (6,285,000)	\$ 67,965,000	\$ 6,480,000
	<u>\$ 74,250,000</u>	<u>\$ -</u>	<u>\$ (6,285,000)</u>	<u>\$ 67,965,000</u>	<u>\$ 6,480,000</u>

Future debt service (including mandatory redemptions) as of June 30, 2024, for the bonds is as follows:

Years Ending June 30,	Principal	Interest	Total
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	7,805,000	1,099,423	8,904,423
2030-2033	25,255,000	1,585,338	26,840,338
Total	<u>\$ 61,485,000</u>	<u>\$ 9,693,843</u>	<u>\$ 71,178,843</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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 guaranty fee of 13 basis points are also included in the monthly payment, for a total of 3.54%.

Mortgages payable – On September 9, 2021, the Hospital’s Lomas Campus closed on a mortgage loan to partially finance the construction of the Critical Care 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, 2024 and 2023, the Hospital’s Lomas Campus drew down \$110.4 million and \$114.8 million and incurred interest of \$7.3 and \$3.5 million, respectively, on the Critical Care Tower mortgage.

In July 2020, the Hospital’s Sandoval Campus entered into an agreement and mortgage with KeyBank National Association to refinance the Sandoval Campus mortgage from an APR of 4.86% (3.33% net of BAB Subsidy) to an APR of 1.98%. In connection with the Sandoval Campus 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 the year ended June 30, 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 Sandoval Campus 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 Sandoval Campus completed the mortgage refinance to reduce its total debt service payments 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 Sandoval Campus 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 Sandoval Campus building.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

Mortgage payable activity consists of the following:

	Year Ended June 30, 2024					Amount Due Within One Year
	Beginning Balance	Sandoval Campus Acquisition	Additions	Deductions	Ending Balance	
Mortgage Payable						
Lomas Campus	\$ 166,499,968	\$ -	\$ 110,377,410	\$ -	\$ 276,877,378	\$ 6,281,028
UNM Sandoval Regional Medical Center (Sandoval Campus Mortgage)	94,854,686	(94,854,686)	-	-	-	-
Sandoval Campus	-	94,854,686	-	(5,938,858)	88,915,828	6,057,520
	<u>\$ 261,354,654</u>	<u>\$ -</u>	<u>\$ 110,377,410</u>	<u>\$ (5,938,858)</u>	<u>\$ 365,793,206</u>	<u>\$ 12,338,548</u>
	Year Ended June 30, 2023					
	Beginning Balance	Additions	Deductions	Ending Balance	Amount Due Within One Year	
Mortgage Payable						
Lomas Campus	\$ 51,689,289	\$ 114,810,679	\$ -	\$ 166,499,968	\$ -	
UNM Sandoval Regional Medical Center (Sandoval Campus Mortgage)	\$ 100,677,206	\$ -	\$ (5,822,520)	\$ 94,854,686	\$ 5,938,858	
	<u>\$ 152,366,495</u>	<u>\$ 114,810,679</u>	<u>\$ (5,822,520)</u>	<u>\$ 261,354,654</u>	<u>\$ 5,938,858</u>	

The Lomas Campus mortgage has not been drawn down fully as of June 30, 2024. The remaining \$43,122,622 will be drawn down and principal payments will commence during the year ending June 30, 2025. The following schedule summarizes the required future principal and interest mortgage payments as of June 30, 2024 including the remaining Lomas Campus mortgage funds to be drawn down:

Years Ending June 30,	Principal	Interest	Total
2025	\$ 12,338,548	\$ 9,497,502	\$ 21,836,050
2026	14,796,547	11,730,424	26,526,971
2027	15,206,514	11,320,459	26,526,973
2028	15,628,472	10,898,500	26,526,972
2029	16,062,789	10,464,184	26,526,973
2030–2034	87,288,327	45,346,537	132,634,864
2035–2039	84,406,860	32,701,447	117,108,307
2040–2044	72,794,903	21,023,571	93,818,474
2045–2049	85,727,434	8,091,040	93,818,474
2050	4,665,434	25,489	4,690,924
Total	<u>\$ 408,915,828</u>	<u>\$ 161,099,153</u>	<u>\$ 570,014,982</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

(C) Primary Institution

At June 30, 2024 and 2023, bonds payable for the primary institution consisted of the following:

	2024			2023		
	Current	Noncurrent	Total	Current	Noncurrent	Total
University	\$ 26,055,000	\$ 327,232,540	\$ 353,287,540	\$ 24,555,000	\$ 355,537,142	\$ 380,092,142
University of New Mexico Hospital	6,690,000	54,795,000	61,485,000	6,480,000	61,485,000	67,965,000
Total	\$ 32,745,000	\$ 382,027,540	\$ 414,772,540	\$ 31,035,000	\$ 417,022,142	\$ 448,057,142

(D) 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, 2024, the annual interest rate increased from 7.50% to 8.50%. This note matures on December 21, 2026. At June 30, 2024, balance of the note payable was \$253,404 and \$94,967 was due within one year. At June 30, 2023, balance of the note payable was \$341,418 and \$88,611 was due within one year. The promissory note is classified as long-term debt in the Statements of Net Position.

(14) Net Patient Service Revenues

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

	2024	2023
Primary Institution:		
Charges at established rates	\$ 3,528,734,670	\$ 3,360,262,439
Charity care	(120,785,200)	(106,733,178)
Contractual adjustments	(1,485,696,663)	(1,517,405,788)
Provision for doubtful accounts	(103,217,775)	(84,343,639)
Net patient service revenues	<u>\$ 1,819,035,032</u>	<u>\$ 1,651,779,834</u>

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

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

(15) Leases

A summary of the lease asset activity during the years ended June 30, 2024 and 2023 is as follows:

	Balance			Balance
	June 30, 2023	Additions	Deductions	June 30, 2024
Right to use, Leases				
Buildings	\$ 74,515,647	\$ 6,176,236	\$ (13,339,275)	\$ 67,352,608
Equipment	1,536,545	-	-	1,536,545
Accumulated depreciation				
Buildings	(24,015,481)	(7,572,832)	393,696	(31,194,617)
Equipment	(1,150,151)	(356,671)	-	(1,506,822)
Right to use Leases, net	<u>\$ 50,886,560</u>	<u>\$ (1,753,267)</u>	<u>\$ (12,945,579)</u>	<u>\$ 36,187,714</u>

	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>

Below is a summary of changes in the related lease liability and deferred inflow of resources during the years ended June 30, 2024 and 2023. The decreases in deferred inflow of resources represent amounts recognized in the Statements of Revenues, Expenses, and Changes in Net Position in the respective years:

	Balance			Balance	Amounts
	June 30, 2023	Additions	Deductions	June 30, 2024	due within
					one year
Lease liabilities	<u>\$ 51,663,483</u>	<u>\$ 5,997,012</u>	<u>\$ (20,870,475)</u>	<u>\$ 36,790,020</u>	<u>\$ 6,634,821</u>
Deferred inflow of resources - Leases	<u>\$ 37,529,180</u>	<u>\$ 1,486,205</u>	<u>\$ (8,363,963)</u>	<u>\$ 30,651,422</u>	

	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>	

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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 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, (i) 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, nor (ii) are there any residual value guarantees provided by UNM not 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.

The University, as the lessee, has entered into lease agreements with various entities for office, administrative, service and facility spaces. The most significant of these leases as of June 30, 2024 and 2023 are as follows:

UNM Hospital Administration:

In September 2018, the University entered into a 25-year lease agreement for administrative office space located at 1601 Lomas Blvd NE, associated with UNM Hospital operations. The lease includes options for UNM to extend the term for five additional periods of 10 years each. The current annual rent payment is \$385,000 through 2029, and will increase 10% every five years thereafter.

Addiction and Substance Abuse Program:

In May 2013, the University entered into a seven-year lease agreement for the Addiction and Substance Abuse Program, located at 2600 Yale Blvd SE. This facility focuses on treating substance use disorders through integrated, evidence-based care. In September 2023, the University amended this lease agreement to exercise an option to extend the lease to August 2031, with 2 additional options to extend the term for two additional periods of 36 months each. The current annual rent payment is \$303,960, with annual increases of \$6,120.

UNM Early Childhood Services Center:

In April 2020, the University entered into a 10-year lease agreement for the UNM Early Childhood Services Center, located at 4400 Alameda Blvd NE. This center provides culturally and linguistically appropriate professional development services to early learning programs throughout New Mexico. The lease includes options for UNM to extend the term for 36 months. Current annual lease payments are \$200,946, with yearly increases of 2.5%.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

The University, acting as the lessor, has entered into lease agreements with various entities for office, administrative, and student housing spaces. The most significant of these leases as of June 30, 2024 and 2023 are as follows:

Lobo Village:

In May 2010, the University entered into a 40-year lease agreement for Lobo Village, operated by American Campus Communities. Lobo Village is an apartment-style student residential property located on the UNM South Campus. The lease includes options for American Campus Communities to extend the term for three additional periods of 10 years each. The property is primarily used by the University for student housing and activity space. The annual rent under this agreement is \$469,436.

Casas del Rio:

In May 2011, the University entered into a 40-year lease agreement for Casas del Rio, operated by American Campus Communities. Casas del Rio is a suite-style student residential property located on the UNM Main Campus. The lease includes options for American Campus Communities to extend the term for three additional periods of 10 years each. This facility is used by the University for student housing and activity space. The annual rent under this agreement is \$551,728.

Minimum Lease Payments

(a) *University as Lessee*

The following is a schedule of future minimum lease payments for the University as a lessee as of June 30, 2024.

Year ending June 30	Principal Payments	Interest Payments	Total Lease Payments
2025	6,634,821	920,133	7,554,954
2026	3,902,249	786,419	4,688,668
2027	3,209,002	697,555	3,906,557
2028	2,778,082	622,118	3,400,200
2029	2,293,132	557,492	2,850,624
2030-2034	10,915,756	2,554,685	13,470,441
2035-2039	3,629,122	670,580	4,299,702
2040-2044	3,427,856	187,105	3,614,961
2045 & After	-	-	-
	<u>\$ 36,790,020</u>	<u>\$ 6,996,087</u>	<u>\$ 43,786,107</u>

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

(b) *University as Lessor*

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2024:

Year ending June 30	Principal Receivable	Interest Revenue Receivable	Total Lease Receivable
2025	4,114,316	914,305	5,028,621
2026	3,697,834	808,234	4,506,068
2027	2,359,591	718,893	3,078,484
2028	2,140,919	642,472	2,783,391
2029	1,735,214	573,892	2,309,106
2030-2034	5,007,821	2,256,021	7,263,842
2035-2039	3,418,368	1,682,374	5,100,742
2040-2044	3,483,861	1,283,551	4,767,412
2045 and thereafter	7,302,199	2,502,279	9,804,478
	<u>\$ 33,260,123</u>	<u>\$ 11,382,019</u>	<u>\$ 44,642,142</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 \$22,394,737 and \$19,900,031 in insurance premiums during fiscal years 2024 and 2023, respectively. The University's exposure is limited to \$2,500 per any first party incurred property loss, except for 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 UNMMG (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' 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

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

general liability claims.

The NMTCA provides that total liability for all claims that arise out of a single occurrence shall not exceed \$750,000 set forth as follows: (a) \$200,000 for real property; (b) up to \$300,000 for past and future medical and medically related expenses; and (c) up to \$400,000 for past and future noneconomic losses (such as pain and suffering) incurred or to be incurred by the claimant. While the language of the NMTCA does not expressly provide for third-party claims such as loss of consortium, the New Mexico appellate court decisions have allowed claimants to seek loss of consortium. As a result, if loss of consortium claims are presented, those claims cannot exceed \$350,000 in the aggregate. Thus, if a claim presents both direct claims and third-party claims, the maximum exposure of the Public Liability Fund, and, therefore, the Clinical Operations, cannot exceed \$1,100,000. The NMTCA prohibits the award of punitive or exemplary damages against the Clinical Operations.

The NMTCA requires the State Risk Management Division to provide coverage to the Clinical Operations for those torts where the Legislature has waived the state's immunity from liability up to the damages limits of the NMTCA, as described above, plus the cost incurred in defending any claims and/or lawsuits (including attorney's fees and expenses), with no deductible and with no self-insured retention by the Clinical Operations.

Effective July 1, 2009, the University began self-insuring its health and dental benefits. 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, 2024 and 2023, the estimated amount of the University's claims and accrued invoices was \$4.0 million and \$4.9 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:

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2024	\$ 4,867,097	\$109,584,729	\$(110,406,537)	\$ 4,045,289
2023	13,094,844	103,384,509	(111,612,256)	4,867,097

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 \$4.9 million and \$5.0 million at June 30, 2024 and 2023, which is

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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 \$430,000 and \$477,000 at June 30, 2024 and 2023, respectively. The liability for IBNR was based on actuarial analysis calculated using information provided by BCBSNM.

Changes in the reported Clinical Operations liability during fiscal years 2024 and 2023 resulted from the following:

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2024	\$ 5,790,885	\$ 57,170,623	\$(57,656,168)	\$ 5,305,340
2023	5,808,402	57,610,039	(57,627,556)	5,790,885

(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. The report can be found on NMERB's website at 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 22-11-55, 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 nine-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

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

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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. Those who retire under the age of 60, and who have fewer than 25 years of earned service credit will receive reduced retirement benefits, or
- The member is at least 65 years of age and 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 and before July 1, 2013, or at any time prior to July 1, 2010, was refunded all members 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. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits, or
- The member is at least 67 years of age and has five or more years of earned service credit, or
- The member has service credit totaling 30 years or more.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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 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, or
- 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, or who were employed before July 1, 2019 but terminated employment and subsequently withdrew all contributions and returned to work for an ERB employer on or after July 1, 2019. A member in this tier must meet one of the following requirements:

- The member is any age and has 30 or more years of earned service credit, or
- The member is at least 67 years of age and has 5 or more years of earned service credit, or
- The sum of the member's age and years of earned service credit equals at least 80.

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

Benefit options: The Plan has three benefit options available.

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

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

- 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 the member has acquired at least ten years of earned service credit and is found to be 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 median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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, 2024 and 2023 educational employers contributed to the Plan based on the following rate schedule.

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2024	7-1-23 to 6-30-24	Over \$24K	10.70%	18.15%	28.85%	1.00%
2024	7-1-23 to 6-30-24	\$24K or less	7.90%	18.15%	26.05%	1.00%
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%

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, 2024, 2023, 2022 were \$120,333,297, \$102,864,990, and \$80,578,522, 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, 2024, 2023, 2022 were \$166,863, \$173,804, and \$190,620, 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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, or
- 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, 2024, colleges and universities contributed 10.90% of participating employees' gross salary to the ARP vendor on behalf of the participant, and 7.25% of the employees' gross salary to NMERB, for a total of 18.15%. Employees participating in the ARP do not accrue rights to benefits in the defined benefit pension plan based on the 7.25% 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 7.25% contribution remitted for the fiscal year ended June 30, 2024, and the amounts remitted for the fiscal years ended 2023 and 2022 were \$14,372,474, \$11,565,240, and \$7,256,562, respectively.

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

At June 30, 2024, the University and Clinical Operations reported liabilities of \$1,336,818,886 and \$2,338,678, respectively, for their proportionate shares of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2023 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2023.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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.

The University's proportion of the net pension liability is based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions at June 30, 2023, actuarially determined. At June 30, 2023, the University's proportion was 15.39354%, which was a decrease of 0.29566% from its proportion measured as of June 30, 2022. At June 30, 2022, the University's proportion was 15.68920%, which was a decrease of 0.07591% from its proportion measured as of June 30, 2021. At June 30, 2023, the Clinical Operations' proportion was 0.02693%, which was a decrease of 0.01048% from its proportion measured as of June 30, 2022. 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.

For the year ended June 30, 2024, the University and Clinical Operations recognized pension income of \$201,113,867 and \$1,271,152, respectively. For the year ended June 30, 2023, the University and Clinical Operations recognized pension expense of \$64,872,698 and the Clinical Operations recognized pension income of \$662,332. At June 30, 2024 and 2023, the University and Clinical Operations reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year Ended June 30, 2024					
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	University	Clinical Operations	Total	University	Clinical Operations	Total
Differences between expected and actual experience	\$37,891,312	\$66,288	\$37,957,600	\$12,087,283	\$21,146	\$12,108,429
Changes of assumptions	-	-	-	198,380,627	347,054	198,727,681
Net difference between projected and actual earnings on pension plan investments	-	-	-	8,374,515	14,651	8,389,166
Changes in proportion and differences between University and Clinical Operations contributions and proportionate share of contributions	21,138	-	21,138	27,580,752	1,131,461	28,712,213
University and Clinical Operations contributions subsequent to the measurement date	120,333,296	166,863	120,500,159	-	-	-
Total	\$158,245,746	\$233,151	\$158,478,897	\$246,423,177	\$1,514,312	\$247,937,489

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

	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

The \$120,500,159 reported as deferred outflows of resources related to pensions resulting from University and Clinical Operations contributions subsequent to the measurement date of June 30, 2023 will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. 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 was recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	University	Clinical Operations	Total
2024	(209,134,716)	(955,290)	(210,090,006)
2025	(47,206,581)	(473,574)	(47,680,155)
2026	46,586,802	(21,336)	46,565,466
2027	1,243,768	2,176	1,245,944
Total	(\$208,510,727)	(\$1,448,024)	(\$209,958,751)

Actuarial assumptions: Actuarial assumptions and methods are set by the Plan's Board of Trustees, based upon recommendations made by the Plan's actuary. The assumptions for the year ended June 30, 2023 were based on Board-adopted assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ended June 30, 2019.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

The total pension liability in the June 30, 2023 and 2022 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 step-rate promotional increase for less than 15 years of service.
Investment Rate of Return	7.00%
Mortality	<p>Healthy males: 2020 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p> <p>Healthy females: 2020 GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p>

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Equities	24%	
Fixed income	23%	
Alternatives	52%	
Cash	1%	
Total	<u>100%</u>	<u>7.00%</u>

Discount rate: A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2023. This is the same rate used for June 30, 2022. 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 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, 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

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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, 2024, 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, 2024		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
University's proportionate share of the net pension liability	\$1,817,291,615	\$1,336,818,886	\$939,891,878
Clinical Operations' proportionate share of the net pension liability	3,179,234	2,338,678	1,644,280
Total	\$ 1,820,470,849	\$ 1,339,157,564	\$ 941,536,158

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.

	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 UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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 \$22,800,000 and \$19,900,000 in fiscal years 2024 and 2023, respectively. Total employee contributions under this plan were \$31,200,000 and \$31,000,000 in fiscal years 2024 and 2023, respectively. The Hospital also offers a Roth 403b defined-contribution plan option. Total employee contributions were approximately \$3,400,000 and \$3,300,000 in fiscal years 2024 and 2023, respectively.

The Clinical Operations also offer a deferred compensation plan, called the UNM Hospital 457(b) Deferred Compensation Plan, which provides employees with an additional retirement savings plan. Employees can make voluntary contributions to this plan. The plan was established by the UNM Hospital Board of Trustees and can be amended at its discretion. The plan is administered by the Hospital's Human Resources Department. There was no expense for the deferred compensation plan in 2024 and 2023, respectively, as the Clinical Operations do not contribute to this plan. Total employee contributions under this plan were \$5,077,000 and \$5,119,000 in fiscal years 2024 and 2023, 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 \$801,000 and \$792,000 in fiscal years 2024 and 2023, 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-

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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 retired prior to July 1, 2018, employees must have continually contributed to the VEBA Trust. Employees were automatically enrolled into the VEBA Trust upon its establishment unless they requested to opt out. Opportunities to opt out will occur annually during the benefits open enrollment period. Employees hired on or after July 1, 2015 are not eligible for OPEB other than basic life insurance. Contributions to the VEBA Trust are not required for the basic life insurance benefit since these benefits are not funded through the VEBA Trust.

At the valuation date of January 1, 2023, as a actuarial valuation is only obtained every other year, 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:

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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 of January 1, 2023 and 2022, as follows:

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

The contribution percentage to premiums for retirees under the age of 65 is determined by service credits paid into the VEBA and their preretirement annual salary as of January 1, 2023 and 2022, 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

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, 2024 and 2023:

Asset Class	2024		2023	
	Allocation		Allocation	
	Target	Maximum	Target	Maximum
Equities	75%	98%	65%	65%
Fixed income	25%	33%	35%	45%
Alternatives	0%	15%	0%	15%
Total	100%		100%	

Rate of return: For the years ended June 30, 2024 and 2023, the annual money-weighted rate of return on investments, net of investment expense, were 11.32 percent and 9.83 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, 2023 (using census data as of January 1, 2023 but adjusted for a change in the discount rate) to the measurement date.

