

BOARD OF REGENTS

FINANCE & FACILITIES COMMITTEE

MEETING
AGENDA

February 8, 2022
1:30 p.m. VIRTUAL
MEETING



THE UNIVERSITY OF
NEW MEXICO.

TAB 1

#1

Call to Order, Confirmation of a Quorum, and Adoption of Agenda

The University of New Mexico
Board of Regents' Finance and Facilities Committee
February 8, 2022, 1:30 p.m.
Held Virtually, Via Zoom
<https://live.unm.edu/board-of-regents>

AGENDA

1. **ACTION ITEM:** Call to Order, Confirmation of a Quorum, and Adoption of Agenda
2. **COMMENTS:** Open for Comments
3. **ACTION ITEM:** Approval of Finance and Facilities Committee Meeting Summary from November 30, 2021
4. **ACTION ITEM:** Approval of Disposition of Surplus Property for November and December 2021 (*Presenter: Bruce Cherrin, Chief Procurement Officer, Purchasing Department*)
5. **INFORMATION ITEM:** 2nd Quarter Consolidated Financial Report through December 31, 2021 (*Presenter: Norma Allen, University Controller*)
6. **ACTION ITEM:** Approval of the New Mexico Higher Education Department, Institutional Finance Division, 2nd Quarter Financial Actions Report and Certification through December 31, 2021 (*Presenter: Norma Allen, University Controller*)
7. **ACTION ITEM:** Approval of 2nd Quarter Athletics' Enhanced Fiscal Oversight Program Report and Certification through December 31, 2021, and 2nd Quarter Information on Athletics' Report by Sport through December 31, 2021 (*Presenters: Eddie Nunez, Dir., Athletics and Nicole Dopson, Dir., Financial Operations, EVP for AA/Provost's Office*)
8. **ACTION ITEM:** Project Construction Approvals or Re-Approvals:
 - a. Student Residence Center Stairs Repair & Modification Phase 2
 - b. Clinical Translational Science Center Roof Replacement (Re-Approval)
 - c. Student Union Building Partial Roof Replacement Phase 2 (Re-Approval) (*Presenter: Lisa Marbury, Assistant VP, Campus Environments & Administration*)
9. **ACTION ITEM:** Approval of Reappointment to UNM Rainforest Innovations Board of Directors (*Presenter: Lisa Kuuttila, CEO & Chief Economic Development Officer, UNM Rainforest Innovations*)
10. **ACTION ITEM:** Approval of Central and University Project Development Proposal and Agreement/Real Estate Development and Management of Regent-Owned Land (*Presenter: Kelly Ward, Dir., Lobo Development Corporation*)
11. **ACTION ITEM RECOMMENDATIONS:** Recommendations for Consent Agenda Items on Full Board of Regents' Agenda (*Sandra Begay, Chair, Regents' Finance & Facilities Committee*)

The University of New Mexico
Board of Regents' Finance and Facilities Committee
February 8, 2022, 1:30 p.m.
Held Virtually, Via Zoom
<https://live.unm.edu/board-of-regents>

AGENDA

12. **INFORMATION ITEM:** UNM Rainforest Innovations Annual Meeting of the Member
a. Acceptance of the FY 2020-21 Annual Report and Audit Report
(Presenter: Lisa Kuuttilla, CEO & Chief Economic Development Officer, UNM Rainforest Innovations)
13. **INFORMATION ITEM:** Lobo Energy Inc. Annual Meeting of the Member
a. Summarized Minutes of the February 16, 2021 Meeting
b. Acceptance of the FY 2020-21 Audit (Presenter: Jason Strauss, President/CEO, LEI)
14. **INFORMATION ITEM:** Lobo Development Annual Meeting of the Member
a. Summarized Minutes of the February 16, 2021 Meeting
b. Acceptance of the FY 2020-21 Audit (Presenters: Kelly Ward, Dir. Bus. Ops., LDC, and Teresa Costantinidis, CEO, LDC and SVPF&A)
15. **INFORMATION ITEM:** 2021 Report of the UNM Regents' Student-Run Portfolio (Presenter: Reilly White, Assistant Dean of Teaching and Learning)
16. **INFORMATION ITEM:** Winter 2022 Regents' Budget Update (Presenter: Norma Allen, University Controller)
17. **INFORMATION ITEM RECOMMENDATIONS:** Recommendations for Information Agenda Items to be Added to the Full Board of Regents' Agenda (Sandra Begay, Chair, Regents' Finance & Facilities Committee)
18. **EXECUTIVE SESSION:** None

TAB 2

#2

Approval of Finance and Facilities Committee Meeting
Summary from

COMMENTS:

Open for Comments

TAB 3

#3

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Finance and Facilities (F&F) Committee
November 30, 2021 – Meeting Summary

Committee Members Present:

Regent Sandra Begay, Chair
Regent Rob Schwartz, Vice Chair
Regent William Payne

Non-Voting Committee Members Present:

Regent Doug Brown, President

Administration Present: Garnett Stokes, University President; Teresa Costantinidis, SVP for Finance and Administration (SVPFA); and James Holloway, EVP for Academic Affairs/ Provost

Presenters in Attendance: Bruce Cherrin, Purchasing; Eddie Nuñez, Athletics; Elizabeth Metzger, Controller; Nicole Dopson, Academic Affairs/ Provost Office; Lisa Marbury, ISS; and Maria Dion, Construction Management

ACTION ITEMS:

- 1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda.** Regent Begay called the virtual meeting to order at 1:40 p.m. and confirmed that a quorum was established with Regent Schwartz and Regent Payne present. **Regent Schwartz moved to adopt the agenda and Regent Payne seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

COMMENTS:

There were no public comments.

ACTION ITEMS (continued):

- 2. Approval of Finance and Facilities Committee Meeting Summary from October 12, 2021.** **Regent Payne moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 3. Approval of Disposition of Surplus Property for September and October 2021.** Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for September and October 2021. Items listed in the E-Book are either obsolete or beyond repair. The detailed reports are in the E-book. **Regent Schwartz moved to approve and Regent Payne seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 4. Approval of 1st Quarter Financial Actions Report and Certification through September 30, 2021, and 1st Quarter Informational Financial Report through September 30, 2021.** Elizabeth Metzger gave the presentation. Regents' approval was requested for the first Quarter Financial Actions Report and Certification through September 30, 2021. The detailed report is in the E-book. **Regent Payne moved to approve and Regent Schwartz seconded. The**

motion passed by unanimous vote with a quorum of committee members present and voting.

1st Quarter Informational Financial Report through September 30, 2021. Elizabeth Metzger gave the presentation. The detailed report is in the E-book.

- 5. Approval of 1st Quarter Athletics' Enhanced Fiscal Oversight Program Report and Certification through September 30, 2021, and 1st Quarter Information on Athletics' Report by Sport through September 30, 2021.** Eddie Nunez gave the presentation. Regents' approval was requested for the Athletics' Report and Certification instituted by the New Mexico Higher Education Department (HED). The report covers the FY22 first quarter financial status and budget exhibits for the Athletics' department. The detailed report is in the E-book. **Regent Payne moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

1st Quarter Information on Athletics' Report by Sport through September 30, 2021. Eddie Nunez gave the presentation. The report describes the pooled revenues and directed revenues by sport for FY22 budget and actuals year-to-date through September 30, 2021. This report also compares FY22 budget to quarterly actuals, and FY22 year-to-date actuals to prior year-to-date actuals. The detailed report is in the E-book

6. Approval of:

- a. Approval of University Libraries Turnstiles.** Lisa Marbury gave the presentation. Regents' approval was requested for the re-approval of University Libraries Turnstiles. Additional funds were allocated to expand the scope of this project to include adding turnstiles to both the Centennial Engineering Library and the Fine Arts and Design Library. The total estimated project budget is \$898K. The detailed report is in the E-book. **Regent Payne moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- b. Approval of Center for High Tech Materials Roof Replacement.** Lisa Marbury gave the presentation. Regents' approval was requested for the Center for High Tech Materials roof replacement. The total estimated project budget is \$615K. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Payne seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- c. Approval of Computer & Information Resources & Technology Building (CIRT) Restroom Renovation & ADA Update.** Lisa Marbury and Maria Dion gave the presentation. Regents' approval was requested for the approval Computer and Information Resources and Technology Building (CIRT) Restroom Renovation and ADA update. The total estimated project budget is \$310K. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Payne seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

- 7. Recommendations for Consent Agenda Items on Full Board of Regents' Agenda.** Regent Begay recommended items 4, 5 and 6 be placed on the full Board of Regents' consent agenda. **Regent Payne moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

INFORMATION ITEM(S):

None

EXECUTIVE SESSION:

None

Regent Schwartz moved to adjourn at 2:13 p.m. and Regent Payne seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