The components of the net OPEB liability of the University at June 30, 2024 and 2023 were as follows:

	2024	2023
Total OPEB liability	\$189,655,000	\$170,849,200
Plan fiduciary net position	61,423,700	52,206,600
University's net OPEB liability	<u>\$128,231,300</u>	<u>\$118,642,600</u>
Plan fiduciary net position as a percentage of the total OPEB liability	32.39%	30.56%

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

Actuarial assumptions: The total OPEB liability was determined by the most recent actuarial valuation as of January 1, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	2.0%
Investment rate of return	6.0%, 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 assumption on VEBA Trust assets and the interest rate reported under the 20-Year Municipal Bond Index. GASB 75 requires the use of a long-term rate of return on assets to be used for discounting payments in periods where the plan’s fiduciary net position is projected to be greater than or equal to the benefit payments that are projected to be made in those periods, and the use of the 20-Year Municipal Bond Index for discounting payments in other periods. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used for the 20-Year Municipal Bond Index, based on this 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 retiree medical and retiree life insurance benefits. The VEBA Trust assets were projected using the expected employer and employee payroll contributions and the expected long-term rate of return. Retiree medical payments from the VEBA Trust were assumed to begin when the future projected benefit payments are projected to be fully-funded by the trust, before which the payments were assumed to be paid from general assets on a pay-as-you-go basis. The blended discount rates used for the fiscal year ending June 30, 2024 and 2023 were 5.85% and 6.90% respectively.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

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, 2023 (based on July 1, 2022 measurement date)	\$ 170,849,200	\$ 52,206,600	\$ 118,642,600
Changes for the year:			
Service cost	2,128,000	N/A	2,128,000
Interest on the total OPEB liability	11,753,200	N/A	11,753,200
Changes of benefit terms	-	N/A	-
Differences between expected and actual experience	(26,283,900)	N/A	(26,283,900)
Changes of assumptions	36,580,100	N/A	36,580,100
Benefit payments	(5,371,600)	(5,371,600)	-
Contributions from employer	N/A	7,301,600	(7,301,600)
Contributions from employee	N/A	1,929,900	(1,929,900)
Net investment income	N/A	5,363,800	(5,363,800)
Administrative expense	N/A	(6,600)	6,600
Net changes	18,805,800	9,217,100	9,588,700
Balance at June 30, 2024 (based on July 1, 2023 measurement date)	\$ 189,655,000	\$ 61,423,700	\$ 128,231,300

	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, 2021 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, 2022 measurement date)	\$ 170,849,200	\$ 52,206,600	\$ 118,642,600

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

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

The following presents the University's net OPEB liability at June 30, 2024, which was measured using the discount rate of 5.85%, 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 (4.85%) or one percentage point higher (6.85%) than the current discount rate.

	Year Ended June 30, 2024		
	1% Decrease (4.85%)	Current Discount Rate (5.85%)	1% Increase (6.85%)
Net OPEB liability	\$ 153,313,500	\$ 128,231,300	\$ 107,438,800

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

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, 2024 and 2023, 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, 2024		
	1% Decrease (Pre-Medicare: 6.8% decreasing to 3.5%, Post-Medicare: 7.25% decreasing to 3.5%, Dental: 3%)	Current Trend Rate (Pre-Medicare: 7.8% decreasing to 4.5%, Post-Medicare: 8.25% decreasing to 4.5%, Dental: 4%)	1% Increase (Pre-Medicare: 8.25% decreasing to 5.5%, Post-Medicare: 9.25% decreasing to 5.5%, Dental: 5%)
Net OPEB liability	\$ 107,517,100	\$ 128,231,300	\$ 153,282,400

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

	<u>Year Ended June 30, 2023</u>		
	1% Decrease	Current Trend Rate	1% Increase
	(Pre-Medicare: 6.8% decreasing to 3.5%, Post-Medicare: 7.25% decreasing to 3.5%, Dental: 3%)	(Pre-Medicare: 7.8% decreasing to 4.5%, Post-Medicare: 8.25% decreasing to 4.5%, Dental: 4%)	(Pre-Medicare: 8.25% 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

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, 2024, the University recognized OPEB expense of \$6,862,300 and for the year ended June 30, 2023, the University recognized OPEB expense of \$3,992,200. At June 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Year Ended June 30, 2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,043,595	\$ 25,613,995
Changes of assumptions	32,981,663	4,597,863
Net difference between projected and actual earnings on OPEB plan investments	5,690,400	-
University contributions subsequent to the measurement date	7,333,300	-
Total	\$ 57,048,958	\$ 30,211,858

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

	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

The \$7,333,300 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date of July 1, 2024 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. 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 was recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. 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:	
2025	\$ 2,551,600
2026	6,685,100
2027	7,714,400
2028	1,178,500
2029	1,374,200
Total	\$ 19,503,800

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

(19) Commitments and Contingencies

(A) Commitments

In addition to the lease commitments in note 15, the University had commitments totaling \$57,311,742 at June 30, 2024. These commitments consisted of the following:

	<u>2024</u>
Materials and services	\$38,082,994
Construction projects	19,228,747
Total commitments	<u>\$57,311,742</u>

(B) Contingencies

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

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

(C) Mortgage Reserve Fund

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

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

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

(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):

	2024	2023
Unrestricted net position	\$ (283,105,860)	\$ (740,465,765)
Less:		
Working capital – patient care operations		
Clinical operations – UNM Hospitals	408,942,161	345,418,633
Total working capital – patient care operations	408,942,161	345,418,633
Net pension and OPEB obligations		
Pension	(1,428,616,156)	(1,745,599,220)
OPEB	(101,394,200)	(101,865,200)
Total net pension and OPEB obligations	(1,530,010,356)	(1,847,464,420)
Committed		
HSC capital initiatives	-	333,561
Blended component units	91,123,695	103,926,640
Other	223,273,383	98,232,198
Total committed	314,397,078	202,492,399
Dedicated		
Plant funds – repair and replacement	118,887,296	91,389,299
Quasi-endowment funds – Regents' scholarships	135,682,577	117,938,281
Student loan funds	1,003,932	962,075
Other	179,845,394	145,182,728
Total dedicated	435,419,199	355,472,383
Ending discretionary funds balance	\$ 88,146,058	\$ 203,615,240

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024 and 2023

(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, 2024 and 2023 are as follows:

	<u>As of June 30</u>	
	<u>2024</u>	<u>2023</u>
Balance of the University's beneficial interest in the LGPF	\$ 313,640,410	\$ 294,593,061
	<u>For the Years Ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Income received from the University's beneficial interest in the LGPF	\$ 11,398,092	\$ 11,027,379

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2024 and 2023

(22) Subscription Based Information Technology Agreements

A summary of the subscription-based information technology arrangements (SBITA) asset activity during the years ended June 30, 2024 and 2023 is as follows:

	Balance June 30, 2023		Additions	Deductions	Balance June 30, 2024	
Right to use SBITA	\$ 79,510,910	\$ 7,699,291	\$ -	\$ -	\$ 87,210,201	
Accumulated depreciation	(36,402,430)	(17,230,188)	-	-	(53,632,618)	
Right to use SBITA, net	\$ 43,108,480	\$ (9,530,897)	\$ -	\$ -	\$ 33,577,583	

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

A summary of changes in the related SBITA liability during the years ended June 30, 2024 and 2023 is as follows:

	Balance June 30, 2023		Additions	Deductions	Balance June 30, 2024	Amounts due within a year
SBITA liabilities	\$ 43,275,165	\$ 7,586,735	\$ (16,944,520)	\$ 33,917,380	\$ 11,975,031	

	Balance June 30, 2022		Additions	Deductions	Balance June 30, 2023	Amounts due within a year
SBITA liabilities	\$ 60,941,483	\$ 110,097	\$ (17,776,415)	\$ 43,275,165	\$ 15,296,717	

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 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.

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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.

A schedule of future minimum SBITA payments for the University as of June 30, 2024 is as follows:

Year ending June 30	Principal Payable	Interest Payable	Total
2025	\$ 11,975,031	\$ 1,025,770	\$ 13,000,801
2026	7,871,165	630,239	8,501,404
2027	5,946,107	379,574	6,325,681
2028	1,584,059	247,805	1,831,864
2029	1,534,353	193,152	1,727,505
2030-2034	5,006,665	297,959	5,304,624
2035-2039	-	-	-
2040-2044	-	-	-
2045 & After	-	-	-
	<u>\$ 33,917,380</u>	<u>\$ 2,774,499</u>	<u>\$ 36,691,879</u>

(23) Subsequent Events

Management has evaluated subsequent events through October 28, 2024 to determine whether such events should be recorded or disclosed in the financial statements or notes for the year ended June 30, 2024. This date represents the date the financial statement audit report was available to be issued. The University is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

THE UNIVERSITY OF NEW MEXICO

REQUIRED SUPPLEMENTAL INFORMATION – PENSION

Schedule of Proportionate Share of Net Pension Liability and Employer Contributions

The schedule of proportionate share of net pension liability and the schedule of employer contributions present multiyear trend information for the last 10 fiscal years.

Schedule of Proportionate Share of Net Pension Liability - ERB Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>
University's and Clinical Operations' proportion of the net pension liability (asset)	15.42047%	15.72661%	15.80580%
University's and Clinical Operations' proportionate share of the net pension liability (asset)	\$ 1,339,157,564	\$ 1,324,449,719	\$ 1,120,230,812
University's and Clinical Operations' covered payroll	\$ 600,809,294	\$ 533,129,650	\$ 506,412,799
University's and Clinical Operations' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.89%	248.43%	221.21%
Plan fiduciary net position as a percentage of the total pension liability	65.19%	64.87%	69.77%

Schedule of Employer Contributions - ERB Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Statutorily required employer contribution	\$ 120,500,160	\$ 103,038,794	\$ 80,769,142
Contributions in relation to the statutorily required contribution	\$ 120,500,160	\$ 103,038,794	\$ 80,769,142
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's and Clinical Operations' covered payroll	\$ 663,912,727	\$ 600,809,294	\$ 533,129,650
Contributions as a percentage of covered payroll	18.15%	17.15%	15.15%

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

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 assumptions for the year ended June 30, 2023 were based on Board adopted assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study for the period ended June 30, 2019.

See accompanying independent auditors' report

SCHEDULE 1

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
15.81387%	16.42216%	16.99433%	16.96537%	16.58948%	16.49188%	16.43531%
\$ 3,204,781,099	\$ 1,244,357,298	\$ 2,020,852,577	\$ 1,885,441,562	\$ 1,193,850,905	\$ 1,068,222,984	\$ 937,754,765
\$ 505,156,445	\$ 480,032,441	\$ 474,922,764	\$ 483,027,675	\$ 470,690,396	\$ 450,281,155	\$ 446,728,272
634.41%	259.22%	425.51%	390.34%	253.64%	237.23%	209.92%
39.11%	64.13%	52.17%	52.95%	61.58%	63.97%	66.54%
<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 71,657,411	\$ 71,479,637	\$ 66,727,310	\$ 66,012,818	\$ 67,140,847	\$ 65,427,748	\$ 64,832,820
\$ 71,657,411	\$ 71,479,637	\$ 66,727,310	\$ 66,012,818	\$ 67,140,847	\$ 65,427,748	\$ 64,832,820
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 506,412,799	\$ 505,156,445	\$ 480,032,441	\$ 474,922,764	\$ 483,027,675	\$ 470,690,396	\$ 450,281,155
14.15%	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 eight years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

	2024	2023	2022
Total OPEB liability			
Service cost	\$ 2,128,000	\$ 2,180,100	\$ 1,741,700
Interest cost	11,753,200	11,247,900	9,365,900
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(26,283,900)	-	23,091,200
Changes of assumptions	36,580,100	(3,057,100)	4,104,100
Benefit payments	(5,371,600)	(5,415,400)	(5,443,800)
Net change in total OPEB liability	\$ 18,805,800	\$ 4,955,500	\$ 32,859,100
Total OPEB liability – beginning	170,849,200	165,893,700	133,034,600
Total OPEB liability – ending (a)	\$ 189,655,000	\$ 170,849,200	\$ 165,893,700
Plan fiduciary net position			
Contributions – employer	\$ 7,301,600	\$ 7,382,600	\$ 7,490,200
Contributions – member	1,929,900	1,967,300	2,046,500
Net investment income	5,363,800	(10,733,700)	11,408,000
Benefit payments	(5,371,600)	(5,415,400)	(5,443,800)
Administrative expense	(6,600)	(6,000)	(8,700)
Net change in plan fiduciary net position	\$ 9,217,100	\$ (6,805,200)	\$ 15,492,200
Plan fiduciary net position – beginning	52,206,600	59,011,800	43,519,600
Plan fiduciary net position – ending (b)	\$ 61,423,700	\$ 52,206,600	\$ 59,011,800
University's net OPEB liability – ending (a) - (b)	\$ 128,231,300	\$ 118,642,600	\$ 106,881,900
Plan fiduciary net position as a percentage of the total OPEB liability	32.39%	30.56%	35.57%
Covered-employee payroll	\$ 257,324,800	\$ 262,302,500	\$ 272,862,900
University's net OPEB liability as a percentage of covered-employee payroll	49.83%	45.23%	39.17%

Notes to Schedule:

Benefit changes: None

Differences Between Expected and Actual Experience: There is no change in the Total OPEB Liability from June 30, 2021 to June 30, 2022 due to differences in expected and actual experience. The \$26,283,900 decrease in liability from June 30, 2022 to June 30, 2023 is due to changes in the census, claims, and premiums experience.

Changes in Assumptions: The \$3,057,100 decrease in the liability from June 30, 2021 to June 30, 2022 is due to the increase in the assumed discount rate from 6.80% to 6.90% as of the respective measurement dates. The \$36,580,100 increase in the liability from June 30, 2022 to June 30, 2023 is due to the decrease in the assumed discount rate from 6.90% to 5.85% as of the respective measurement dates, as well as updates to the trend and mortality assumptions.

See accompanying independent auditors' report

SCHEDULE 2

2021	2020	2019	2018	2017
\$ 1,890,700	\$ 3,267,100	\$ 3,501,200	\$ 3,526,500	\$ 3,019,400
8,920,400	10,640,500	10,007,700	9,469,800	9,058,700
-	-	-	-	-
-	(38,575,300)	-	-	-
(6,533,800)	7,729,900	(7,105,700)	(6,444,700)	7,114,000
<u>(5,295,500)</u>	<u>(5,298,600)</u>	<u>(4,913,700)</u>	<u>(4,841,600)</u>	<u>(4,818,100)</u>
\$ (1,018,200)	\$ (22,236,400)	\$ 1,489,500	\$ 1,710,000	\$ 14,374,000
134,052,800	156,289,200	154,799,700	153,089,700	138,715,700
<u>\$ 133,034,600</u>	<u>\$ 134,052,800</u>	<u>\$ 156,289,200</u>	<u>\$ 154,799,700</u>	<u>\$ 153,089,700</u>
\$ 7,459,600	\$ 7,513,700	\$ 7,322,500	\$ 7,467,800	\$ 7,675,100
2,164,100	2,215,100	2,408,800	2,625,900	2,856,600
1,853,500	2,111,000	2,080,800	1,615,600	895,000
(5,295,500)	(5,298,600)	(4,913,700)	(4,841,600)	(4,818,100)
<u>(3,200)</u>	<u>(5,400)</u>	<u>(5,300)</u>	<u>-</u>	<u>-</u>
\$ 6,178,500	\$ 6,535,800	\$ 6,893,100	\$ 6,867,700	\$ 6,608,600
37,341,100	30,805,300	23,912,200	17,044,500	10,435,900
<u>\$ 43,519,600</u>	<u>\$ 37,341,100</u>	<u>\$ 30,805,300</u>	<u>\$ 23,912,200</u>	<u>\$ 17,044,500</u>
\$ 89,515,000	\$ 96,711,700	\$ 125,483,900	\$ 130,887,500	\$ 136,045,200
32.71%	27.86%	19.71%	15.45%	11.13%
\$ 288,544,300	\$ 295,345,700	\$ 321,166,700	\$ 350,452,500	\$ 383,432,900
31.02%	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 eight years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

	2024	2023	2022
Actuarially determined contribution	\$ 7,333,300	\$ 7,301,600	\$ 7,382,600
Contributions in relation to the actuarially determined contribution	7,333,300	7,301,600	7,382,600
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 259,427,600	\$ 257,324,800	\$ 262,302,500
Contributions as a percentage of covered payroll	2.83%	2.84%	2.81%

Notes to Schedule:

Valuation date January 1, 2023

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	6%, 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-2021.

See accompanying independent auditors' report

SCHEDULE 3

2021	2020	2019	2018	2017
\$ 5,210,300	\$ 7,459,600	\$ 7,513,700	\$ 7,322,500	\$ 7,467,800
5,210,300	7,459,600	7,513,700	7,322,500	7,467,800
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 272,862,900	\$ 288,544,300	\$ 295,345,700	\$ 321,166,700	\$ 350,452,500
1.91%	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 eight years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	11.32%	9.83%	-17.43%

See accompanying independent auditors' report

SCHEDULE 4



<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
26.04%	4.55%	6.18%	6.77%	11.26%

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 5

Combining Statement of Net Position as of June 30, 2024 – Blended Component Units

	UNM Rainforest Innovations	Lobo Development Corporation	Lobo Energy, Inc.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations
ASSETS						
Current assets						
Cash and cash equivalents	\$ 8,219,474	\$ 4,869,538	\$ 315,847	\$ 43,672,510	\$ -	\$ 57,077,369
Short-term investments	12,685,152	-	-	-	-	12,685,152
Accounts receivable, net	510,834	-	10,944	-	-	521,778
Patient receivables, net	-	-	-	49,971,239	-	49,971,239
Leases receivable, net	-	1,221,993	-	-	-	1,221,993
Leases interest receivable	-	19,212	-	-	-	19,212
Due from The University of New Mexico	-	-	-	4,142,066	-	4,142,066
Due from affiliates	-	-	-	2,921,537	-	2,921,537
Estimated third-party payor settlements	-	-	-	-	-	-
Other receivables, net	-	-	-	64,453	-	64,453
Inventories	-	-	-	-	-	-
Other current assets	117	275	60,041	1,893,698	-	1,954,131
Total current assets	\$ 21,415,577	\$ 6,111,018	\$ 386,832	\$ 102,665,503	\$ -	\$ 130,578,930
Noncurrent assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 43,113,836	\$ -	\$ 43,113,836
Leases receivable, noncurrent	-	5,998,097	-	-	-	5,998,097
Investments	3,448	-	-	41,343,231	-	41,346,679
Other noncurrent assets	-	-	-	1,194,832	-	1,194,832
Right-to-use asset, net	495,279	-	-	6,959,527	-	7,454,806
Capital assets, net	25,986	16,481,655	-	3,317,692	-	19,825,333
Total noncurrent assets	\$ 524,713	\$ 22,479,752	\$ -	\$ 95,929,118	\$ -	\$ 118,933,583
Total assets	\$ 21,940,290	\$ 28,590,770	\$ 386,832	\$ 198,594,621	\$ -	\$ 249,512,513
DEFERRED OUTFLOWS OF RESOURCES						
Loss on bond refundings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total deferred outflows of resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES						
Current liabilities						
Accounts payable and accrued expenses	\$ 331,814	\$ 24,028	\$ 15,761	\$18,116,448	\$ -	\$ 18,488,051
Lease Payable - Current	155,491	-	-	724,101	-	879,592
SBITA Payable - current	-	-	-	344,402	-	344,402
Bonds payable – current	-	-	-	-	-	-
Long-term debt – current	-	94,967	-	-	-	94,967
Due to The University of New Mexico	635,101	471,583	-	73,568,271	-	74,674,955
Due to affiliates	-	-	-	11,368,678	-	11,368,678
Due to FEMA	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Estimated third-party payor settlements	-	-	-	-	-	-
Medicare accelerated and advance payment program	-	-	-	-	-	-
Unearned revenue	6,799,867	-	-	-	-	6,799,867
Other current liabilities	1,591,362	-	73,570	-	-	1,664,932
Total current liabilities	\$ 9,513,635	\$ 590,578	\$ 89,331	\$ 104,121,900	\$ -	\$ 114,315,444
Noncurrent liabilities						
Lease payable - noncurrent	\$ 347,000	\$ -	\$ -	\$ 5,828,762	\$ -	\$ 6,175,762
SBITA payable - noncurrent	-	-	-	62,391	-	62,391
Long-term debt – noncurrent	-	158,437	-	-	-	158,437
Due to The University of New Mexico	-	11,284,028	-	-	-	11,284,028
Other liabilities - noncurrent	-	-	-	-	-	-
Total noncurrent liabilities	\$ 347,000	\$ 11,442,465	\$ -	\$ 5,891,153	\$ -	\$ 17,680,618
Total liabilities	\$ 9,860,635	\$ 12,033,043	\$ 89,331	\$ 110,013,053	\$ -	\$ 131,996,062
DEFERRED INFLOW OF RESOURCES						
Related to leases	\$ -	\$ 6,828,168	\$ -	\$ -	\$ -	\$ 6,828,168
Total deferred outflows of resources	\$ -	\$ 6,828,168	\$ -	\$ -	\$ -	\$ 6,828,168
NET POSITION						
Net investment in capital assets	\$ 18,774	\$ 4,472,640	\$ -	\$ 3,317,563	\$ -	\$ 7,808,977
Restricted expendable	-	-	-	-	-	-
Unrestricted	12,060,881	5,256,919	297,501	85,264,005	-	102,879,306
Total net position	\$ 12,079,655	\$ 9,729,559	\$ 297,501	\$ 88,581,568	\$ -	\$ 110,688,283

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 6

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

	UNM Rainforest Innovations	Lobo Development Corporation	Lobo Energy, Inc.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations
ASSETS						
Current assets						
Cash and cash equivalents	\$ 2,030,983	\$ 3,366,697	\$ 484,647	\$ 29,621,480	\$ 14,347,917	\$ 49,851,724
Short-term investments	11,430,303	-	-	-	-	11,430,303
Accounts receivable, net	588,268	35,000	10,944	-	-	634,212
Patient receivables, net	-	-	-	60,274,633	10,595,994	70,870,627
Leases receivable, net	-	1,194,277	-	-	-	1,194,277
Leases interest receivable	-	20,825	-	-	-	20,825
Due from The University of New Mexico	-	-	-	5,189,677	1,103,648	6,293,325
Due from affiliates	-	-	-	3,149,509	1,254,614	4,404,123
Estimated third-party payor settlements	-	-	-	-	319,145	319,145
Other receivables, net	-	-	-	(147,788)	33,828	(113,960)
Inventories	-	-	-	-	2,692,481	2,692,481
Other current assets	2,012	413	62,609	1,974,514	491,673	2,531,221
Total current assets	\$ 14,051,566	\$ 4,617,212	\$ 558,200	\$ 100,062,025	\$ 30,839,300	\$ 150,128,303
Noncurrent assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 48,282,642	\$ -	\$ 48,282,642
Leases receivable, noncurrent	-	7,216,502	-	-	-	7,216,502
Investments	3,448	-	-	38,886,697	15,468,034	54,358,179
Other noncurrent assets	-	-	-	1,279,916	-	1,279,916
Right-to-use asset, net	651,683	-	-	2,959,543	-	3,611,226
Capital assets, net	29,941	16,842,481	-	2,801,546	94,400,791	114,074,759
Total noncurrent assets	\$ 685,072	\$ 24,058,983	\$ -	\$ 94,210,344	\$ 109,868,825	\$ 228,823,224
Total assets	\$ 14,736,638	\$ 28,676,195	\$ 558,200	\$ 194,272,369	\$ 140,708,125	\$ 378,951,527
DEFERRED OUTFLOWS OF RESOURCES						
Loss on bond refundings	\$ -	\$ -	\$ -	\$ -	\$ 1,975,955	\$ 1,975,955
Total deferred outflows of resources	\$ -	\$ -	\$ -	\$ -	\$ 1,975,955	\$ 1,975,955
LIABILITIES						
Current liabilities						
Accounts payable and accrued expenses	\$ 281,014	\$ 36,922	\$ 9,868	\$ 15,565,368	\$ 13,074,838	\$ 28,968,010
Lease Payable - Current	140,643	-	-	212,590	475,645	828,878
Bonds payable – current	-	-	-	-	-	-
Long-term debt – current	-	102,531	-	-	5,938,858	6,041,389
Due to The University of New Mexico	483,310	457,663	-	59,754,533	1,352,239	62,047,745
Due to affiliates	-	-	-	19,208,593	2,460,277	21,668,870
Due to FEMA	-	-	-	-	2,600,000	2,600,000
Accrued compensated absences	-	-	-	-	2,248,389	2,248,389
Estimated third-party payor settlements	-	-	-	-	2,449,337	2,449,337
Medicare accelerated and advance payment program	-	-	-	-	-	-
Other current liabilities	1,399,343	-	69,024	-	-	1,468,367
Total current liabilities	\$ 2,304,310	\$ 597,116	\$ 78,892	\$ 95,831,085	\$ 30,599,583	\$ 129,410,986
Noncurrent liabilities						
Lease payable - noncurrent	\$ 503,707	\$ -	\$ -	\$ 1,277,064	\$ 3,816,367	\$ 5,597,138
SBITA payable - noncurrent	-	-	-	\$ 406,793	-	\$ 406,793
Long-term debt – noncurrent	-	238,902	-	-	88,915,828	89,154,730
Due to The University of New Mexico	-	11,755,612	-	-	-	11,755,612
Other liabilities - noncurrent	-	-	-	-	-	-
Total noncurrent liabilities	\$ 503,707	\$ 11,994,514	\$ -	\$ 1,683,857	\$ 92,732,195	\$ 106,914,273
Total liabilities	\$ 2,808,017	\$ 12,591,630	\$ 78,892	\$ 97,514,942	\$ 123,331,778	\$ 236,325,259
DEFERRED INFLOW OF RESOURCES						
Related to leases	\$ -	\$ 8,070,610	\$ -	\$ -	\$ -	\$ 8,070,610
Total deferred outflows of resources	\$ -	\$ 8,070,610	\$ -	\$ -	\$ -	\$ 8,070,610
NET POSITION						
Net investment in capital assets	\$ 37,274	\$ 4,287,773	\$ 479,308	\$ 2,774,641	\$ (2,769,952)	\$ 4,809,044
Restricted expendable	-	-	-	-	15,582,654	15,582,654
Unrestricted	11,891,347	3,726,182	-	93,982,786	6,539,600	116,139,915
Total net position	\$ 11,928,621	\$ 8,013,955	\$ 479,308	\$ 96,757,427	\$ 19,352,302	\$ 136,531,613

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 7

Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2024 – Blended Component Units

	UNM Rainforest Innovations	Lobo Development Corporation	Lobo Energy, Inc.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations
OPERATING REVENUES						
Net patient service	\$ -	\$ -	\$ -	\$ 246,703,199	\$ -	\$ 246,703,199
Sales and services	-	700,000	1,032,000	52,126,535	-	53,858,535
Operational support	2,034,000	-	-	-	-	2,034,000
Other operating revenues	6,197,890	1,342,512	-	4,806,708	-	12,347,110
Total operating revenues	\$ 8,231,890	\$ 2,042,512	\$ 1,032,000	\$ 303,636,442	\$ -	\$ 314,942,844
OPERATING EXPENSES						
General and administrative	\$ 5,598,536	\$ 669,733	\$ 438,392	\$ 310,289,688	\$ -	\$ 316,996,349
Depreciation expense	171,312	503,240	-	3,153,877	-	3,828,429
Program expenses	3,961,861	95,963	780,267	-	-	4,838,091
Other operating expense	-	-	-	6,971,020	-	6,971,020
Total operating expenses	\$ 9,731,709	\$ 1,268,936	\$ 1,218,659	\$ 320,414,585	\$ -	\$ 332,633,889
Net operating income (loss)	\$ (1,499,819)	\$ 773,576	\$ (186,659)	\$ (16,778,143)	\$ -	\$ (17,691,045)
NONOPERATING REVENUES (EXPENSES)						
State appropriations	\$ -	\$ -	\$ -	\$ 1,216,092	\$ -	\$ 1,216,092
Sandoval county mill levy	-	-	-	-	-	-
Federal CARES Act grants	-	-	-	-	-	-
Investment income	1,657,158	343,584	4,852	1,897,599	-	3,903,193
Interest expense	(6,305)	(384,148)	-	-	-	(390,453)
Distributions to the University of New Mexico	-	(596,448)	-	-	-	(596,448)
Distributions from the University of New Mexico	-	1,577,505	-	-	-	1,577,505
Discontinued operations (note 2(A))	-	-	-	-	-	-
Other nonoperating revenues and expenses, net	-	1,535	-	5,488,593	-	5,490,128
Net nonoperating revenues	\$ 1,650,853	\$ 942,028	\$ 4,852	\$ 8,602,284	\$ -	\$ 11,200,017
Income (loss) before capital contributions	\$ 151,034	\$ 1,715,604	\$ (181,807)	\$ (8,175,859)	\$ -	\$ (6,491,028)
Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in net position	\$ 151,034	\$ 1,715,604	\$ (181,807)	\$ (8,175,859)	\$ -	\$ (6,491,028)
Net position at beginning of year	11,928,621	8,013,955	479,308	96,757,427	-	117,179,311
Impact of change in accounting pronouncement	-	-	-	-	-	-
Net position at end of year	\$ 12,079,655	\$ 9,729,559	\$ 297,501	\$ 88,581,568	\$ -	\$ 110,688,283

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 8

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.	UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations
OPERATING REVENUES						
Net patient service	\$ -	\$ -	\$ -	\$ 237,786,022	\$ 104,508,036	\$ 342,294,058
Sales and services	-	764,623	1,127,989	49,080,824	2,133,233	53,106,669
Operational support	2,034,000	-	-	-	-	2,034,000
Other operating revenues	2,434,253	1,660,711	-	3,136,719	-	7,231,683
Total operating revenues	\$ 4,468,253	\$ 2,425,334	\$ 1,127,989	\$ 290,003,565	\$ 106,641,269	\$ 404,666,410
OPERATING EXPENSES						
General and administrative	\$ 2,913,549	\$ 664,741	\$ 388,772	\$ 295,487,148	\$ 110,061,411	\$ 409,515,621
Depreciation expense	170,176	503,240	35,399	2,624,186	6,187,485	9,520,486
Program expenses	2,601,750	179,477	970,464	-	-	3,751,691
Other operating expense	-	-	-	-	706,887	706,887
Total operating expenses	\$ 5,685,475	\$ 1,347,458	\$ 1,394,635	\$ 298,111,334	\$ 116,955,783	\$ 423,494,685
Net operating income (loss)	\$ (1,217,222)	\$ 1,077,876	\$ (266,646)	\$ (8,107,769)	\$ (10,314,514)	\$ (18,828,275)
NONOPERATING REVENUES (EXPENSES)						
State appropriations	\$ -	\$ -	\$ -	\$ 1,149,900	\$ -	\$ 1,149,900
Sandoval county mill levy	-	-	-	-	8,098,795	8,098,795
Federal CARES Act grants	-	-	-	(1,514)	(425,355)	(426,869)
Investment income	1,240,040	310,893	2,819	-	78,524	1,632,276
Interest expense	(6,264)	(394,030)	(210)	746,605	(94,217)	251,884
Distributions to the University of New Mexico	-	(600,000)	-	-	-	(600,000)
Discontinued operations (note 2(A))	-	-	-	-	-	-
Other nonoperating revenues and expenses, net	-	-	(6,973,745)	5,324,357	(2,655,382)	(4,304,770)
Net nonoperating revenues (expenses)	\$ 1,233,776	\$ (683,137)	\$ (6,971,136)	\$ 7,219,348	\$ 5,002,365	\$ 5,801,216
Income (loss) before capital contributions	\$ 16,554	\$ 394,739	\$ (7,237,782)	\$ (888,421)	\$ (5,312,149)	\$ (13,027,059)
Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in net position	\$ 16,554	\$ 394,739	\$ (7,237,782)	\$ (888,421)	\$ (5,312,149)	\$ (13,027,059)
Net position at beginning of year	11,912,067	7,619,216	7,717,090	97,668,947	24,664,451	149,581,771
Impact of change in accounting pronouncement	-	-	-	(23,099)	-	(23,099)
Net position at end of year	\$ 11,928,621	\$ 8,013,955	\$ 479,308	\$ 96,757,427	\$ 19,352,302	\$ 136,531,613

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO

Combining Statement of Cash Flows as of June 30, 2024 – 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	-	(530,379)	(898,831)
Cash payments for benefits	-	-	-
Cash payments to suppliers	(6,520,025)	(256,818)	(306,821)
Other cash receipts (payments)	12,900,471	2,034,504	1,032,000
Net cash provided by (used in) operating activities	\$ 6,380,446	\$ 1,247,307	\$ (173,652)
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	-	982,565	-
Net cash provided by noncapital financing activities	\$ -	\$ 982,565	\$ -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from mortgage refinancing	\$ -	\$ -	\$ -
Cash received from federal bond subsidy	-	-	-
Principal payments of bonds	-	-	-
Principal payments on mortgage	-	-	-
Interest payments on bonds	-	-	-
Interest and insurance payments on mortgage	-	-	-
Cash payments for mortgage reserve fund	-	-	-
Other cash receipts (payments)	(152,812)	(1,072,228)	-
Net cash provided by (used in) capital and related financing activities	\$ (152,812)	\$ (1,072,228)	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	\$ 3,401,565	\$ -	\$ -
Purchases of investments	(3,440,708)	-	-
Investment income	-	345,197	4,852
Other cash receipts	-	-	-
Net cash provided by (used in) investing activities	\$ (39,143)	\$ 345,197	\$ 4,852
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents – beginning of year	\$ 6,188,491	\$ 1,502,841	\$ (168,800)
Cash and cash equivalents – end of year	\$ 8,219,474	\$ 4,869,538	\$ 315,847

See accompanying independent auditors' report.

SCHEDULE 9

UNM Medical Group, Inc.	UNM Sandoval Regional Medical Center, Inc.	Total before Eliminations
\$ 257,754,916		\$ 257,754,916
(27,918,975)		(29,348,185)
(3,795,568)		(3,795,568)
(45,922,832)		(53,006,496)
(173,684,268)		(157,717,293)
\$ 6,433,273	\$ -	\$ 13,887,374
\$ 1,216,092		\$ 1,216,092
-		-
-		-
-		982,565
\$ 1,216,092	\$ -	\$ 2,198,657
\$ -		\$ -
-		-
-		-
-		-
-		-
-		-
(3,923,102)		(5,148,142)
\$ (3,923,102)	\$ -	\$ (5,148,142)
\$ 29,389,421		\$ 32,790,986
(29,624,825)		(33,065,533)
797,986		1,148,035
4,593,379		4,593,379
\$ 5,155,961	\$ -	\$ 5,466,867
\$ 8,882,224	\$ -	\$ 16,404,756
77,904,122		83,786,449
\$ 86,786,346	\$ -	\$ 100,191,205

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 DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents – beginning of year	\$ (912,400)	\$ (166,182)	\$ (345,610)
	2,943,383	3,532,879	830,257
Cash and cash equivalents – end of year	\$ 2,030,983	\$ 3,366,697	\$ 484,647

See accompanying independent auditors' report.

SCHEDULE 10

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

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 11

Combining Statement of Net Position as of June 30, 2024 – 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	\$ 15,341,929	\$ 6,510,584	\$ 434,638	\$ 22,287,151
Short-term investments	-	-	11,170,385	11,170,385
Accounts receivable, net	1,766,107	135,442	39,217	1,940,766
Due from The University of New Mexico	-	828,075	-	828,075
Other current assets	1,537,877	7,965	28,298	1,574,140
Total current assets	\$ 18,645,913	\$ 7,482,066	\$ 11,672,538	\$ 37,800,517
Noncurrent assets				
Investments	\$ 476,620,168	\$ -	\$ -	\$ 476,620,168
Beneficial interest in irrevocable split interest agreements	20,479,573	-	-	20,479,573
Other noncurrent assets	4,478,330	-	-	4,478,330
Capital assets, net	131,876	-	-	131,876
Total noncurrent assets	\$ 501,709,947	\$ -	\$ -	\$ 501,709,947
Total assets	\$ 520,355,860	\$ 7,482,066	\$ 11,672,538	\$ 539,510,464
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 1,985,504	\$ 75,750	\$ 84,270	\$ 2,145,524
Due to The University of New Mexico	7,312,567	3,385,623	-	10,698,190
Unearned revenue	-	647,292	-	647,292
Other current liabilities	6,842,610	-	-	6,842,610
Total current liabilities	\$ 16,140,681	\$ 4,108,665	\$ 84,270	\$ 20,333,616
Noncurrent liabilities				
Due to The University of New Mexico	\$ 113,552,497	\$ -	\$ -	\$ 113,552,497
Annuities payable	1,413,724	-	-	1,413,724
Total noncurrent liabilities	\$ 114,966,221	\$ -	\$ -	\$ 114,966,221
Total liabilities	\$ 131,106,902	\$ 4,108,665	\$ 84,270	\$ 135,299,837
DEFERRED INFLOWS OF RESOURCES				
Beneficial interest in irrevocable split interest agreements	\$ 20,771,117	\$ -	\$ -	\$ 20,771,117
Total deferred inflows of resources	\$ 20,771,117	\$ -	\$ -	\$ 20,771,117
NET POSITION				
Net investment in capital assets	\$ 131,876	\$ -	\$ -	\$ 131,876
Restricted nonexpendable	331,082,768	-	-	331,082,768
Restricted expendable	30,236,815	148,767	-	30,385,582
Unrestricted	7,026,382	3,224,634	11,588,268	21,839,284
Total net position	\$ 368,477,841	\$ 3,373,401	\$ 11,588,268	\$ 383,439,510

See accompanying independent auditors' report.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 12

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	\$ 6,482,307	\$ 527,177	\$ 19,429,838
Cash and cash equivalents - restricted	\$ -	\$ 231,718	\$ -	\$ 231,718
Short-term investments	-	-	10,067,051	10,067,051
Accounts receivable, net	1,207,721	73,277	42,981	1,323,979
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
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
Due to The University of New Mexico	3,011,861	3,081,441	-	6,093,302
Unearned revenue	-	548,947	-	548,947
Other current liabilities	5,366,474	-	-	5,366,474
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
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.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 13

 Combining Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2024 –
 Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	UNM Lobo Club	The University of New Mexico Alumni Association	Total
OPERATING REVENUES				
Nongovernmental grants, bequests, and contributions	\$ 34,510,102	\$ 7,549,942	\$ -	\$ 42,060,044
Sales and services	-	563,414	-	563,414
Operational support	8,762,563	-	-	8,762,563
Other operating revenues	214,846	-	567,331	782,177
Total operating revenues	\$ 43,487,511	\$ 8,113,356	\$ 567,331	\$ 52,168,198
OPERATING EXPENSES				
General and administrative	\$ 16,828,886	\$ 419,972	\$ 527,942	\$ 17,776,800
Program expenses	-	7,436,509	260,386	7,696,895
Distributions to the University of New Mexico	47,298,017	-	-	47,298,017
Total operating expenses	\$ 64,126,903	\$ 7,856,481	\$ 788,328	\$ 72,771,712
Net operating income (loss)	\$ (20,639,392)	\$ 256,875	\$ (220,997)	\$ (20,603,514)
NONOPERATING REVENUES (EXPENSES)				
Investment income	\$ 51,198,305	\$ 36,826	\$ 1,291,728	\$ 52,526,859
Other nonoperating revenues and expenses, net	-	28,776	3,291	32,067
Discontinued operations	-	-	-	-
Distributions to the University of New Mexico	-	-	(129,897)	(129,897)
Net nonoperating revenues	\$ 51,198,305	\$ 65,602	\$ 1,165,122	\$ 52,429,029
Income (loss) before other revenues	\$ 30,558,913	\$ 322,477	\$ 944,125	\$ 31,825,515
Contributions to permanent endowments	\$ 13,773,356	-	-	\$ 13,773,356
Total other revenues	\$ 13,773,356	\$ -	\$ -	\$ 13,773,356
Change in net position	\$ 44,332,269	\$ 322,477	\$ 944,125	\$ 45,598,871
Net position at beginning of year	324,145,572	3,050,924	10,644,143	337,840,639
Net position at end of year	\$ 368,477,841	\$ 3,373,401	\$ 11,588,268	\$ 383,439,510

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, 2023 –
 Discretely Presented Component Units

	University of New Mexico Foundation, Inc.	UNM Lobo Club	The University of New Mexico Alumni Association	Total
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
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 (loss) 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 15

 Budgetary Comparison Schedules – Unrestricted and Restricted – All Operations
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable (Unfavorable)
Unrestricted and Restricted Beginning Net Position	\$ 491,678,539	\$ 546,464,656	\$ 546,464,656	\$ -
Unrestricted and Restricted Revenues:				
Tuition and Fees	\$ 218,962,769	\$ 232,711,502	\$ 236,955,932	\$ 4,244,430
Federal Government Appropriations	43,208	43,208	102,627	59,419
State Government Appropriations	453,966,056	465,041,056	465,152,681	111,625
Local Government Appropriations	9,766,277	9,766,277	10,665,526	899,249
Federal Government Contracts/Grants	375,347,859	337,776,405	295,596,288	(42,180,117)
State Government Contracts/Grants	165,259,104	162,118,316	168,163,024	6,044,708
Local Government Contracts/Grants	5,308,470	3,461,126	2,616,490	(844,636)
Private Contracts/Grants	60,179,024	67,915,861	76,080,101	8,164,240
Endowments and Private Gifts	1,290,555	1,489,354	1,614,476	125,122
Land and Permanent Fund	13,309,141	13,309,141	15,814,684	2,505,543
Sales and Services	592,556,848	617,685,647	621,410,408	3,724,761
Other	198,481,794	245,223,494	247,514,037	2,290,543
Total Unrestricted and Restricted Revenues	<u>\$ 2,094,471,105</u>	<u>\$ 2,156,541,387</u>	<u>\$ 2,141,686,273</u>	<u>\$ (14,855,114)</u>
Unrestricted and Restricted Expenditures:				
Instruction	\$ 335,375,177	\$ 332,147,192	\$ 311,095,797	\$ 21,051,395
Academic Support	77,513,801	79,399,066	71,106,611	8,292,455
Student Services	42,585,257	44,359,961	41,958,177	2,401,784
Institutional Support	95,226,629	96,976,270	89,217,304	7,758,966
Operations and Maintenance	51,950,334	52,238,665	50,670,725	1,567,940
Student Social and Cultural	10,588,203	11,320,569	10,687,282	633,287
Research	345,787,781	319,591,068	276,162,721	43,428,347
Public Service	582,750,846	588,248,345	567,725,438	20,522,907
Internal Services	12,964,731	18,429,020	21,179,772	(2,750,752)
Student Aid, Grants, and Stipends	234,553,186	225,560,790	217,034,016	8,526,774
Auxiliary Services	53,600,043	55,903,093	53,233,889	2,669,204
Intercollegiate Athletics	40,381,308	42,838,588	42,342,865	495,723
Independent Operations	122,875,730	122,774,564	117,620,280	5,154,284
Capital Outlay	132,757,408	111,742,856	105,415,947	6,326,909
Building Renewal and Replacement	17,149,372	16,649,372	13,155,490	3,493,882
Retirement of Indebtedness	39,227,652	39,227,652	37,872,306	1,355,346
Total Unrestricted and Restricted Expenditures	<u>\$ 2,195,287,458</u>	<u>\$ 2,157,407,071</u>	<u>\$ 2,026,478,619</u>	<u>\$ 130,928,452</u>
Net Transfers	<u>\$ 7,087,766</u>	<u>\$ (3,251,922)</u>	<u>\$ (3,511,981)</u>	<u>\$ (260,059)</u>
Change in Net Position (Budgetary Basis)	<u>\$ (93,728,587)</u>	<u>\$ (4,117,606)</u>	<u>\$ 111,695,673</u>	<u>\$ 115,813,279</u>
Ending Net Position	<u>\$ 397,949,952</u>	<u>\$ 542,347,050</u>	<u>\$ 658,160,329</u>	<u>\$ 115,813,279</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