TAB 4

#4



UNIVERSITY SERVICES – DISPOSITION OF SURPLUS PROPERTY
NOVEMBER & DECEMBER 2021

Surplus Property Disposition - November & December 2021

Memo	Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
1	N00007572	Emerg Med EMS Academy	Human Patient Simulator	MedEdTech	5/25/2006	\$120,000.00	\$0.00	Beyond Repair
2	253502	Biochemistry Molecular Biology	GENE AMP PCR SYSTEM	Cam&Dark	12/2/2001	\$38,096.00	\$0.00	Obsolete
3	226851	Biology Department	MV PASSENGER CAR	Chevrolet	7/31/1997	\$30,861.00	\$0.00	Too Costly to Repair
4	N00049183	Batcave	MobileRecordingCart/EMW	KbPort	12/4/2014	\$25,000.00	\$0.00	Obsolete
5	251458	HSC PPD Area 2	MV VAN	Dodge	7/18/2001	\$19,503.00	\$0.00	Too Costly to Repair
6	252627	IT Academic Technologies	CAMERA SYSTEM	Sony	10/17/2001	\$18,562.00	\$0.00	Obsolete
7	252626	IT Academic Technologies	CAMERA SYSTEM	Sony	10/17/2001	\$18,562.00	\$0.00	Obsolete
8	252628	IT Academic Technologies	CAMERA SYSTEM	Sony	10/17/2001	\$18,562.00	\$0.00	Obsolete
9	216477	IT CIO	MV VAN	Ford	10/29/1995	\$17,200.00	\$0.00	Too Costly to Repair
10	208471	IT Academic Technologies	EDITING SYSTEM	Sony	2/8/1995	\$16,955.00	\$0.00	Obsolete
11	N00015496	University Counsel Office	Audio Visual Equipment	Lectroseni	4/1/2008	\$13,343.28	\$0.00	Obsolete
12	N00044112	IT Academic Technologies	AnalogToDigitalConverter	Ensemble	11/11/2013	\$12,100.00	\$0.00	Obsolete
13	201934	KNME Operations	TEST SET	Tektronix	5/24/1996	\$11,258.00	\$0.00	Obsolete
	N00006561	Chemistry Department	Spectrophotometer	Spectrometer	1/26/2006	\$8,165.33	\$0.00	Obsolete
	220632	Biochemistry Molecular Biology	HOOD BIOHAZARD	Envirco	7/17/1996	\$7,999.00	\$0.00	Too Costly to Repair
	N00038488	AVP Operations	CashRegister/MICROSWorkstation5A	Cbord	10/26/2012	\$7,487.02	\$0.00	Obsolete
	N00056525	Research General	ChromatographyRefrigerator	VWR	5/24/2016	\$6,711.29	\$0.00	Beyond Repair
	194455	KNME Operations	GENERATOR SIGNAL	Tektronix	12/10/1991	\$6,527.00	\$0.00	Obsolete
	N00038490	AVP Operations	CashRegister/MICROSWorkstation5A	Cbord	10/26/2012	\$6,192.02	\$0.00	Obsolete
	N00038489	AVP Operations	CashRegister/MICROSWorkstation5A	Cbord	10/26/2012	\$6,192.02	\$0.00	Obsolete
	N00037304	CULLS	Scanner/BookScanCenterElite	Scannix	8/2/2012	\$5,795.00	\$0.00	Obsolete
	254198	KNME Operations	CONSOLE	Furniture	2/21/2002	\$5,271.00	\$0.00	Obsolete
	258409	IT Academic Technologies	DVD PLAYER/RECORDER	Pioneer	10/23/2002	\$5,190.00	\$0.00	Obsolete
							Total Asset Disposition (#)	23
							Total Capitalization (\$)	\$425,531.96
							Total Net Book Value (\$)	\$0.00





To: UNM Surplus Property
From: Sherrie MacFarlane, Operations Manager
Date: September 16, 2021
Subject: Equipment Disposition

The item N00007572 identified as a Human Patient Simulator is being presented for disposition. This item is no longer functional and we are requesting to surplus it as well as requesting asset to be removed from UNM Inventory, to manage UNM resources in a fiscally responsible fashion. The Human Patient Simulator has surpassed its lifespan and is no longer functional in its purpose.

The Human Patient Simulator was used in the Academy for students to practice techniques and skills acquired from courses needed to become Emergency Medicine Professionals. This gave students the opportunities to get as close to experiences that would happen in the field without having actual human subjects.

Total cost of the item: \$120,000.00, net book value \$0.00, adjusted cost \$120,000.00 and purchase date of 08/29/2005.

UNM Asset tag #	Serial Number	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
N00007572	HPS 363	Human Patient Simulator	5/25/2006	\$120,000	\$120,000	\$0



Department of Biochemistry & Molecular Biology

Disposition of Surplus Property – UNM Tag #253502

Date: December 10, 2021

To: Inventory Control

From: Heather Armstrong, Department Administrator;
Dept. of Biochemistry and Molecular Biology

Re: Request for Deletion of Asset

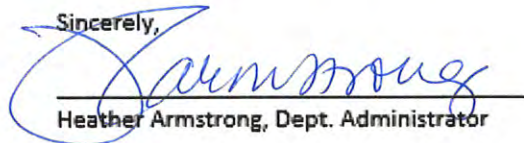
Dear UNM Surplus Property:

During the process of clearing out obsolete equipment, we have identified the following asset as beyond the use of our department. The asset was purchased in 2001, was used for gene imaging, and has been obsolete for some time (the proprietary software required to run it was designed for Windows 98 and is not compatible with modern 64-bit machines). Removing the asset will free up space for a replacement model which will satisfy the present requirements of research that this asset does not. Please accept this memo as justification for the Request for Disposal of Assets.