 Budgetary Comparison Schedules - Unrestricted - Instruction & General
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actuals	Final Budget vs Actuals Favorable (Unfavorable)
Unrestricted Beginning Net Position	\$ 103,964,093	\$ 141,316,439	\$ 141,316,439	\$ -
Unrestricted Revenues:				
Tuition and Fees	\$ 194,848,558	\$ 208,226,684	\$ 211,309,269	\$ 3,082,585
Federal Government Appropriations	-	-	(56,031)	(56,031)
State Government Appropriations	369,688,016	369,763,016	369,016,652	(746,364)
Local Government Appropriations	9,766,277	9,766,277	10,665,526	899,249
Federal Government Contracts/Grants	180,000	180,000	293,467	113,467
State Government Contracts/Grants	750	750	25,568	24,818
Local Government Contracts/Grants	-	-	-	-
Private Contracts/Grants	-	-	-	-
Endowments and Private Gifts	-	-	-	-
Land and Permanent Fund	13,309,141	13,309,141	15,814,684	2,505,543
Sales and Services	1,195,656	1,495,039	1,633,145	138,106
Other	64,280,874	73,763,350	82,234,320	8,470,970
Total Unrestricted Revenues	<u>\$ 653,269,272</u>	<u>\$ 676,504,257</u>	<u>\$ 690,936,600</u>	<u>\$ 14,432,343</u>
Unrestricted Expenditures:				
Instruction	\$ 324,794,236	\$ 324,420,124	\$ 306,524,471	\$ 17,895,653
Academic Support	76,672,461	78,442,768	70,537,175	7,905,593
Student Services	41,972,482	43,732,526	41,639,648	2,092,878
Institutional Support	94,880,366	96,669,270	89,102,033	7,567,237
Operations and Maintenance	51,927,834	52,216,165	50,670,713	1,545,452
Total Unrestricted Expenditures	<u>\$ 590,247,379</u>	<u>\$ 595,480,853</u>	<u>\$ 558,474,040</u>	<u>\$ 37,006,813</u>
Net Transfers	<u>\$ (68,759,674)</u>	<u>\$ (98,328,797)</u>	<u>\$ (121,567,716)</u>	<u>\$ (23,238,919)</u>
Change in Net Position (Budgetary Basis)	<u>\$ (5,737,781)</u>	<u>\$ (17,305,393)</u>	<u>\$ 10,894,844</u>	<u>\$ 28,200,237</u>
Ending Net Position	<u>\$ 98,226,312</u>	<u>\$ 124,011,046</u>	<u>\$ 152,211,283</u>	<u>\$ 28,200,237</u>

See accompanying independent auditors' report

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 17

 Budgetary Comparison Schedules - Restricted - Instruction & General
 Year Ended June 30, 2024

	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	10,026,082	7,141,929	4,109,325	(3,032,604)
State Government Contracts/Grants	2,097,024	2,055,341	1,227,168	(828,173)
Local Government Contracts/Grants	50,000	50,000	-	(50,000)
Private Contracts/Grants	118,713	281,031	233,169	(47,862)
Endowments and Private Gifts	-	-	-	-
Land and Permanent Fund	-	-	-	-
Sales and Services	-	-	-	-
Other	-	-	-	-
Total Restricted Revenues	<u>\$ 12,291,819</u>	<u>\$ 9,528,301</u>	<u>\$ 5,569,662</u>	<u>\$ (3,958,639)</u>
Restricted Expenditures:				
Instruction	\$ 10,580,941	\$ 7,727,068	\$ 4,571,326	\$ 3,155,742
Academic Support	841,340	956,298	569,436	386,862
Student Services	612,775	627,435	318,529	308,906
Institutional Support	346,263	307,000	115,271	191,729
Operations and Maintenance	22,500	22,500	12	22,488
Total Restricted Expenditures	<u>\$ 12,403,819</u>	<u>\$ 9,640,301</u>	<u>\$ 5,574,574</u>	<u>\$ 4,065,727</u>
Net Transfers	<u>\$ 112,000</u>	<u>\$ 112,000</u>	<u>\$ 4,912</u>	<u>\$ (107,088)</u>
Change in Net Position (Budgetary Basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2024

Total Unrestricted and Restricted Revenues:	
Budgetary Basis	\$ 2,141,686,273
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	1,780,621,838
University of New Mexico Behavioral Health Operations (amount not in budgetary basis)	96,914,834
Blended component units (amount not in budgetary basis)	327,129,762
Intercompany eliminations (amount not in budgetary basis)	(547,414,355)
Endowment fund items (amount not in budgetary basis)	50,436,581
Investment in plant items (amount not in budgetary basis)	9,833,708
Institutional fund items (amount not in budgetary basis)	(157,944,093)
Bond proceeds (amount not in financial statements)	1,855,870
Other	(33,403,265)
Total reconciling items	<u>\$ 1,528,030,880</u>
Total reconciled unrestricted and restricted revenues per budgetary basis	<u>\$ 3,669,717,153</u>
Basic Financial Statements	
Operating revenues	\$ 2,582,222,580
Nonoperating revenues	972,225,413
Nonoperating revenues netted in other nonoperating revenues and expenses	11,443,962
Capital Contributions	103,825,198
Total unrestricted and restricted revenues per financial statements	<u>\$ 3,669,717,153</u>
Difference	<u>\$ -</u>
Total Unrestricted and Restricted Expenditures:	
Budgetary Basis	\$ 2,026,478,619
Reconciling items:	
University of New Mexico Hospital (amount not in budgetary basis)	1,695,634,249
University of New Mexico Behavioral Health Operations (amount not in budgetary basis)	78,342,976
Blended component units (amount not in budgetary basis)	333,620,790
Intercompany eliminations (amount not in budgetary basis)	(547,414,354)
Endowment fund items (amount not in budgetary basis)	3,801,121
Investment in plant items (amount not in financial statements)	1,687,842
Depreciation expense (amount not in budgetary basis)	66,504,262
Institutional fund items (amount not in budgetary basis)	(167,880,543)
Capitalized expenditures (amount not in financial statements)	(85,698,306)
Bond principal payments (amount not in financial statements)	(24,555,000)
GASB 68 pension expense (amount not in budgetary basis)	(320,602,904)
GASB 75 other postemployment benefits expense (amount not in budgetary basis)	(471,000)
Other	(27,038,807)
Total reconciling items	<u>\$ 1,005,930,326</u>
Total reconciled unrestricted and restricted expenditures per budgetary basis	<u>\$ 3,032,408,945</u>
Basic Financial Statements	
Operating expenditures	\$ 2,996,811,011
Nonoperating expenditures	22,870,835
Nonoperating expenditures netted in other nonoperating revenues and expenses	12,727,099
Total unrestricted and restricted expenditures per financial statements	<u>\$ 3,032,408,945</u>
Difference	<u>\$ -</u>

See accompanying independent auditors' report

THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Collateral as of June 30, 2024 - Primary Institution

Financial Institution	Account Type	Account Name	Book Balance	Bank Balance
PNC Bank	Checking	**Lobo Development - Business Checking	\$ 4,869,538	\$ 411,973
PNC Bank	Checking	**Lobo Energy - Business Checking	315,847	246,548
		Less FDIC Insurance		(500,000)
		Uninsured Public Funds		<u>\$ 158,521</u>
Enterprise Bank	Checking	Los Alamos Campus Depository	\$ 2,930	\$ 2,930
		Less FDIC Insurance		(2,930)
		Uninsured Public Funds		<u>\$ -</u>
U.S. Bank	Checking	General Depository	\$ (6,664,354)	\$ 786,480
		Less FDIC Insurance		(250,000)
		Uninsured Public Funds		<u>\$ 536,480</u>
		Collateral Requirement (50%)		\$ 268,240
		Fair Value of Collateral		<u>\$ 50,000,000</u>
		Over (Under) Collateralized		<u>\$ 49,731,760</u>
Wells Fargo	Checking	Hospital Operating Account	\$ 349,757,195	\$ 374,743,630
	Savings	Hospital Operating Account		
			<u>\$ 349,757,195</u>	<u>\$ 374,743,630</u>
		Less FDIC Insurance		(500,000)
		Uninsured Public Funds		<u>\$ 374,243,630</u>
		Collateral Requirement (50%)		\$ 187,121,815
		Fair Value of Collateral		<u>\$ 440,188,243</u>
		Over (Under) Collateralized		<u>\$ 253,066,428</u>
	Checking	*UNMMG Operating Account	\$ 85,771,883	\$ 85,798,521
	CD	*UNMMG certificate of Deposit	486,000	486,000
	Checking	*UNMMG Cancer Center	35,105	35,105
	Checking	*UNMMG Truman RX	75,000	75,000
			<u>\$ 86,367,988</u>	<u>\$ 86,394,626</u>
		Less FDIC Insurance		(250,000)
		Uninsured Public Funds		<u>\$ 86,144,626</u>
		Collateral Requirement (50%)		\$ 43,072,313
		Fair Value of Collateral		<u>\$ 105,342,336</u>
		Over (Under) Collateralized		<u>\$ 62,270,023</u>
	Other	Interest-Bearing Cash Sweep (ICS)	176,465,687	176,465,687
		Commercial Paper Overnight Sweep	45,103,908	45,103,908
		UNMMG Money Markets	410,133	413,100
		VEBA Trust assets held by UNM	(9,717)	-
		Petty Cash/Other	(585,560)	-
		Petty Cash Hospital/UNMMG	50,480	-
		Component Unit deposits held by UNM	(4,594,623)	-
		**Rainforest Innovations	8,219,474	8,359,569
				-
			<u>\$ 225,059,782</u>	<u>\$ 230,342,264</u>
Total Cash and Cash Equivalents – Primary Institution			\$ 659,708,926	\$ 692,928,451

*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*			
572684	12/5/2024	LOC	\$ 50,000,000
		<i>Total Pledged Collateral</i>	<u><u>\$ 50,000,000</u></u>
* - Pledged collateral is held by U.S. Bank in the University's name			
UNM Medical Group***			
3140XDN85	5/1/2047 FNMA FNMS		\$ 70,000,000
3140F1WH1	6/1/2031 FNMA FNMS		6,940,824
3140XFSZ5	7/1/2043 NMA FNMS		28,401,512
		<i>Total Pledged Collateral</i>	<u><u>\$ 105,342,336</u></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**			
	N/A	N/A Surety Bond	\$ 230,000,000
31418CDL5	11/1/2046 FNMA		149,777,867
31418DZV7	6/1/2051 FNMA		58,378,687
36179WNE4	9/20/2051 GNMA		75,326
36179XAA4	6/20/2052 GNMA		39,691
3132DWAV5	1/1/2051 FMAC		97,304
31418CDL5	1/1/2046 FNMA		1,819,368
		<i>Total Bank Of New York</i>	<u><u>\$ 440,188,243</u></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, 2024 - Discretely Presented Component Units

Financial Institution	Account Type	Account Name	Book Balance	Bank Balance
*UNM Foundation				
Nusenda Federal Credit Union	Cash	General Fund	\$ 189,426	\$ 189,426
	Cash	Restricted Fund	\$ 20,122	\$ 20,122
			\$ 209,548	\$ 209,548
			Less NCUA Insurance	(209,548)
			Uninsured Public Funds	\$ -
Wells Fargo Bank	Cash	Operating	\$ 3,070,510	\$ 3,303,508
	Cash	Development	3,907,641	3,701,793
	Cash	UNM Foundation Operating - IILD	4,062,358	4,062,358
	Cash	Development - IILD	4,074,961	4,074,961
			\$ 15,115,470	\$ 15,142,620
			Less FDIC Insurance	(8,387,319)
			Uninsured Public Funds	\$ 6,755,301
			Collateral Requirement (50%)	\$ 3,377,651
			Fair Value of Collateral	\$ 7,682,944
			Over (Under) Collateralized	\$ 4,305,294
Washington Federal	Cash	UNM Foundation Operating	\$ 9,895	\$ 9,895
		Less FDIC Insurance		(9,895)
		Uninsured Public Funds	\$	-
		Collateral Requirement (50%)	\$	-
		Fair Value of Collateral	\$	-
	Over (Under) Collateralized	\$	-	
Other	Foundation Money Market	\$ 7,016	\$ 7,016	
			Less SIPC Insurance	(7,016)
			Uninsured Public Funds	\$ -
Total Cash and Cash Equivalents – UNM Foundation			\$ 15,341,929	\$ 15,369,079
			**UNM Lobo Club	6,510,584
			**UNM Alumni Association	434,638
Total Cash and Cash Equivalents – Discretely Presented Component Units			\$ 22,287,151	\$ 22,386,773

*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			
3132A5FL4	8/1/2046	FHLMC – 30 yr MBS	7,682,944
<i>Total Pledged Collateral</i>			\$ 7,682,944

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, 2024 - 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	\$ 411,973	\$ 4,869,538
PNC Bank	*Lobo Energy - Business Checking	Checking - Non-Interest Bearing	246,548	315,847
Enterprise Bank	Los Alamos Campus Depository	Checking - Interest Bearing	2,930	2,930
U.S. Bank	General Depository	Checking - Interest Bearing	786,480	(6,664,354)
	UNMMG Money Markets	Money Market	413,100	410,133
Wells Fargo	Hospital Operating Account	Checking - Non-Interest Bearing	374,743,630	349,757,195
	Hospital Operating Account	Savings	-	-
	UNMMG - Petty Cash/Other	Cash on Hand	-	42,255
	*UNMMG Operating Accounting - interest bearing	Checking - Interest Bearing	85,798,521	85,771,883
	*UNMMG certificate of Deposit - interest bearing	CD	486,000	486,000
	*UNMMG Cancer Center - interest bearing	Checking - Interest Bearing	35,105	35,105
	*UNMMG Truman RX - interest bearing	Checking - Interest Bearing	75,000	75,000
	UNMMG - Petty Cash/Other	Cash on Hand	-	8,225
Other	Interest-Bearing Cash Sweep (ICS)	Sweep	176,465,687	176,465,687
	Commercial Paper Overnight Sweep	Sweep	45,103,908	45,103,908
	Component Unit deposits held by UNM	Cash on Hand	-	(4,594,623)
	VEBA Trust assets held by UNM	Trust	-	(9,717)
	Petty Cash/Other	Cash on Hand	-	(585,560)
	**Rainforest Innovations		8,359,569	8,219,474
Total Cash and Cash Equivalents - Primary Institution			<u>\$ 692,928,451</u>	<u>\$ 659,708,926</u>

*Blended Component Units - Public Money Entities

**Blended Component Units - Non-Public Money Entities

See accompanying independent auditors' report.

SCHEDULE 19
Individual Investment Accounts

Name of Bank/Broker	Account Type	Balance per Bank Statement	Reconciled Balance per Books	
Bank of Oklahoma	Retirement of Indebtedness	Money Market	\$ 543,177	
		U.S. Treasury Securities	2,619,767	
	VEBA Trust	Money Market	\$ 1,001,905	
		Mutual Funds - Fixed Income	17,423,485	
		Mutual Funds - Equity	53,811,940	
Fidelity Investments	ASM Student Portfolio Account	Money Market	24,786	
		Exchange-Traded Funds	3,782,886	
		Mutual Funds - Equity	1,022,219	
		Equity	200,880	
Northern Trust	Consolidated Investment Fund	Money Market	8,243,512	
		Mutual Funds - Fixed	41,543,255	
		Mutual Funds - Equity	199,535,427	
		Real Estate Funds	5,215,729	
		Illiquid Real Assets	6,440,756	
		Private Investment Funds	60,813,904	
		Alternative Investments	15,670,482	
Societe Generale	Operating Investment Accounts	Flexible Repurchase Agreement	56,037,113	
US Bank	Operating Investment Accounts	Money Market	1,504,978	
		U.S. Treasury Securities	131,181,623	
		Foreign Issued	43,634,066	
		Corporate Bonds	129,923,983	
		Municipal Bonds	4,259,776	
	Hospital Short-Term Investment Accounts	Money Market	554,174	
	Hospital Short-Term Investment Accounts	U.S. Treasury Securities	37,769,686	
	*UNMMG Investment Account	U.S. Treasury Securities	15,794,017	
	*UNMMG Investment Account	Corporate Bonds	12,393,400	
	*UNMMG Investment Account	Municipal Bonds	335,561	
	Wells Fargo	Bldg, Renewal & Replacement	Money Market	105,744
			U.S. Government Agencies	4,572,546
			U.S. Treasury Securities	4,080,991
Retirement of Indebtedness		Money Market	2,473,622	
		Commercial Paper	3,189,789	
		U.S. Treasury Securities	1,804,341	
		Hospital Trust Accounts (Short term)	35,433,100	
Investment in TLSC	Hospital Other Investments	Equity	5,000,000	
Investment in TriWest	Hospital Other Investments	Equity	21,334,456	
Investment in TRL (TriCore)	Hospital Other Investments	Equity	6,718,460	
		**Rainforest Innovations	12,688,600	
Total Investments - Primary Institution			\$ 948,684,135	

*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, 2024 - 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.				
Hilltop Securities	Charitable Trust Fund	Money Market	7,016	7,016
Nusenda Credit Union	General Fund	Savings	189,426	189,426
	Restricted Fund	Savings	20,122	20,122
Wells Fargo	Operating	Checking - Interest Bearing	3,303,508	3,070,510
	Development	Checking - Interest Bearing	3,701,793	3,907,641
	Operating	Institutional Insured Liquid Deposit	4,062,358	4,062,358
	Development	Institutional Insured Liquid Deposit	4,074,961	4,074,961
Washington Federal	Operating	Checking - Interest Bearing	9,895	9,895
Total Cash and Cash Equivalents - UNM Foundation, Inc.		\$ 15,369,079	\$ 15,341,929	
		**UNM Lobo Club	6,582,656	6,510,584
		**UNM Alumni Association	435,038	434,638
Total Cash and Cash Equivalents - Discretely Presented Component Units		\$ 22,386,773	\$ 22,287,151	

*Discretely Presented Component Units - Public Money Entities

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

See accompanying independent auditors' report.

SCHEDULE 19
Individual Investment Accounts

Name of Bank/Broker	Account Type	Balance per Bank Statement	Reconciled Balance per Books
Component Units – Public Money Entities			
*UNM Foundation, Inc.			
Fidelity	Operating Fund	\$ 449,907	\$ 449,907
Hilltop Financial Services	Charitable Trust Fund	230,354	230,354
		184,873	184,873
Morgan Stanley Smith Barney	UNM Foundation Inc.	72	72
Vanguard Investments	Operating Fund	2,479,964	2,479,964
Cash Value Life Insurance Policies	Nonendowed Fund	495,278	495,278
Northern Trust	Consolidated Investment Fund	11,600,515	11,600,515
		57,758,889	57,758,889
		280,217,221	280,217,221
		7,395,456	7,395,456
		9,555,754	9,555,754
		84,255,521	84,255,521
	Alternative Investments	21,996,364	21,996,364
Total Investments - UNM Foundation, Inc.		\$ 476,620,168	\$ 476,620,168
		**UNM Alumni Association	11,170,385
Total Investments - Discretely Presented Component Units		\$ 487,790,553	\$ 487,790,553

*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, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
CCDF Cluster					
Department of Health and Human Services					
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	2RTP1	-	325
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	2RTU5	-	128,939
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	4R224	-	(1,325)
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	7R201	-	(7,117)
	93.575 Subtotal			-	120,822
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	State of New Mexico Early Childhood Education and Care Depart	2RDV7	-	(1,439)
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	-	2,507,676
	93.596 Subtotal			-	2,506,237
		Total Department of Health and Human Services		-	2,627,059
TOTAL CCDF CLUSTER				-	2,627,059
ECONOMIC DEVELOPMENT CLUSTER					
Department of Commerce					
Economic Adjustment Assistance	11.307	New Mexico Trade Alliance	2RTN9	-	(9,069)
Economic Adjustment Assistance	11.307	North Central NM Economic Development District	5R180	-	71,409
Economic Adjustment Assistance	11.307	North Central NM Economic Development District	7R221	-	215,622
		Total Department of Commerce		-	277,962
TOTAL ECONOMIC DEVELOPMENT CLUSTER				-	277,962
HEAD START CLUSTER					
Department of Health and Human Services					
Head Start	93.600	State of New Mexico Early Childhood Education and Care Department	2RUB5	-	(54)
		Total Department of Health and Human Services		-	(54)
TOTAL HEAD START CLUSTER				-	(54)
HIGHWAY SAFETY CLUSTER					
Department of Transportation					
COVID-19 - National Priority Safety Program	20.616			-	143,640
		Total Department of Transportation		-	143,640
TOTAL HIGHWAY SAFETY CLUSTER				-	143,640
IDEA - SPECIAL EDUCATION CLUSTER					
Department of Education					
COVID-19 - Special Education Preschool Grants	84.173			-	179,843
		Total Department of Education		-	179,843
TOTAL IDEA - SPECIAL EDUCATION CLUSTER				-	179,843
MEDICAID CLUSTER					
Department of Health and Human Services					
COVID-19 - Medical Assistance Program	93.778			-	329,550
		Total Department of Health and Human Services		-	329,550
TOTAL MEDICAID CLUSTER				-	329,550
RESEARCH AND DEVELOPMENT CLUSTER					
Department of Agriculture					
Sustainable Agriculture Research and Education	10.215	Montana State University	2RWP5	-	18,735
Agriculture and Food Research Initiative (AFRI)	10.310			20,281	455,114
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561			-	660,312
Forestry Research	10.652			-	274,820
Cooperative Forestry Assistance	10.664			-	12,080
Southwest Forst Health and Wildfire Prevention	10.694	New Mexico Highhighlands University	2RXA9	-	16,318

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Partnership Agreements	10.699				12,901
Research Joint Venture and Cost Reimbursable Agreements	10.707				9,693
Infrastructure Investment and Job Act Joint Fire Science Program	10.714				46,245
Soil and Water Conservation	10.902				28,034
Soil and Water Conservation	10.902	New Mexico State University	2RXT1	-	10,136
	10.902 Subtotal			-	38,170
		Total Department of Agriculture		20,281	1,544,388
Department of Commerce					
Economic Adjustment Assistance	11.307	Albuquerque Hispano Chamber of Commerce	2RUJ9	-	(13)
Economic Adjustment Assistance	11.307	Town of Bernalillo	2RXG4	-	70,606
	11.307 Subtotal			-	70,593
Congressionally-Identified Projects	11.617			-	280,648
		Total Department of Commerce		-	351,241
Department of Defense					
Department of Defense	12.RD			815,206	3,035,207
COVID-19 - Department of Defense	12.RD			1,690,760	2,429,501
Department of Defense	12.RD	Applied Research Association Inc	2RUC6	-	66,985
Department of Defense	12.RD	Applied Research Association Inc	2RUM8	-	126,591
Department of Defense	12.RD	Arkham Technology Limited	2RWT9	-	386,724
Department of Defense	12.RD	Axient LLC	2RTX5	-	401,136
Department of Defense	12.RD	Axient LLC	2RWH9	-	70,251
Department of Defense	12.RD	Canyon Consulting LLC	2RXZ6	-	195,282
Department of Defense	12.RD	EngeniusMico	2RXA7	-	40,509
Department of Defense	12.RD	General Atomics	2RWU2	-	71,153
Department of Defense	12.RD	Hart Scientific Consulting International LLC	2RVS7	-	(136)
Department of Defense	12.RD	Massachusetts Institute of Technology	2RTT9	-	(422)
Department of Defense	12.RD	Navarro Research & Engineering Inc.	2RWC3	-	76,265
Department of Defense	12.RD	New Space New Mexico	2RTJ6	-	21,323
Department of Defense	12.RD	Nexus Photonics	2RUC0	-	78,490
Department of Defense	12.RD	University of Florida	2RXN0	-	100,000
Department of Defense	12.RD	University of Southern California	2RUS8	-	143,016
Department of Defense	12.RD	Utah State University Space Dynamics Laboratory	2RWF6	-	22,151
Department of Defense	12.RD	Verus Research	2RTS9	-	149,709
Department of Defense	12.RD	Verus Research	2RWA3	-	152,861
	12.RD Subtotal			2,505,966	7,566,596
Collaborative Research and Development	12.114			-	2,499
Basic and Applied Scientific Research	12.300			1,777,317	7,850,200
Basic and Applied Scientific Research	12.300	Carnegie Mellon University	2RSU9	-	80,843
Basic and Applied Scientific Research	12.300	University of Colorado Boulder	2RVW2	-	185,638
	12.300 Subtotal			1,777,317	8,116,681
Navy Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance	12.335	EngeniusMicro	2RWY7	-	80,715
COVID-19 - Scientific Research - Combating Weapons of Mass Destruction	12.351			44,692	931,957
COVID-19 - Pest Management and Vector Control Research	12.355			-	144,603
Military Medical Research and Development	12.420			-	2,871
COVID-19 - Military Medical Research and Development	12.420			1,080,285	3,327,742
	12.420 Subtotal			1,080,285	3,330,613
Basic Scientific Research	12.431			82,695	745,367
Basic Scientific Research	12.431	University of Missouri	2RNQ0	-	59,246
Basic Scientific Research	12.431	University of Texas Arlington	2RXR1	-	89,095
	12.431 Subtotal			82,695	893,708
DOD, NDEP, DOTC-STEM Education Outreach Implementation	12.560	University Space Research Association	2RUW9	-	43,406
Research and Technical Assistance	12.615			-	208,368
Basic, Applied, and Advanced Research in Science and Engineering	12.630			-	1,018,667
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Army Educational Outreach Program	2RSJ8	-	1,525
Basic, Applied, and Advanced Research in Science and Engineering	12.630	MSI STEM Research and Development Consortium	2RVQ6	-	134,180
Basic, Applied, and Advanced Research in Science and Engineering	12.630	MSI STEM Research and Development Consortium	2RVY6	-	111,813
Basic, Applied, and Advanced Research in Science and Engineering	12.630	MSI STEM Research Development Consortium	2RTZ1	-	(4)
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Rochester Institute of Technology	2RVQ3	-	5,686

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Technology Student Association	2RUP7	-	2,415
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Technology Student Association	2RYA9	-	12,089
	12.630 Subtotal			-	1,286,371
COVID-19 - Uniformed Services University Medical Research Projects	12.750			52,405	136,965
Air Force Defense Research Sciences Program	12.800			1,835,122	5,834,673
Air Force Defense Research Sciences Program	12.800	Board of Trustees of Michigan State University	2RTN2	-	44,957
Air Force Defense Research Sciences Program	12.800	Carnegie Mellon University	2RUJ2	-	133,654
Air Force Defense Research Sciences Program	12.800	Clarkson Aerospace Corp.	2RTW2	-	90,068
Air Force Defense Research Sciences Program	12.800	New Mexico Institute of Mining and Technology	2RXF8	-	69,300
Air Force Defense Research Sciences Program	12.800	Opto-Atomics Corp.	2RWN5	-	75,000
Air Force Defense Research Sciences Program	12.800	University of Illinois at Urbana-Champaign	2RUD2	-	22,094
Air Force Defense Research Sciences Program	12.800	University of Oklahoma	2RQK2	-	200,830
Air Force Defense Research Sciences Program	12.800	University of Texas Austin	2RXB2	-	57,600
	12.800 Subtotal			1,835,122	6,528,176
Research and Technology Development	12.910			443,236	1,750,261
		Total Department of Defense		7,821,718	31,020,919
Department of Housing and Urban Development					
Research and Evaluations, Demonstrations, and Data Analysis and Utilization	14.536	Arizona State University	2RXM4	-	30,920
		Total Department of Housing and Urban Development		-	30,920
Department of the Interior					
Department of the Interior	15.RD			-	49,399
Indian Economic Development	15.032	Indian Pueblo Cultural Center	2RWD9	-	84,884
Cultural and Paleontological Resources Management	15.224			-	111,889
Fish, Wildlife and Plant Conservation Resource Management	15.231			-	(19)
Joint Fire Science Program	15.232			1,537	83,575
Threatened and Endangered Species	15.246			-	27,730
Fish and Wildlife Coordination Act	15.517			-	209,725
Fish and Wildlife Coordination Act	15.517	National Audubon Society Inc	2RPS1	-	(881)
Fish and Wildlife Coordination Act	15.517	National Audubon Society Inc	2RWU5	-	34,352
Fish and Wildlife Coordination Act	15.517	Wayne State University	2RQX1	-	136,372
	15.517 Subtotal			-	379,568
Upper Colorado and San Juan River Basins Endangered Fish Recovery	15.529			26,744	123,461
Upper Colorado and San Juan River Basins Endangered Fish Recovery	15.529	Colorado State University	2RLH6	-	60,125
	15.529 Subtotal			26,744	183,586
SECURE Water Act Research Agreements	15.560			14,463	94,978
Wildlife Restoration and Basic Hunter Education	15.611	New Mexico Game and Fish Department	2RXL2	-	486,063
Cooperative Endangered Species Conservation Fund	15.615	New Mexico Game and Fish Department	2RXU2	-	7,732
State Wildlife Grants	15.634	New Mexico Game and Fish Department	2RWP8	-	45,984
State Wildlife Grants	15.634	New Mexico Game and Fish Department	2RWQ0	-	111,171
	15.634 Subtotal			-	157,155
Fish and Wildlife Coordination and Assistance	15.664			-	119,326
Earthquake Hazards Program Assistance	15.807			-	(246)
U.S. Geological Survey Research and Data Collection	15.808			-	10,758
National Cooperative Geologic Mapping	15.810			-	2,193
National and Regional Climate Adaptation Science Centers	15.820	Colorado State University	2RVY3	-	7,730
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RPB9	-	161,127
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RSS9	-	104,497
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RTT7	18,343	26,074
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RWB1	11,275	119,045
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RWK1	-	134,550
National and Regional Climate Adaptation Science Centers	15.820	University of Oklahoma	2RXF4	-	20,354
	15.820 Subtotal			29,618	573,377
Native American Graves Protection and Repatriation Act	15.922			-	10,109
American Battlefield Protection	15.926			-	9,255
Natural Resource Stewardship	15.944	New Mexico Institute of Mining and Technology	2RXB5	-	12,580

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Cooperative Research and Training Programs - Resources of the National Park System	15.945			17,393	688,306
COVID-19 - Cooperative Research and Training Programs - Resources of the National Park System	15.945			-	6,700
	15.945 Subtotal			17,393	695,006
National Park Service Conservation, Protection, Outreach, and Education	15.954			-	(3,935)
		Total Department of the Interior		89,755	3,094,963
Department of Justice					
State Justice Statistics Program for Statistical Analysis Centers	16.550			-	100,833
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			40,568	420,045
COVID-19 - National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			-	91,656
	16.560 Subtotal			40,568	511,701
COVID-19 - Tribal Justice Systems	16.608			-	50,284
COVID-19 - Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838			-	25,908
		Total Department of Justice		40,568	688,726
Department of State					
Public Diplomacy Programs	19.040	Partners of the Americas Inc	2RMU4	-	5,594
Public Diplomacy Programs	19.040	Partners of the Americas Inc	2RNJ8	-	1,303
		Total Department of State		-	6,897
Department of Transportation					
Department of Transportation	20.RD			36,166	94,154
Department of Transportation	20.RD	GeoSystems Analysis, Inc.	2WU0	-	6,609
Department of Transportation	20.RD	New Mexico Department of Transportation	2RMS8	-	(16,934)
Department of Transportation	20.RD	New Mexico Department of Transportation	2RPY0	-	60,485
	20.RD Subtotal			36,166	144,314
Highway Research and Development Program	20.200	New Mexico State University	2RXV4	-	7,580
Highway Planning and Construction	20.205	New Mexico Department of Transportation	2RPH8	-	158,030
Highway Planning and Construction	20.205	New Mexico Department of Transportation	2RVM0	-	567,208
Highway Planning and Construction	20.205	New Mexico Department of Transportation	2RVZ0	-	68,411
Highway Planning and Construction	20.205	New Mexico Department of Transportation	2RWS6	-	63,701
	20.205 Subtotal			-	857,350
Highway Training and Education	20.215	New Mexico Department of Transportation	2RXV7	-	79,377
University Transportation Centers Program	20.701			448,607	964,114
University Transportation Centers Program	20.701	Louisiana State University	2RKR3	-	-
University Transportation Centers Program	20.701	Louisiana State University	2RTR1	-	(1,002)
University Transportation Centers Program	20.701	Louisiana State University	2RUN7	-	66,875
University Transportation Centers Program	20.701	New Mexico Department of Transportation	2RW74	-	96,860
University Transportation Centers Program	20.701	University of Oklahoma	2RWV4	-	85,446
	20.701 Subtotal			448,607	1,212,293
		Total Department of Transportation		484,773	2,300,914
Department of Treasury					
COVID-19 - Coronavirus Relief Fund	21.019			-	1
		Total Department of Treasury		-	1
National Aeronautics and Space Administration (NASA)					
National Aeronautics and Space Administration	43.RD	Jet Propulsion Lab	2RJ72	-	125,746
National Aeronautics and Space Administration	43.RD	New Mexico State University	2RTM6	-	466
National Aeronautics and Space Administration	43.RD	Space Telescope Science Institute	2RVR9	-	6,881
National Aeronautics and Space Administration	43.RD	Space Telescope Science Institute	2RV50	-	103,841
	43.RD Subtotal			-	236,934
Science	43.001			180,628	1,344,123
Science	43.001	Blue Marble Space Institute of Science	2RKW5	-	(186)
Science	43.001	Columbia University	2RWF0	-	21,440
Science	43.001	Florida Institute of Technology	2RWQ8	-	24,241
Science	43.001	Georgia Institute of Technology	2RUU7	-	104,510
Science	43.001	Michigan Technological University	2RSH7	-	49,048
Science	43.001	Pennsylvania State University	2RUM2	-	17,790
Science	43.001	The University of Tennessee Knoxville	2RVN4	-	28,429
Science	43.001	University of Colorado	2RQX7	-	55,637
Science	43.001	University of Hawaii Manoa	2RWJ0	-	13,093
Science	43.001	University of Wisconsin	2RUM9	-	23,872
	43.001 Subtotal			180,628	1,681,997

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Aeronautics	43.002	Board of Trustees of the Leland Stanford Junior University	2RQU9	-	71,379
Exploration	43.003	University of Central Florida	2RPQ6	-	11,241
Space Operations	43.007	Washington University	2RKG6	-	(113)
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RQN2	-	1,367
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RVF5	-	-
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RWX6	-	25,000
Office of Stem Engagement (OSTEM)	43.008	New Mexico Space Grant Consortium	2RXQ7	-	26,631
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RSF2	-	24,735
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RVR0	-	1,047
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RWW2	-	41,000
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RWX0	-	3,373
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RXB8	-	41,524
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RXC6	-	81,951
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RXD0	-	17,837
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RXD2	-	29,825
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RXT5	-	26,871
Office of Stem Engagement (OSTEM)	43.008	New Mexico State University	2RXW2	-	5,968
	43.008 Subtotal			-	327,129
Safety, Security and Mission Services	43.009			-	211,770
Space Technology	43.012			-	97,825
Space Technology	43.012	University of California, Santa Barbara	2RWR1	-	27,656
Space Technology	43.012	University of Colorado	2RTV7	-	38,427
	43.012 Subtotal			-	163,908
Total National Aeronautics and Space Administration (NASA)				180,628	2,704,245
Institute of Museum and Library Services					
Laura Bush 21st Century Librarian Program	45.313	Drexel University	2RWL2	-	13,993
		Total Institute of Museum and Library Services		-	13,993
National Endowment for the Humanities					
Promotion of the Humanities Fellowships and Stipends	45.160			-	60,132
Promotion of the Humanities Research	45.161	California State University, Stanislaus	2RTV9	-	40,782
		Total National Endowment for the Humanities		-	100,914
National Science Foundation (NSF)					
Direct Awards					
National Science Foundation	47.RD			-	240,144
National Science Foundation	47.RD	University of Southern California	2RPT7	-	33,995
	47.RD Subtotal			-	274,139
Engineering	47.041			1,731,387	3,705,252
COVID-19 - Engineering	47.041			-	(1,705)
Engineering	47.041	Trustees of Purdue University	2RKW0	-	585,435
Engineering	47.041	Trustees of Purdue University	2RPG2	-	92,241
		University Industry Demonstration Partnership (UIDP)		-	15,940
Engineering	47.041	University of Southern California	2RUB4	-	18,266
Engineering	47.041	University of Texas Austin	2R913	-	60,820
	47.041 Subtotal			1,731,387	4,476,249
Mathematical and Physical Sciences	47.049			53,369	2,369,795
COVID-19 - Mathematical and Physical Sciences	47.049			-	106,779
Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RPD4	-	-
Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RTJ8	-	12,719
Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RTV6	-	3,996
Mathematical and Physical Sciences	47.049	Associated Universities Inc	2RVC2	-	6,177
Mathematical and Physical Sciences	47.049	Cornell University	2RQZ3	-	66,710
Mathematical and Physical Sciences	47.049	Duke University	2RMK1	-	196,798
Mathematical and Physical Sciences	47.049	University of Colorado	2RQT3	-	343,418
	47.049 Subtotal			53,369	3,106,392
Geosciences	47.050			834,073	2,360,027
Geosciences	47.050	University of Colorado	2RKP4	-	73,346
Geosciences	47.050	University of Texas at El Paso	2RWB5	-	13,060
	47.050 Subtotal			834,073	2,446,433
Computer and Information Science and Engineering	47.070			442,256	2,514,487
COVID-19 - Computer and Information Science and Engineering	47.070			-	5,574
Computer and Information Science and Engineering	47.070	New Mexico Institute of Mining and Technology	2RXD5	-	42,103
Computer and Information Science and Engineering	47.070	Santa Fe Institute	2RSS1	-	1,150
Computer and Information Science and Engineering	47.070	University of North Texas	2RUN9	-	114,702
Computer and Information Science and Engineering	47.070	University of Tennessee	2RMP6	-	10,431
Computer and Information Science and Engineering	47.070	University of Texas at El Paso	2RUAO	-	28,244
	47.070 Subtotal			442,256	2,716,691

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Biological Sciences	47.074			583,120	5,776,517
COVID-19 - Biological Sciences	47.074			-	153,674
Biological Sciences	47.074	University of Colorado Boulder	2RVX5	-	71,364
Biological Sciences	47.074	University of Washington	2RPK7	-	9,350
Biological Sciences	47.074	Washington State University	2RMT5	-	38,150
	47.074 Subtotal			583,120	6,049,055
Social, Behavioral, and Economic Sciences	47.075			-	835,783
Social, Behavioral, and Economic Sciences	47.075	Texas State University	2RVX4	-	70,720
	47.075 Subtotal			-	906,503
STEM Education (formerly Education and Human Resources)	47.076			298,823	5,040,839
STEM Education (formerly Education and Human Resources)	47.076	Arizona State University	2RVM4	-	10,481
STEM Education (formerly Education and Human Resources)	47.076	Arizona State University	2RXH6	-	1,520
STEM Education (formerly Education and Human Resources)	47.076	Eastern Iowa Community Colleges	2RVJ4	-	17,442
STEM Education (formerly Education and Human Resources)	47.076	New Mexico Highlands University	7R215	-	31,792
STEM Education (formerly Education and Human Resources)	47.076	New Mexico State University	2RMQ3	-	86,968
STEM Education (formerly Education and Human Resources)	47.076	Pasadena City College	2RQS7	-	213,788
STEM Education (formerly Education and Human Resources)	47.076	University of Montana	2RVJ0	-	119,305
	47.076 Subtotal			298,823	5,522,135
Polar Programs	47.078			-	348,718
Polar Programs	47.078	Regents of the University of California	2RUL6	-	10,029
Polar Programs	47.078	University of Colorado	2RXG6	-	249,043
	47.078 Subtotal			-	607,790
Office of International Science and Engineering	47.079			-	886,157
COVID-19 - Office of International Science and Engineering	47.079			-	64,222
Office of International Science and Engineering	47.079	University of Utah	2RXT2	-	25,879
	47.079 Subtotal			-	976,258
Integrative Activities	47.083			1,579,599	3,995,766
Integrative Activities	47.083	Brown University	2RTW3	-	31,709
Integrative Activities	47.083	Regents of the University of Idaho	2RUF3	-	92,827
Integrative Activities	47.083	Rutgers the State University	2RVN0	-	1,063
Integrative Activities	47.083	University of Louisiana at Lafayette	2RTV5	-	334,563
Integrative Activities	47.083	University of Montana	2RWC5	-	25,766
	47.083 Subtotal			1,579,599	4,481,694
NSF Technology, Innovation, and Partnerships	47.084			-	37,447
NSF Technology, Innovation, and Partnerships	47.084	NeuroGeneces	2RUV6	-	1,143
	47.084 Subtotal			-	38,590
Total National Science Foundation (NSF)				5,522,627	31,601,929
Department of Veterans Affairs					
COVID-19 - Department of Veterans Affairs	64.RD			-	496,847
Total Department of Veterans Affairs				-	496,847
Environmental Protection Agency					
COVID-19 - Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034			-	12,917
Regional Wetland Program Development Grants	66.461	New Mexico Environmental Department	2RPX2	-	88,638
Regional Wetland Program Development Grants	66.461	New Mexico Environmental Department	2RWA7	-	34,579
	66.461 Subtotal			-	123,217
Science to Achieve Results (STAR) Research Program	66.509			-	4
Office of Research and Development Consolidated Research/Training/Fellowships	66.511	Ohio State University	2RWL5	-	29,951
Total Environmental Protection Agency				-	166,089
Nuclear Regulatory Commission					
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008			-	274,374
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008	The University of Tennessee Knoxville	2RVN6	-	61,258
Total Nuclear Regulatory Commission				-	335,632
Department of Energy					
COVID-19 - Department of Energy	81.RD			-	976,626
Department of Energy	81.RD	Battelle Energy Alliance, LLC	2RXD1	-	111,869
Department of Energy	81.RD	Batelle Memorial Institute	2RTP8	-	91,916
Department of Energy	81.RD	Brookhaven Science Associates LLC	2RVM7	-	79,623
Department of Energy	81.RD	Brookhaven Science Associates LLC	2RWJ3	-	14,864
Department of Energy	81.RD	Brookhaven Science Associates LLC	2RYF7	-	2,661
Department of Energy	81.RD	Fermi Laboratory	2RVZ2	-	40,458
Department of Energy	81.RD	Honeywell Corporation	2RTW0	-	(2,332)

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Department of Energy	81.RD	Honeywell Corporation	2RVZ7	-	92,302
Department of Energy	81.RD	Honeywell Corporation	2RYA8	-	28,337
Department of Energy	81.RD	Lawrence Berkeley National Laboratory	2RQV7	-	228,971
Department of Energy	81.RD	Lawrence Berkeley National Laboratory	2RQZ1	-	325,298
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RTL7	-	197,763
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RVB0	-	10,730
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RWZ3	-	238,573
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RXK9	-	33,945
Department of Energy	81.RD	Lawrence Livermore National Laboratory	2RXP8	-	44,299
Department of Energy	81.RD	Los Alamos National Laboratory	2RMW3	-	18,931
Department of Energy	81.RD	Los Alamos National Laboratory	2RPL6	-	17,834
Department of Energy	81.RD	Los Alamos National Laboratory	2RSB5	-	159,370
Department of Energy	81.RD	Los Alamos National Laboratory	2RSQ6	-	1,344
Department of Energy	81.RD	Los Alamos National Laboratory	2RSU3	-	(1,338)
Department of Energy	81.RD	Los Alamos National Laboratory	2RTD2	-	-
Department of Energy	81.RD	Los Alamos National Laboratory	2RTW5	-	52,688
Department of Energy	81.RD	Los Alamos National Laboratory	2RTW6	-	64,904
Department of Energy	81.RD	Los Alamos National Laboratory	2RUD1	-	98,264
Department of Energy	81.RD	Los Alamos National Laboratory	2RUD9	-	54,391
Department of Energy	81.RD	Los Alamos National Laboratory	2RUL1	-	151,849
Department of Energy	81.RD	Los Alamos National Laboratory	2RWH4	-	87,208
Department of Energy	81.RD	Los Alamos National Laboratory	2RWK0	-	46,269
Department of Energy	81.RD	Los Alamos National Laboratory	2RWK2	-	234,018
Department of Energy	81.RD	Los Alamos National Laboratory	2RWK6	-	40,955
Department of Energy	81.RD	Los Alamos National Laboratory	2RWK7	-	63,356
Department of Energy	81.RD	Los Alamos National Laboratory	2RWM6	-	63,868
Department of Energy	81.RD	Los Alamos National Laboratory	2RWT2	-	69,150
Department of Energy	81.RD	Los Alamos National Laboratory	2RXZ0	-	3,579
Department of Energy	81.RD	Los Alamos National Laboratory	5R164	-	1,268
Department of Energy	81.RD	Los Alamos National Laboratory	5R165	-	244,712
Department of Energy	81.RD	MIND Research Network	2RH75	-	86,298
Department of Energy	81.RD	MSI STEM Research and Development Consortium	2RVH9	-	239,674
Department of Energy	81.RD	National Renewable Energy Laboratory	2RWB0	-	93,638
Department of Energy	81.RD	National Renewable Energy Laboratory	2RXK2	-	5,451
Department of Energy	81.RD	National Renewable Energy Laboratory	2RXK3	-	2,260
Department of Energy	81.RD	National Renewable Energy Laboratory	2RXK4	-	2,466
Department of Energy	81.RD	National Renewable Energy Laboratory	2RXK5	-	2,546
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RNZ8	-	142,505
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RPC7	-	18,523
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RPDZ	-	94,765
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RPK0	-	(682)
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RPK4	-	86,181
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RPX4	-	37,775
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RQA0	-	(1)
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RQR9	-	-
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RQU1	-	88,054
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RQV3	-	3,987
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RQY0	-	138,798
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RQY2	-	19,477
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RQY3	-	1,216
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RQY5	-	16,737
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSC7	-	56,986
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSD8	-	109,708
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSG5	-	42,159
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSK9	-	28,327

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSU2	-	66,114
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RSW4	-	39,759
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTB1	-	(129)
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTK8	-	-
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTS7	-	91,301
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTT2	-	16,996
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTT4	-	(568)
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTT5	-	106,509
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTU0	-	25,200
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RTU7	-	51,199
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUC2	-	18,228
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUD8	-	112,718
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUF6	-	82,619
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUH9	-	49,761
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUJ3	-	11,067
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUK3	-	31,772
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUP9	-	(41)
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUR4	-	-
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUS0	-	112,416
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RUX2	-	71,495
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVH8	-	9,887
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVL5	-	87,775
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVM1	-	11,901
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVN1	-	65,906
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVN7	-	125,191
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVN9	-	119,286
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVP1	-	53,431
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVP2	-	30,941
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVP3	-	18,073
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVR8	-	66,386
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVS3	-	165,390
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVS6	-	66,051
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVT4	-	77,694
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVX0	-	67,696
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RVZ1	-	96,760
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWC4	-	38,379
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWF4	-	118,036

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWG4	-	17,043
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWH0	-	27,362
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWH2	-	23,002
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWH8	-	15,913
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWK3	-	29,475
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWQ3	-	39,221
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWR3	-	81,924
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWT3	-	13,500
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RWX4	-	38,025
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXC3	-	25,301
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXC7	-	54,249
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXC9	-	32,163
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXD6	-	23,741
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXD7	-	38,535
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXD8	-	66,361
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXF7	-	79,531
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXG3	-	39,368
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXJ1	-	20,616
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXJ2	-	68,310
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXX0	-	66,803
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXL0	-	67,216
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXL3	-	33,725
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXM1	-	7,610
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXM3	-	57,938
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXN4	-	22,115
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXP3	-	25,369
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXX2	-	4,033
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXX3	-	15,327
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXXS7	-	3,491
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXU4	-	31,539
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXV3	-	11,704
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXV9	-	14,060
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXW1	-	65,281
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RXY7	-	32,175
Department of Energy	81.RD	National Technology & Engineering Solutions of Sandia LLC	2RYG7	-	192
Department of Energy	81.RD	NMC Inc.	2RMU1	-	10,577
Department of Energy	81.RD	NMC Inc.	2RWJ1	-	37,466
Department of Energy	81.RD	NMC Inc.	2RYA2	-	36,877
Department of Energy	81.RD	NMC Inc.	2RYC0	-	4,056
Department of Energy	81.RD	Savannah River Nuclear Solutions, LLC	2RVW3	-	89,030

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
	81.RD Subtotal			-	8,780,794
Office of Science Financial Assistance Program	81.049			1,352,202	3,153,994
COVID-19 - Office of Science Financial Assistance Program	81.049			-	89,310
Office of Science Financial Assistance Program	81.049	Eastern New Mexico University	2RVM5	-	48,920
Office of Science Financial Assistance Program	81.049	North Carolina State University	2RPN5	-	33,061
Office of Science Financial Assistance Program	81.049	North Carolina State University	2RXH1	-	134,755
Office of Science Financial Assistance Program	81.049	SensorComm Technologies, Inc.	2RXF5	-	65,302
Office of Science Financial Assistance Program	81.049	TS-NANO	2RWG2	-	49,783
	81.049 Subtotal			1,352,202	3,575,125
Conservation Research and Development	81.086	Lumileds	2RQN6	-	190,175
Conservation Research and Development	81.086	Pennsylvania State University	2RVB5	-	4,789
Conservation Research and Development	81.086	Washington State University	2RSB1	-	19,665
	81.086 Subtotal			-	214,629
Renewable Energy Research and Development	81.087			92,313	648,053
Fossil Energy Research and Development	81.089			84,133	397,501
Fossil Energy Research and Development	81.089	New Mexico Institute of Mining and Technology	2RSB2	-	19,077
	81.089 Subtotal			84,133	416,578
Environmental Remediation and Waste Processing and Disposal	81.104	Florida International University	2RTS8	-	23,352
Stewardship Science Grant Program	81.112	Cornell University	2RLK8	-	36,473
Stewardship Science Grant Program	81.112	Regents of the University of Michigan	2RXM5	-	6,318
	81.112 Subtotal			-	42,791
Defense Nuclear Nonproliferation Research	81.113	Regents of the University of Michigan	2RPC9	-	255,744
Defense Nuclear Nonproliferation Research	81.113	University of California Berkley	2RTT6	-	332,932
	81.113 Subtotal			-	588,676
Nuclear Energy Research, Development and Demonstration	81.121			13,728	664,444
Nuclear Energy Research, Development and Demonstration	81.121	Regents of the University of Michigan	2RXH4	-	28,587
Nuclear Energy Research, Development and Demonstration	81.121	Regents of the University of Michigan	2RXQ4	-	14,742
Nuclear Energy Research, Development and Demonstration	81.121	South Carolina Universities Research and Education Foundation	2RXU3	-	1,720
Nuclear Energy Research, Development and Demonstration	81.121	The City College of New York	2RXR5	-	71,158
Nuclear Energy Research, Development and Demonstration	81.121	The University of Tennessee Knoxville	2RVL3	-	58,502
Nuclear Energy Research, Development and Demonstration	81.121	Trustees of Purdue University	2RVR5	-	130,264
Nuclear Energy Research, Development and Demonstration	81.121	University of Kentucky	2RVH3	-	71,158
	81.121 Subtotal			13,728	1,040,575
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123			374,196	743,363
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Board of Regents Nevada System of Higher Education	2RTS2	-	202,314
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Florida International University	2RWP7	-	143,458
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Savannah River Nuclear Solutions, LLC	2RUF7	-	(150)
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	Universidad Ana G. Mendez	2RQZ4	-	252,808
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	University of Texas at El Paso	2RVN3	-	208,740
	81.123 Subtotal			374,196	1,550,533
Predictive Science Academic Alliance Program	81.124			212,155	620,390
Advanced Research Projects Agency - Energy	81.135			70,664	162,165
Advanced Research Projects Agency - Energy	81.135	HyperJet Fusion Corporation	2RSG3	-	55,915
Advanced Research Projects Agency - Energy	81.135	Rensselaer Polytechnic Institute	2RMM2	-	194,601
Advanced Research Projects Agency - Energy	81.135	University of Texas at Dallas	2RWN0	-	139,373
	81.135 Subtotal			70,664	552,054
Total Department of Energy				2,199,391	18,053,550
Department of Education					
Overseas Programs	84.019			-	69,330
Graduate Assistance in Areas of National Need	84.200			-	100,303
Twenty-First Century Community Learning Centers	84.287	Southwest Regional Education Cooperative (SWREC)	2RVA2	-	(4)
COVID-19 - Education Research, Development and Dissemination	84.305			471,928	850,662
Total Department of Education				471,928	1,020,291
Department of Health and Human Services					
Department of Health & Human Services	93.RD			552,567	3,472,820
COVID-19 - Department of Health & Human Services	93.RD			-	1,748,875
	93.RD Subtotal			552,567	5,221,695

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048			-	33,581
Global AIDS	93.067			-	(301)
COVID-19 - Global AIDS	93.067			-	1,677
	93.067 Subtotal			-	1,376
COVID-19 - Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079			-	(65,697)
Blood Disorder Program: Prevention, Surveillance, and Research	93.080			-	(15,436)
COVID-19 - Blood Disorder Program: Prevention, Surveillance, and Research	93.080			-	17,645
	93.080 Subtotal			-	2,209
COVID-19 - Maternal and Child Health Federal Consolidated Programs	93.110			-	683,650
COVID-19 - Environmental Health	93.113			938,214	5,226,810
Oral Diseases and Disorders Research	93.121			-	2,467
COVID-19 - Oral Diseases and Disorders Research	93.121			6,893	791,025
	93.121 Subtotal			6,893	793,492
COVID-19 - Emergency Medical Services for Children	93.127			-	15,408
COVID-19 - Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135			-	806,768
COVID-19 - Injury Prevention and Control Research and State and Community Based Programs	93.136			-	632,727
COVID-19 - Community Programs to Improve Minority Health Grant Program	93.137			-	94,610
NIEHS Superfund Hazardous Substances - Basic Research and Education	93.143			-	(331,151)
COVID-19 - NIEHS Superfund Hazardous Substances - Basic Research and Education	93.143			202,331	2,045,210
	93.143 Subtotal			202,331	1,714,059
COVID-19 - HIV-Related Training and Technical Assistance	93.145			2,221,342	3,986,095
COVID-19 - Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153			-	468,183
Human Genome Research	93.172	Armonica Technologies, LLC	2RVJ9	-	(65)
Human Genome Research	93.172	President and Fellows of Harvard College	2RMC3	-	98,645
	93.172 Subtotal			-	98,580
Research Related to Deafness and Communication Disorders	93.173			160,645	653,843
Research Related to Deafness and Communication Disorders	93.173	University of Central Florida	2RYB2	-	45,344
Research Related to Deafness and Communication Disorders	93.173	University of North Carolina at Chapel Hill	2RTH1	-	(497)
	93.173 Subtotal			160,645	698,690
COVID-19 - Telehealth Programs	93.211			-	786,712
Research and Training in Complementary and Integrative Health	93.213	Pacific University	2RNG2	-	36,888
Research and Training in Complementary and Integrative Health	93.213	The University of Tennessee Health Science Center	2RUM3	-	20,504
Research and Training in Complementary and Integrative Health	93.213	University of Washington	2RVK0	-	47,469
	93.213 Subtotal			-	104,861
COVID-19 - Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224			93,170	239,722
COVID-19 - Research on Healthcare Costs, Quality and Outcomes	93.226			-	158,349
COVID-19 - State Capacity Building	93.240			-	45,249
Mental Health Research Grants	93.242			82,138	1,166,649
COVID-19 - Mental Health Research Grants	93.242			396,896	2,477,820
Mental Health Research Grants	93.242	Kaiser Foundation Research Institute	2RSA1	-	12,356
	93.242 Subtotal			479,034	3,656,825
COVID-19 - Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			-	3,663,858
COVID-19 - Grants for Education, Prevention, and Early Detection of Radiogenic Cancers and Diseases	93.257			-	256,451
COVID-19 - Occupational Safety and Health Program	93.262			-	57
Occupational Safety and Health Program	93.262	The Center for Construction Research and Training (CPWR)	2RVD9	-	13,072

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
	93.262 Subtotal			-	13,129
Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief	93.266			-	(9)
COVID-19 - Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief	93.266			-	87,679
	93.266 Subtotal			-	87,670
Alcohol Research Programs	93.273			397,904	3,427,206
COVID-19 - Alcohol Research Programs	93.273			33,435	4,388,664
Alcohol Research Programs	93.273	Medical University of South Carolina	2RNF7	-	5,442
Alcohol Research Programs	93.273	MIND Research Network	2RXH9	-	22,375
Alcohol Research Programs	93.273	University of Arkansas	2RMT4	-	43,944
Alcohol Research Programs	93.273	Yale University	2RVR2	-	18,666
Alcohol Research Programs	93.273	Yale University	2RWC8	-	18,537
	93.273 Subtotal			431,339	7,924,834
COVID-19 - Drug-Free Communities Support Program Grants	93.276			-	2,084
Drug Abuse and Addiction Research Programs	93.279			1,170,093	4,644,281
COVID-19 - Drug Abuse and Addiction Research Programs	93.279			560,945	3,513,454
Drug Abuse and Addiction Research Programs	93.279	Hennepin Healthcare Research Institute	2RTP6	-	8,952
Drug Abuse and Addiction Research Programs	93.279	Loyola University Chicago	2RUU1	-	35,978
Drug Abuse and Addiction Research Programs	93.279	Texas Christian University	2RPC8	-	383,715
Drug Abuse and Addiction Research Programs	93.279	Yale University	2RXH3	-	65,391
	93.279 Subtotal			1,731,038	8,651,771
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286			-	39,907
COVID-19 - National Center for Health Workforce Analysis	93.300			-	162,486
Minority Health and Health Disparities Research	93.307			50,000	242,476
COVID-19 - Minority Health and Health Disparities Research	93.307			896,122	3,364,914
	93.307 Subtotal			946,122	3,607,390
Trans-NIH Research Support	93.310			234,299	1,828,007
COVID-19 - Trans-NIH Research Support	93.310			1,530,989	6,722,937
	93.310 Subtotal			1,765,288	8,550,944
COVID-19 - Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity and Security	93.318			-	6,082
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323			-	168,601
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	New Mexico Department of Health	2RVG6	-	7,107
	93.323 Subtotal			-	175,708
COVID-19 - National Center for Advancing Transitional Sciences	93.350			12,783	4,799,112
COVID-19 - Research Infrastructure Programs	93.351			-	658,290
COVID-19 - Construction Support	93.352			-	218,975
COVID-19 - Cancer Centers Support Grants	93.353			1,684,787	2,949,036
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354			-	(876)
COVID - 19 - Nursing Research	93.361			-	335,912
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391			-	(29,952)
Cancer Cause and Prevention Research	93.393			340,104	438,357
COVID-19 - Cancer Cause and Prevention Research	93.393			123,747	1,071,970
	93.393 Subtotal			463,851	1,510,327
Cancer Detection and Diagnosis Research	93.394			254,367	719,410
COVID-19 - Cancer Detection and Diagnosis Research	93.394			-	327,247
	93.394 Subtotal			254,367	1,046,657
COVID-19 - Cancer Treatment Research	93.395			277,179	2,124,333
Cancer Treatment Research	93.395	Rutgers the State University	2RMR9	-	11,482
	93.395 Subtotal			277,179	2,135,815
Cancer Biology Research	93.396			-	192,149
COVID-19 - Cancer Biology Research	93.396			-	182,061
	93.396 Subtotal			-	374,210
COVID-19 - Cancer Centers Support Grants	93.397			556,594	3,622,467

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Cancer Research Manpower	93.398			-	3,650
COVID- 19 - Cancer Research Manpower	93.398			-	542,627
	93.398 Subtotal			-	546,277
Cancer Control	93.399			238,609	729,789
COVID- 19 - Cancer Control	93.399			-	1,556,089
	93.399 Subtotal			238,609	2,285,878
COVID-19 - Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421			10,800	104,442
COVID-19 - ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433			-	44,429
COVID-19 - Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478			-	40,641
COVID- 19 - Congressional Directives	93.493			-	1,025,730
Child Care and Development Block Grant	93.575			-	173,719
COVID -19 - Child Care and Development Block Grant	93.575			-	57,185
Child Care and Development Block Grant	93.575	State of New Mexico Early Childhood Education and Care Depart	2RTQ2	-	30,268
	93.575 Subtotal			-	261,172
COVID-19 - University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632			-	27,663
Accountable Health Communities	93.650			-	(185)
COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665			-	20,773
COVID-19 - Child Abuse and Neglect State Grants	93.669			-	112,250
COVID-19 - Mental and Behavioral Health Education and Training Grants	93.732			279,098	772,529
COVID-19 - PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	93.738			-	127,078
COVID-19 - Medical Assistance Program	93.778			-	2,205,981
COVID-19 - Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779			-	84,794
COVID-19 - Opioid STR	93.788			-	226,561
COVID-19 - Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829			-	102,705
COVID-19 - Cardiovascular Diseases Research	93.837			-	811,165
COVID-19 - Lung Diseases Research	93.838			227,446	4,042,205
COVID-19 - Blood Diseases and Resources Research	93.839			-	449,594
COVID-19 - Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840			-	276,209
COVID-19 - Arthritis, Musculoskeletal and Skin Diseases Research	93.846			-	72,120
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847			-	24,391
COVID -19 - Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847			350,942	2,623,051
	93.847 Subtotal			350,942	2,647,442
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			-	355,549
COVID -19 - Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			96,803	4,601,780
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	MIND Research Network	2RWW4	-	13,853
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	State University of Iowa	2RTV8	-	(3,377)
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Miami	2RXL8	-	43,850
	93.853 Subtotal			96,803	5,011,655
Allergy and Infectious Diseases Research	93.855			429,087	1,545,560
COVID-19 - Allergy and Infectious Diseases Research	93.855			256,533	4,126,559
	93.855 Subtotal			685,620	5,672,119
Biomedical Research and Research Training	93.859			4,519	3,453,436
COVID-19 - Biomedical Research and Research Training	93.859			195,758	10,865,407

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Biomedical Research and Research Training	93.859	New Mexico INBRE	2RSW5	-	28,567
Biomedical Research and Research Training	93.859	New Mexico State University	2RNU6	-	71,899
Biomedical Research and Research Training	93.859	New Mexico State University	2RUR8	-	13,921
Biomedical Research and Research Training	93.859	New Mexico State University	2RWP3	-	25,089
Biomedical Research and Research Training	93.859	ODMR Technologies, Inc	2RTU4	-	8,386
Biomedical Research and Research Training	93.859	Trustees of the University of Pennsylvania	2RPA7	-	65,263
Biomedical Research and Research Training	93.859	University of Utah	2RSP5	-	34,833
	93.859 Subtotal			200,277	14,566,801
COVID-19 - Emerging Infections Sentinel Networks	93.860			-	125,200
Child Health and Human Development Extramural Research	93.865			-	67,273
COVID-19 - Child Health and Human Development Extramural Research	93.865			-	1,024,894
	93.865 Subtotal			-	1,092,167
Aging Research	93.866			458,319	711,687
COVID-19 - Aging Research	93.866			734,931	4,750,240
Aging Research	93.866	Florida State University	2RSP6	-	71,911
Aging Research	93.866	University of Miami	2RXQ9	-	13,356
Aging Research	93.866	Washington State University	2RWK8	-	12,228
	93.866 Subtotal			1,193,250	5,559,422
Vision Research	93.867			155,254	203,081
COVID-19 - Vision Research	93.867			99,873	1,109,608
	93.867 Subtotal			255,127	1,312,689
COVID-19 - Medical Library Assistance	93.879			-	222,840
COVID-19 - Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898			-	48,519
COVID-19 - Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912			-	2,714
COVID-19 - Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946			-	41,495
COVID-19 - Block Grants for Community Mental Health Services	93.958			-	1,317,853
COVID-19 - Coal Miners Respiratory Impairment Treatment Clinics and Services	93.965			-	151,424
COVID-19 - Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981			-	64,416
COVID-19 - Mental Health Disaster Assistance and Emergency Mental Health	93.982			-	(315)
COVID-19 - Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988			213,793	863,341
COVID-19 - International Research and Research Training	93.989			216,273	305,505
Assisted Outpatient Treatment	93.997	City of Albuquerque	2RPF7	-	182
		Total Department of Health and Human Services		16,745,582	128,811,721
Department of Homeland Security					
Homeland Security	97.RD	Oak Ridge Associated Universities	2RXQ8	-	56,189
Cooperating Technical Partners	97.045			-	549,865
		Total Department of Homeland Security		-	606,054
Agency for International Development					
COVID-19 - Agency for International Development	98.RD			-	15,587
USAID Foreign Assistance for Programs Overseas	98.001			-	(214)
COVID-19 - USAID Foreign Assistance for Programs Overseas	98.001			-	67,578
	98.001 Subtotal			-	67,364
		Total Agency for International Development		-	82,951
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				33,577,251	223,033,185
SNAP CLUSTER					
Department of Agriculture					
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561			-	711,637
		Total Department of Agriculture		-	711,637
TOTAL SNAP CLUSTER				-	711,637

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER					
Department of Education					
Federal Supplemental Educational Opportunity Grants	84.007			-	1,365,553
Federal Work-Study Program	84.033			-	1,620,487
Federal Perkins Loans	84.038			-	730,979
Federal Pell Grant Program	84.063			-	42,252,126
Federal Direct Student Loans	84.268			-	66,988,366
Teacher Education Assistance for College and Higher Education Grants (TEACH GRANTS)	84.379			-	64,098
		Total Department of Education		-	113,021,609
Health Resources and Services Administration					
Nurse Faculty Loan Program	93.264			-	605,550
Health Professions Student Loans	93.342			-	1,011,749
Nursing Student Loan	93.364			-	1,153,686
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			-	675,000
COVID-19 - Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			-	675,000
	93.925 Subtotal			-	1,350,000
		Total Health Resources and Services Administration		-	4,120,985
				-	117,142,594
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER					
TRIO CLUSTER					
Department of Education					
TRIO Student Support Services	84.042			-	1,155,080
TRIO Upward Bound	84.047			-	780,472
TRIO Educational Opportunity Centers	84.066			-	298,825
TRIO McNair Post-Baccalaureate Achievement	84.217			-	292,446
		Total Department of Education		-	2,526,823
				-	2,526,823
TOTAL TRIO CLUSTER					
OTHER PROGRAMS					
Department of Agriculture					
Hispanic Serving Institutions Education Grants	10.223			68,169	233,074
COVID-19 - Cooperative Extension Service	10.500			-	37,336
		Total Department of Agriculture		68,169	270,410
Department of Commerce					
BUILD TO SCALE	11.024			-	224,414
		Total Department of Commerce		-	224,414
Department of Defense					
COVID-19 - Department of Defense	12.U02			-	4,146
COVID-19 - Department of Defense	12.U03			-	16,033
COVID-19 - Department of Defense	12.U04			-	16,358
COVID-19 - Department of Defense	12.U05			-	10,728
CyberSecurity Core Curriculum	12.905	University of Colorado	2RSK4	-	(25,715)
		Total Department of Defense		-	21,550
Department of Housing and Urban Development					
Mortgage Insurance Hospitals	14.128			-	162,819,683
		Total Department of Housing and Urban Development		-	162,819,683
Department of the Interior					
Department of the Interior	15.U08			-	1,750,225
COVID-19 - Department of the Interior	15.U17			-	7,986
Department of the Interior	15.U18			-	308,200
		Total Department of the Interior		-	2,066,411
Department of Justice					
COVID-19 - Department of Justice	16.U14			-	165
COVID-19 - Department of Justice	16.U15			-	63,883

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
COVID-19 - Department of Justice	16.U16			-	1,204
COVID-19 - Department of Justice	16.U17			-	685
COVID-19 - Department of Justice	16.U18			-	178
COVID-19 - Department of Justice	16.U19			-	68
COVID-19 - Department of Justice	16.U20			-	9,215
Justice Systems Response to Families	16.021	Enlace Comunitario	2RPN4	-	25,286
COVID-19 - Forensics Training and Technical Assistance Program	16.044			-	42,139
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525			-	41,502
COVID-19 - Crime Victim Assistance	16.575			-	79,488
COVID-19 - Paul Coverdell Forensic Sciences Improvement Grant Program	16.742			-	61,052
Total Department of Justice				-	324,865
Department of Labor					
COVID-19 - Department of Labor	17.U12			-	(11,244)
COVID-19 - Department of Labor	17.U14			-	67,722
Total Department of Labor				-	56,478
Department of State					
Public Diplomacy Programs	19.040	American Councils	2RWU4	-	14,986
ECA - American Spaces	19.441			-	4,639
Total Department of State				-	19,625
Department of Transportation					
Highway Planning and Construction	20.205	New Mexico Department of Transportation	2RVQ9	-	100,033
Highway Planning and Construction	20.205	New Mexico Department of Transportation	2RWN3	-	50,042
Highway Planning and Construction	20.205	New Mexico Department of Transportation	2RXP2	-	2,715
	20.205 Subtotal			-	152,790
Highway Training and Education	20.215			-	25,764
Total Department of Transportation				-	178,554
Department of Treasury					
COVID-19 - Emergency Rental Assistance Program	21.023			-	780,220
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027			100,760	5,694,983
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Economic Development Dept.	7R227	-	1,755
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	2P1247	-	5,418,752
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	4P0145	-	181,520
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	5P0040	-	39,783
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	6P0098	-	120,099
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	7P0065	-	75,806
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	2RWW7	-	1,249,200
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	2RYD4	-	41,250,564
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	4R230	-	108,901
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	6R220	-	633,290
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	7R212	-	477,517
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	2P1161	-	179,303
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	2P1275	-	1,955,000
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	4P0149	-	235,000
COVID- 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	New Mexico Higher Education Department	2RVV3	-	843,068
	21.027 Subtotal			100,760	58,464,541
Total Department of Treasury				100,760	59,244,761
Library of Congress					
Connecting Communities Digital Initiatives	42.012			-	20,387
Total Library of Congress				-	20,387
Institute of Museum and Library Services					
Museums of America	45.301			-	4,410
Total Institute of Museum and Library Services				-	4,410
National Endowment for the Arts					
Promotion of the Arts Grants to Organizations and Individuals	45.024			-	23,015
Total National Endowment for the Arts				-	23,015
National Endowment for the Humanities					

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Promotion of the Humanities Federal/State Partnership	45.129	Promotion of the Humanities Federal/State Partnership	2RTX7	-	863
Promotion of the Humanities	45.149			-	10,138
		Total National Endowment for the Humanities		-	11,001
Department of Veterans Affairs					
COVID-19 - Department of Veterans Affairs	64.U14			-	1,800
		Total Department of Veterans Affairs		-	1,800
Environmental Protection Agency					
Environmental Finance Center Grants	66.U16	The Cadmus Group, Inc.	2RMP9	-	35,049
Environmental Finance Center Grants	66.203			104,845	1,139,788
Environmental Finance Center Grants	66.203	California State University Sacramento	2RVX7	-	49,917
Environmental Finance Center Grants	66.203	US Water Alliance	2RXX9	-	5,794
	66.203 Subtotal			104,845	1,195,499
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water Act	66.424			843,474	971,910
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436			194,307	206,547
Innovative Water Infrastructure Workforce Development Program (SDWA 1459E)	66.445	Syracuse University	2RUV7	-	25,612
Innovative Water Infrastructure Workforce Development Program (SDWA 1459E)	66.445	Wichita State University	2RUS3	-	25,930
	66.445 Subtotal			-	51,542
Technical Assistance for Treatment Works (Clean Water Act [CWA] Section 104(b)(8))	66.446			1,502,561	2,828,887
Clean Water State Revolving Fund	66.458	Tennessee Department of Environment and Conservation	2RPN2	-	3
Drinking Water State Revolving Fund	66.468	Vermont Department of Environmental Conservation	2RPX3	-	3,267
Drinking Water State Revolving Fund	66.468	Vermont Department of Environmental Conservation	2RWS5	-	37,347
	66.468 Subtotal			-	40,614
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	Kansas State University	2RLG2	-	4,137
		Total Environmental Protection Agency		2,645,187	5,334,188
Department of Energy					
Department of Energy	81.U27	National Technology & Engineering Solutions of Sandia LLC	2RNX2	-	23,098
Department of Energy	81.U29	National Technology & Engineering Solutions of Sandia LLC	2RYB5	-	25,062
Academic Programs	81.252	NMC Inc	2RXN1	-	149,781
		Total Department of Energy		-	197,941
Department of Education					
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	4R231	-	144,013
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	5R173	-	(11)
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	5R176	-	96,347
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	5R177	-	14,751
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R222	-	205,675
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	6R224	-	14,054
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R205	-	(2)
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R207	-	(1)
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R222	-	119,029
Adult Education - Basic Grants to States	84.002	New Mexico Higher Education Department	7R224	-	15,751
	84.002 Subtotal			-	609,606
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			-	214,258
Undergraduate International Studies and Foreign Language Programs	84.016			8,008	132,676
Higher Education Institutional Aid	84.031			-	3,403,175
Career and Technical Education - Basic Grants to States	84.048	NM Public Education Department	4R226	-	(469)
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	-	6,236

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
Career and Technical Education - Basic Grants to States	84.048	NM Public Education Department	7R231	-	44,764
	84.048 Subtotal			-	16,519
Fund for the Improvement of Postsecondary Education	84.116			-	748,545
COVID-19 - Rehabilitation Services Vocational Rehabilitation Grants to States	84.126			-	901,870
Migrant Education High School Equivalency Program	84.141			-	470,639
Migrant Education College Assistance Migrant Program	84.149			-	430,578
COVID-19 - Special Education - Grants for Infants and Families	84.181			-	677,062
School Safety National Activities	84.184	Central Region Educational Cooperative	2RWA1	-	30,564
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RUR5	-	1,125,657
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RWG1	-	164,491
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RWM1	-	458,013
Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RXS9	-	149,905
COVID-19 - Ready-To-Learn Television	84.295	Corporation for Public Broadcasting	2RSV9	-	5
	84.295 Subtotal			-	1,898,071
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			-	227,743
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	Syracuse University	2RXP6	-	30,811
	84.325 Subtotal			-	258,554
COVID-19 - Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326			-	107,671
Child Care Access Means Parents in School	84.335			-	1,084,831
COVID-19 - Education Stabilization Fund	84.425 E,F,L			-	13,989
COVID-19 - Education Stabilization Fund	84.425 E,F,L	NM Public Education Department	4R239	-	92,597
COVID-19 - Education Stabilization Fund	84.425 E,F,L	NM Public Education Department	6R230	-	60,201
COVID-19 - Education Stabilization Fund	84.425 E,F,L	New Mexico Higher Education Department	2RSG2	(18,268)	(18,268)
COVID-19 - Education Stabilization Fund	84.425 E,F,L	New Mexico Higher Education Department	2RUZ7	-	183,516
		State of New Mexico Early Childhood Education and Care Depart		-	(29,571)
COVID-19 - Education Stabilization Fund	84.425 E,F,L		2RUN8	-	(29,571)
	84.425 Subtotal			(18,268)	302,464
Total Department of Education				(10,260)	11,287,083
National Archives and Records Administration					
National Historical Publications & Records Comm	89.003			-	5,943
Total National Archives and Records Administration				-	5,943
Department of Health and Human Services					
COVID-19 - Department of Health & Human Services	93.U31			-	163,122
COVID-19 - Department of Health & Human Services	93.U34			-	19,594
COVID-19 - Department of Health & Human Services	93.U36			-	(139)
COVID-19 - Department of Health & Human Services	93.U42			-	9,103
COVID-19 - Department of Health & Human Services	93.U43			-	125,804
COVID-19 - Department of Health & Human Services	93.U48			-	1,985,848
COVID-19 - Department of Health & Human Services	93.U54			-	66,802
COVID-19 - Department of Health & Human Services	93.U56			-	80,518
Medical Reserve Corps Small Grant Program	93.008	Dept of Health	Hospital	-	23,925
COVID-19 - National Organizations of State and Local Officials	93.011			-	21,568
COVID-19 - Public Health Emergency Preparedness	93.069			-	5,075
COVID-19 - Area Health Education Centers	93.107			413,894	541,152
COVID-19 - Maternal and Child Health Federal Consolidated Programs	93.110			-	689,800
Maternal and Child Health Federal Consolidated Programs	93.110	State of New Mexico Early Childhood Education and Care Depart	2RWV1	-	391,303
	93.110 Subtotal			-	1,081,103
Preventive Medicine Residency	93.117			-	158,804
COVID-19 - Preventive Medicine Residency	93.117			-	337,073
	93.117 Subtotal			-	495,877
COVID-19 - Emergency Medical Services for Children	93.127			-	153,091
COVID-19 - Injury Prevention and Control Research and State and Community Based Programs	93.136			-	(645)

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
COVID-19 - Community Programs to Improve Minority Health Grant Program	93.137			-	(21,602)
COVID-19 - Centers of Excellence	93.157			-	804,517
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			-	1,036
COVID-19 - Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243				128,218
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Oklahoma State University	2RWX3	-	40,749
	93.243 Subtotal			-	170,003
COVID-19 - Advanced Nursing Education Workforce Grant Program	93.247			-	1,320,521
COVID-19 - Poison Center Support and Enhancement Grant	93.253			-	197,468
COVID-19 - Immunization Cooperative Agreements	93.268			-	1,889,330
Immunization Cooperative Agreements	93.268	New Mexico Department of Health	2RVT7	-	107,789
	93.268 Subtotal			-	1,997,119
COVID-19 - Alcohol Research Programs	93.273			-	152,575
COVID-19 - Emerging Infectious Programs	93.317			-	2,073,820
COVID-19 - CSELS Partnership: Strengthening Public Health Laboratories	93.322			-	17,637
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323			-	50,520
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354			-	221
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391			-	5,552,076
COVID-19 - Cancer Research Manpower	93.398			891	122,731
COVID-19 - Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421			-	448
COVID-19 - 1332 State Innovation Waivers	93.423			-	879
Every Student Succeeds Act/ Preschool Development Grants	93.434	State of New Mexico Early Childhood Education and Care Depart	2RWD5	-	31,641
Every Student Succeeds Act/ Preschool Development Grants	93.434	State of New Mexico Early Childhood Education and Care Depart	2RWV2	-	499,660
Every Student Succeeds Act/ Preschool Development Grants	93.434	State of New Mexico Early Childhood Education and Care Depart	7R214	-	20,930
	93.434 Subtotal			-	552,231
COVID-19 - Congressional Directives	93.493			-	1,279,495
COVID-19 - Public Health Training Centers Program	93.516			-	6,855
Temporary Assistance for Needy Families	93.558	New Mexico Higher Education Department	4R234	-	18,166
Temporary Assistance for Needy Families	93.558	New Mexico Higher Education Department	5R179	-	91,356
Temporary Assistance for Needy Families	93.558	New Mexico Higher Education Department	5R181	-	52,957
Temporary Assistance for Needy Families	93.558	New Mexico Higher Education Department	6R226	-	8,857
Temporary Assistance for Needy Families	93.558	New Mexico Higher Education Department	6R227	-	6,353
Temporary Assistance for Needy Families	93.558	New Mexico Higher Education Department	7R225	-	70,888
Temporary Assistance for Needy Families	93.558	New Mexico Human Services Department	6R206	-	383
Temporary Assistance for Needy Families	93.558	New Mexico Human Services Department	6R225	-	467,456
Temporary Assistance for Needy Families	93.558	State of New Mexico Early Childhood Education and Care Depart	2RUP2	-	1,557,818
	93.558 Subtotal			-	2,274,234
State Court Improvement Program	93.586	New Mexico Administrative Office of the Courts	2RVU3	-	44,759
State Court Improvement Program	93.586	New Mexico Administrative Office of the Courts	2RXL7	-	46,265
	93.586 Subtotal			-	91,024
COVID-19 - Developmental Disabilities Basic Support and Advocacy Grants	93.630			-	218,105
COVID-19 - University Centers for Excellence in Development Disabilities Education, Research, and Service	93.632			-	563,525
COVID-19 - Indian Health Services Behavioral Health Programs	93.654			-	63,423
COVID-19 - Health Careers Opportunity Program (HCOP)	93.822			-	348,423

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Program	Federal Assistance Listing	Pass-Through Entity	Grant Number	Subrecipient Expenditures	Total Expenditures
COVID-19 - Cardiovascular Diseases Research	93.837			-	4,186
COVID-19 - Biomedical Research and Research Training	93.859			-	7,584
Maternal, Infant and Early Childhood Home Visiting Grant	93.870			-	(382)
COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant	93.870			-	1,871,393
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	State of New Mexico Early Childhood Education and Care Depart	2RVC6	-	(278)
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	State of New Mexico Early Childhood Education and Care Depart	2RVC7	-	(1,341)
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	State of New Mexico Early Childhood Education and Care Depart	2RWN6	-	70,000
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	State of New Mexico Early Childhood Education and Care Depart	2RWV0	-	153,460
	93.870 Subtotal			-	2,092,852
Tribal Maternal, Infant, and Early Childhood Home Visiting	93.872			-	17,421
COVID-19 - Tribal Maternal, Infant, and Early Childhood Home Visiting	93.872			-	10,872
	93.872 Subtotal			-	28,293
COVID-19 - Medical Library Assistance	93.879			-	14,381
COVID-19 - Primary Care Training and Enhancement	93.884			57,398	866,881
COVID-19 - National Bioterrorism Hospital Preparedness Program	93.889			-	261
COVID-19 - Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898			-	214,058
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	Department of Health	Hospital	-	296,116
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	2RVL1	-	1,735
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	New Mexico Department of Health	2RXN2	-	18,184
	93.898 Subtotal			-	530,093
COVID-19 - Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918			-	681,214
COVID-19 - Block Grants for Community Mental Health Services	93.958			-	572,671
Block Grants for Community Mental Health Services	93.958	BHSD	Hospital	-	1,180,649
	93.958 Subtotal			-	1,753,320
COVID-19 - Block Grants for Prevention and Treatment for Substance Abuse	93.959			-	64,862
Block Grants for Prevention and Treatment of Substance Abuse	93.959	BHSD	Hospital	-	219,444
	93.958 Subtotal			-	284,306
COVID-19 - Coal Miners Respiratory Impairment Treatment Clinics and Services	93.965			-	21,242
COVID-19 - Maternal and Child Health Services Block Grant to the States	93.994			-	46,821
Maternal and Child Health Services Block Grant to the States	93.994	Department of Health	Hospital	-	136,560
	93.994 Subtotal			-	183,381
Total Department of Health and Human Services				472,183	29,076,040
Corporation for National and Community Service					
AmeriCorps State and National	94.006	Public Allies Inc	2RVZ8	-	103,569
AmeriCorps State and National	94.006	Public Allies Inc	2RXB0	-	251,541
Total Corporation for National and Community Service				-	355,110
Department of Homeland Security					
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			-	52,514,007
COVID-19 - Hazard Mitigation Grant	97.039			-	27,322
Total Department of Homeland Security				-	52,541,329
TOTAL OTHER PROGRAMS				3,276,039	324,084,998
TOTAL FEDERAL AWARDS				36,853,290	671,057,237

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO
SCHEDULE 20

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

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

Federal awards revenue (per Exhibit B):		
Federal grants and contracts revenue	\$	316,135,514
Federal pell grant revenue		42,252,126
Federal COVID revenue		52,514,007
Federal capital grants and gifts revenue		279,128
Total federal awards revenue		411,180,775
Reconciling items:		
Lottery Scholarship - Federal Funding		41,250,564
BR&R and Demolition - Federal Funding		8,205,263
Supplemental High Demand Work Study		843,068
Department of Housing and Urban Development loan guarantees		162,819,683
Federal Direct loans advanced to students		66,988,366
Perkins loans outstanding		730,979
Nursing student loans outstanding		1,153,686
Nurse faculty loans outstanding		605,550
Health professions student loans outstanding		1,011,749
Non-Federal portion on Mixed funding sources		(3,775)
Federal Program Income Expended Included in SEFA		820,655
Fee for service federal contract revenues - not reportable on schedule 20		(20,996,666)
Residual balances on federal grants and contracts		(3,552,660)
Total federal expenditures per schedule 20	\$	671,057,237

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, 2024. 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, 2024 consists of:

Federal Assistance Listing and Program Name	Outstanding Balance at June 30, 2024
84.038 - Federal Perkins Loans	\$ 286,432
93.264 - Nurse Faculty Loan Program	\$ 535,490
93.342 - Health Professions Student Loans	\$ 948,617
93.364 - Nursing Student Loan	\$ 1,045,933

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, 2024, \$61,485,000 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, 2024, \$88,915,828 is outstanding and is considered subject to continuing compliance requirements under OMB Uniform Guidance.

See accompanying notes to Schedule of Expenditures of Federal Awards.

THE UNIVERSITY OF NEW MEXICO

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KPMG LLP
Suite 1900
111 Congress Avenue
Austin, TX 78701-4091

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, the 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, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 28, 2024.

Our report includes a reference to other auditors who audited the departmental financial statements of UNM Hospital and UNM Behavioral Operations, the blended component unit financial statements of UNM Medical Group, Inc., 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the

accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

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 2024-002 to 2024-006.

Management's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and 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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Austin, Texas
October 28, 2024



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

The University of New Mexico Board of Regents
University of New Mexico
And
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, 2024. 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, 2024.

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.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

KPMG LLP

Austin, Texas
October 28, 2024

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

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? X Yes None reported

Noncompliance material to basic financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – ALN No. 21.027
 COVID-19 – Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises – ALN No. 93.391
 Mortgage Insurance Hospitals – ALN No. 14.128

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? X Yes No

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2024

Section II – Basic Financial Statement Findings

2024-001. Analysis of correlated accounts (Significant Deficiency) – UNM Foundation

Criteria:

COSO Internal Control Framework – 2013 states 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 preventative or detective in nature and may encompass a range of manual and automated activities. Specifically, principle 10 states that the organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

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 investments held in endowment pools along with an equal offsetting amount recorded as a payable due to UNM. As part of the year end closing process, management incorrectly recorded an adjustment to unrealized gain/loss.

During audit testwork, variances were identified between: (i) unrealized gain/loss per the returned investment confirmation and the general ledger, and (ii) payables to UNM per the returned confirmation and the general ledger. The differences were associated with the above entry.

Effect:

The payable to UNM was overstated by \$4.6 million, and unrealized gain/loss was understated by the same amount. Management removed the incorrect adjustment as of June 20, 2024.

Cause:

Control procedures lack sufficient detail whereby correlated accounts are compared to one another to identify unexpected differences, such as the balance of the monies managed on behalf of UNM and the payable to UNM.

Recommendation:

Policies and procedures should be revised to ensure that correlated accounts are compared/reconciled to one another to identify potential differences that may be indicative of financial reporting misstatements.

Management’s Response:

Management concurs with the finding. The Foundation will implement a procedure for the periodic reconciliation of correlated accounts, including unrealized gain/loss and payables to UNM. Management will ensure that these accounts are compared and reconciled to one another. This will help identify

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2024

differences and prevent similar financial reporting misstatements in the future. The Managing Director of Finance will oversee the remediation steps and expects to have them completed by December 31, 2024.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

Section III – Federal Award Findings and Questioned Costs

None noted.

THE UNIVERSITY OF NEW MEXICO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2024

Uniform Guidance Audit Findings

2023-001. Special Tests and Provisions – Disbursements to or on Behalf of Students – Significant Deficiency and Material Non-Compliance - UNM

Current year status – Resolved

THE UNIVERSITY OF NEW MEXICO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2024

Findings reported in accordance with Section 12-6-5 NMSA 1978

2023-002. User Access Review – Other non-compliance as required by Section 12-6-5 NMSA 1978 – UNM Medical Group

Current year status – Modified and repeated at 2024-003

2023-003. Stale Dated Checks - Other non-compliance as required by Section 12-6-5 NMSA 1978 – UNM Rainforest Innovations

Current year status – Resolved

2023-004. Incorrect Accrual Balance - Other non-compliance as required by Section 12-6-5 NMSA 1978 – UNM Alumni Association

Current year status - Resolved

2023-005. Finance personnel have access to change permissions within the accounting application - Other non-compliance as required by Section 12-6-5 NMSA 1978 – UNM Foundation

Current year status - Resolved

2023-006. Overstatement of amounts due to the University of New Mexico - Other non-compliance as required by Section 12-6-5 NMSA 1978 – UNM Foundation

Current year status - Resolved

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2024

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

2024-002. User Access Review (Other Matter) – UNM Hospital

Condition: In our test work related to the controls over user access reviews, we noted that for Lawson and Cerner Millennium that management performs a quarterly audit to ensure accounts for terminated employees are disabled, but roles and permissions for active users are not reviewed. The absence of a periodic user access review on the users and their roles and permissions may result in users gaining access privileges beyond those necessary to perform their assigned duties, thereby breaking down segregation of duties. Further, unauthorized access to financial data may result in the destruction of financial data or improper changes to financial data, including the recording of unauthorized or nonexistent transactions or inaccurate recording of transactions. Additionally, we noted one terminated employee did not have their Cerner Millennium account disabled in a timely manner. Absence of timely access removal may result in unauthorized access to financial data after employee's termination.

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. 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 nonexistent 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 process is not adequately designed to include review of roles and permissions.

Recommendation: Management should design and implement a control over user access review of all users with access to systems impacting financial reporting. Best practices for user access reviews include the following:

- The review should be thoroughly documented and cover all users and their assigned permissions, the reviewer, the review date, and the overall conclusion regarding appropriateness of user access.
- Individuals performing a review should not assess their own access. Instead, another member of management with the authority and knowledge of the specific area should confirm the reviewers' assigned access.
- Actions taken to implement any noted changes must be documented. This can be achieved by confirming with the reviewer and providing evidence to support that the change was fully processed.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2024

- Document any conflicting permissions identified from the review and identify mitigating controls that would address the segregation of duties risks or remove the conflicting permissions.
- Management should retain evidence demonstrating that the information used for these reviews is complete and accurate. This may include, where applicable, any queries, date/time stamps indicating when information was extracted from systems, and or/ screenshots displaying total record counts for comparison to the extracts.
- Management should collaborate with the HR team members to ensure prompt entry of employees' termination dates, thereby ensuring timely removal of application access in accordance with the specified timelines in the security policies.

Management Response:

As it pertains to the Lawson system, Information Technology Management (IT Executive Director Systems & Development) will design and implement a procedure for the process of reviewing user access permissions for Lawson accounts. IT management will coordinate with the finance/supply chain administrative executive management teams to identify the appropriate population of accounts to be reviewed on an annual basis. The process and procedure will be identified and documented by March 31, 2025. As it pertains to the Cerner Millennium system, Information Technology Management (IT Executive Director Clinical Informatics) will design and implement a procedure for the process of reviewing user access permissions for Cerner Millennium accounts. IT Executive management will coordinate with the clinical executive management teams to identify the appropriate population of accounts to be reviewed on an annual basis. The process and procedure will be identified and documented by March 31, 2025.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2024

2024-003 (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 that for Lawson and IDX that management performs a quarterly audit to ensure accounts for terminated employees are disabled, but roles and permissions for active users are not reviewed. The absence of a periodic user access review on the users and their roles and permissions may result in users gaining access privileges beyond those necessary to perform their assigned duties, thereby breaking down segregation of duties. Further, unauthorized access to financial data may result in the destruction of financial data or improper changes to financial data, including the recording of unauthorized or nonexistent transactions or inaccurate recording of transactions.

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 nonexistent 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 active user review for roles and permissions was outside the scope of the process that was in place.

Recommendation: Management should design and implement a control over user access review of all users with access to systems impacting financial reporting. Best practices for user access reviews include the following:

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2024

- The review should be thoroughly documented and cover all users and their assigned permissions, the reviewer, the review date, and the overall conclusion regarding appropriateness of user access.
- Individuals performing a review should not assess their own access. Instead, another member of management with the authority and knowledge of the specific area should confirm the reviewers' assigned access.
- Actions taken to implement any noted changes must be documented. This can be achieved by confirming with the reviewer and providing evidence to support that the change was fully processed.
- Document any conflicting permissions identified from the review and identify mitigating controls that would address the segregation of duties risks or remove the conflicting permissions.
- Management should retain evidence demonstrating that the information used for these reviews is complete and accurate. This may include, where applicable, any queries, date/time stamps indicating when information was extracted from systems, and/or screenshots displaying total record counts for comparison to the extracts.

Management Response:

To address the finding "2024-001" noted above, UNMMG will take the following steps:

1) We will create standard groupings of IDX User Roles in Security Plus that provide appropriate access to each user but also limits system access to only what is required for the user to perform their job duties.

Target date to identify and create all security roles: October 15, 2024

2) UNMMG will assign IDX users appropriate Security Plus Roles that grants security access levels needed for their job position and daily job functions, while restricting them from accessing other areas of the system and data.

Target date to have users in assigned security roles: October 31, 2024

3) Conduct an annual audit review of at least 85% of all IDX users. This review will be to validate that IDX users are in Security Plus Roles that are appropriate for their job functions. User Roles reports will be sent to the department leaders for validation that their employees have the appropriate level of system access to perform their job and no additional access.

These reports and the leader's responses of approvals and/or needed changes requested will be documented and retained for future reference.

(Target date to conduct the first annual review: November 2024)

4) Information Technology Management (IT Executive Director Systems & Development) will design and implement a procedure for the process of reviewing user access permissions for Lawson accounts. IT management will coordinate with the finance/supply chain administrative executive management

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS
Year Ended June 30, 2024

teams to identify the appropriate population of accounts to be reviewed on an annual basis. The process and procedure will be identified and documented by March 31, 2025.

The UNMMG Chief Financial Officer and Chief Information Officer will be responsible for the implementation of the corrective action plan steps as outlined above.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2024

2024-004. Inaccurate classification of new endowment fund between the Foundation and UNM (Other Matter) – UNM Foundation

Criteria: COSO Internal Control Framework 2013 states 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. Specifically, principle 10 states that the organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Condition: When new donations are received by the Foundation a new endowment fund is established to track transactions associated with the endowment. The identification and segregation of the endowment funds between UNM and the Foundation are dependent on the assigned fund number. Per review of a sample of 11 new endowment funds, one sample totaling \$271,000 was found to be incorrectly classified as a UNM endowment fund. Management reviewed the remaining new endowment funds noting no additional misclassifications. Additional sampling did not identify further misclassifications.

Effect: The Foundation’s investments held in endowment pools and donations were understated by \$271,000 causing the UNM balance to be overstated. Management corrected the classification to reflect the donation as a Foundation endowment as of June 20, 2024.

Cause: Management lacked sufficient controls over the review of newly established endowment funds to ensure that information input was consistent with supporting documentation.

Recommendation: Policies and procedures should be revised to ensure that a review is performed over the establishment of new endowment funds to ensure inputs into the accounting systems are consistent with supporting documentation.

Management Response: Management concurs with the finding. The Foundation will implement the following control procedures to prevent misclassifying newly created endowment fund numbers, 1) the Senior Donor Database Specialist will review the new endowment fund number created by the Managing Director of Information Acquisition and Quality after it is created in the multiple systems; and 2) programming validations will be created in the donor database system to ensure Foundation endowment fund numbers can’t be created using a University endowment fund number, and vice-versa; 3) The Managing Director of Finance will review any newly created endowment funds each quarter to ensure new funds are properly classified between the Foundation and University. The Managing Director of Information Acquisition and Quality will oversee these remediation steps and expects to have them completed by December 31, 2024.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2024

2024-005. Reclassification of amounts between investments held in endowment pools and due to UNM (Other Matter) – UNM Foundation

Criteria: COSO Internal Control Framework 2013 states 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. Specifically, principle 10 states that the organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

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 investments held in endowment pools along with an equal offsetting amount recorded as a payable due to UNM. When required distributions are made in accordance with the Treasury Management Agreement and subsequently reinvested with the Foundation a series of adjustments are recorded. Typically, all the associated adjustments between the Foundation and UNM are recorded in the same month, but in fiscal year 2024 the final portion of the transaction was recorded in July resulting in the amount payable to UNM being netted within investments held in endowment pools as of June 30, 2024.

Effect: The investments held in endowment pools was understated by \$2.9 million, and the payable due to UNM was overstated by the same amount. The Foundation corrected the netted payable due to UNM as of June 30, 2024.

Cause: Management did not appropriately identify the need to reclass the payable due to UNM resulting from not recording the complete transaction in the same month.

Recommendation: Policies and procedures should be revised to ensure amounts due to UNM under the Treasury Management Agreement, are sufficiently reconciled and reclassified for financial reporting purposes.

Management's Response: Management concurs with the finding. The Foundation will implement a procedure where amounts due to UNM are classified appropriately for financial reporting purposes. The Managing Director of Finance will oversee the remediation steps and expects to have them completed by December 31, 2024.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2024

2024-006. User Access Review (Other Matter) – UNM Behavioral Health Operations

Condition: In our test work related to the controls over user access reviews, we noted that for Lawson and Cerner Millennium that management performs a quarterly audit to ensure accounts for terminated employees are disabled, but roles and permissions for active users are not reviewed. The absence of a periodic user access review on the users and their roles and permissions may result in users gaining access privileges beyond those necessary to perform their assigned duties, thereby breaking down segregation of duties. Further, unauthorized access to financial data may result in the destruction of financial data or improper changes to financial data, including the recording of unauthorized or nonexistent transactions or inaccurate recording of transactions. Additionally, we noted one terminated employee did not have their Cerner Millennium account disabled in a timely manner. Absence of timely access removal may result in unauthorized access to financial data after employees' termination.

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. 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 nonexistent 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 process is not adequately designed to include review of roles and permissions.

Recommendation: Management should design and implement a control over user access review of all users with access to systems impacting financial reporting. Best practices for user access reviews include the following:

- The review should be thoroughly documented and cover all users and their assigned permissions, the reviewer, the review date, and the overall conclusion regarding appropriateness of user access.
- Individuals performing a review should not assess their own access. Instead, another member of management with the authority and knowledge of the specific area should confirm the reviewers' assigned access.
- Actions taken to implement any noted changes must be documented. This can be achieved by confirming with the reviewer and providing evidence to support that the change was fully processed.
- Document any conflicting permissions identified from the review and identify mitigating controls that would address the segregation of duties risks or remove the conflicting permissions.

THE UNIVERSITY OF NEW MEXICO

SCHEDULE OF SECTION 12-6-5 NMSA 1978 FINDINGS

Year Ended June 30, 2024

- Management should retain evidence demonstrating that the information used for these reviews is complete and accurate. This may include, where applicable, any queries, date/time stamps indicating when information was extracted from systems, and/or screenshots displaying total record counts for comparison to the extracts.
- Management should collaborate with the HR team members to ensure prompt entry of employees' termination dates, thereby ensuring timely removal of application access in accordance with the specified timelines in the security policies.

Management response: As it pertains to the Lawson system, Information Technology Management (IT Executive Director Systems & Development) will design and implement a procedure for the process of reviewing user access permissions for Lawson accounts. IT management will coordinate with the finance/supply chain administrative executive management teams to identify the appropriate population of accounts to be reviewed on an annual basis. The process and procedure will be identified and documented by March 31, 2025.

As it pertains to the Cerner Millennium system, Information Technology Management (IT Executive Director Clinical Informatics) will design and implement a procedure for the process of reviewing user access permissions for Cerner Millennium accounts. IT Executive management will coordinate with the clinical executive management teams to identify the appropriate population of accounts to be reviewed on an annual basis. The process and procedure will be identified and documented by March 31, 2025.

THE UNIVERSITY OF NEW MEXICO

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THE UNIVERSITY OF NEW MEXICO

Schedule of Pledged Revenues for the year ended June 30, 2024 — University Only Unaudited

	Tuition and fees	Net patient service	Grants and contracts	Sales, services, and auxiliary enterprises
Revenues	\$ 109,678,856	\$ 1,819,035,032	\$ 588,119,765	\$ 145,035,820
Excluded Revenues:				
State appropriations	-	-	-	-
Local appropriations	-	-	-	-
Distributions to UNM from UNMMG	-	(216,915,538)	-	-
Distributions to UNM from Hospital	-	(474,362)	-	-
Restricted funds	21,255,265	-	-	8,896,041
Federal grants & contracts	-	-	341,318,769	-
State grants & contracts	-	-	67,099,091	-
Nongovernmental grants & contracts	-	-	41,805,425	-
Facilities and administrative cost recovery	-	-	(67,470,916)	-
University of New Mexico Hospital (Hospital)	-	1,519,684,951	80,732,436	-
University of New Mexico Behavioral Health Operations (BHO)	-	50,756,261	3,875,369	-
Blended component units	-	246,703,199	1,032,750	52,126,535
Total Excluded Revenues	<u>\$ 21,255,265</u>	<u>\$ 1,599,754,511</u>	<u>\$ 468,392,924</u>	<u>\$ 61,022,576</u>
Pledged Revenues	<u>\$ 88,423,591</u>	<u>\$ 219,280,521</u>	<u>\$ 119,726,841</u>	<u>\$ 84,013,244</u>

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

Pledged Revenues	\$ 715,847,410
Less FY24 debt service for the University:	
University's interest payments on debts	11,408,892
University's principal repayments on debts	24,555,000
	<u>35,963,892</u>
Excess of pledged revenues over debt service	<u>\$ 679,883,518</u>
University's future average annual debt service through year ended June 30, 2053	\$ 16,148,035
University's future highest annual debt service year ended June 30, 2026	\$ 37,993,005

See accompanying independent auditors' report.

SCHEDULE 21

State and local appropriations	County mill levies	Investments	Capital	Gifts	Other	Total
\$ 481,464,158	\$ 136,373,354	\$ 86,720,594	\$ 103,825,198	\$ 58,879,528	\$ 129,140,886	\$ 3,658,273,191
444,646,640	-	-	-	-	-	444,646,640
15,370,926	-	-	-	-	-	15,370,926
-	-	-	-	-	-	(216,915,538)
-	-	-	-	-	-	(474,362)
-	-	3,511,342	92,210,176	-	1,946,662	127,819,486
-	-	-	-	-	-	341,318,769
-	-	-	-	-	-	67,099,091
-	-	-	-	-	-	41,805,425
-	-	-	-	-	-	(67,470,916)
8,786,500	117,236,607	6,118,475	-	4,274,225	34,846,344	1,771,679,538
11,444,000	19,136,747	-	11,615,022	19,672	(214,490)	96,632,581
1,216,092	-	3,903,193	-	-	15,932,372	320,914,141
\$ 481,464,158	\$ 136,373,354	\$ 13,533,010	\$ 103,825,198	\$ 4,293,897	\$ 52,510,888	\$ 2,942,425,781
\$ -	\$ -	\$ 73,187,584	\$ -	\$ 54,585,631	\$ 76,629,998	\$ 715,847,410

THE UNIVERSITY OF NEW MEXICO

EXIT CONFERENCE

June 30, 2024

The financial statements were prepared by the financial officials of the University of New Mexico. An exit conference was conducted on October 28, 2024, in which the contents of this report were discussed with the following:

UNIVERSITY OF NEW MEXICO

Victor Reyes	Vice Chair, UNM Board of Regents Audit Committee
Kim Sanchez Rael	UNM Board of Regents Audit Committee
Garnett S. Stokes	UNM President
Teresa Costantinidis	Executive Vice President for Finance & Administration
Norma Allen	University Controller
Rebecca Napier	Vice President for Finance & Administration, UNM Health Sciences
Joseph Wrobel	Chief Budget and Facilities Officer, UNM Health Sciences
Jason Galloway	Chief Financial Services Officer, UNM Health Sciences
Francie Cordova	Chief Compliance Officer
Terry Babbitt	Chief of Staff
Emily Morelli	Secretary to the Board of Regents
Victor Griego	Internal Audit Director
James Holloway	Provost and Executive Vice President for Academic Affairs
Jared Udall	Chief Financial Officer, UNMMG

KPMG LLP

Susan Warren	Partner
John Bunnell	Managing Director

MOSS ADAMS LLP

Josh Lewis	Partner
Lauren Kistin	Senior Manager

CARR, RIGGS & INGRAM, LLC

Paul Garcia	Partner
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