UNM Tag	Serial Number	Manufacturer	Description	Model	Total Cost	NBV	Adjusted Cost	Purchase date
253502	SYGN/5526	Cam&Dark	GENE AMP PCR SYSTEM	Gene Gnome 5000	\$38,096.00	\$0	\$38096	12/2/2001

If you have any questions, I can be reached at (505) 272-5148 or hearmstrong@salud.unm.edu

Sincerely,


Heather Armstrong, Dept. Administrator

12/10/21
Date



Department of Biology

November 18, 2021

Re: UNM Asset #: 226851
 Suburban Vehicle #: 656
 Vin #: 3GNGK26J3VG142129
 Acquisition Date: 07/31/1997
 Original Cost: \$30,861.00
 Adjust Cost: \$30,861.00
 NBV: \$00.00

To: Surplus & Regent,

Regarding vehicle #656, this vehicle is currently out of service with potential repair bills exceeding Cost benefit for the vehicles age. The department has purchased a replacement vehicle with the reliability required for the remote field trips. Continuing to make costly repairs on this vehicle purchased in 1997, coupled with the liability of stranding users we are requesting to surplus this vehicle from the fleet.

If you have any questions, please don't hesitate to contact me or Phil Johnston at Biology Department.

Thank you,

Phil Johnston,

Cristina Takacs-Vesbach, Chair

Date: 11/18/2021

UNM Asset tag #	Serial Number/VIN	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
226851	3GNGK26J3VG142129	Vehicle/Truck	7/31/1997	\$30,861.00	\$30,861.00	\$0.00



BATCAVE Healthcare Simulation Program

August 26, 2021

Attention: Inventory Control
Surplus Property

RE: Request for Deletion of Assets – UNM Asset Tag# N00049183

UNM Tag#N00049183 (KB Port Mobile Recording Cart) was purchased on 12/3/2014 by the BATCAVE.

The total cost and adjusted cost was \$25,000. The net book value is \$0.

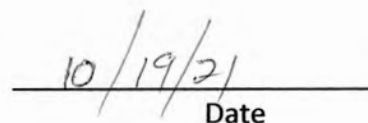
The Mobile Recording Cart was used for recording simulation classes.

We are requesting disposal because it was infrequently used and replaced by a newer and more effective system and is no longer needed for any of our classes.

Sincerely,



Director



Date

John P. Rask, MD, MA; Director, UNM BATCAVE Simulation Education Center

UNM Asset tag #	Serial Number/VIN	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
N00049183	Q4603466	Mobile Recording Cart	12/4/2014	\$25,000.00	\$25,000.00	\$0.00

Date: July 1, 2021

To: Marcos Roybal, Associate Director, Finance & Administration University Services

Thru: Alfred Sena, Director, Facilities Management

Thru: Vincent Chavez, Manager, Facilities Maintenance Division 

From: Leo Lucero, Manager, Maintenance & Construction, Area Two

Subject: Disposition of Surplus Property – UNM Tag #251458

Mr. Roybal,

UNM Tag #251458, Dodge Caravan, was purchased entered into Facilities Management's (FM) records on July 18, 2001. The vehicle has been used for the past 5-6 years (best guess) in Area Two FM Maintenance. The original purchase price was \$19,503 and the Net Book Value (NBV) is \$0. This vehicle is used on a limited basis due its poor condition. Area Two has obtained recently a more energy-efficient hybrid vehicle, therefore this 20-year old vehicle is not required any longer for us to conduct our daily business.

We believe our decision to send this vehicle to UNM Surplus Property will result in monthly cost savings, which includes insurance expenses, fuel expenses, and a reduction in maintenance expenses. Thank you for your consideration.

Respectfully,



Leo L. Lucero, Manager, Maintenance & Construction

Memo #5

UNM Asset tag #	Serial Number/VIN	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
251458	1B4GP44391B210542	Vehicle/Van	7/18/2001	\$19,503.00	\$19,503.00	\$0.00



INFORMATION
TECHNOLOGIES

TO: UNM Surplus

FROM: William Scott Knapp

DATE: 10/6/2021

SUBJECT: Memo for surplus of item

Dear UNM Surplus,

We are writing to confirm a Request for Disposition that included the following UNM Asset Tag #252627. UNM Tag #252627 studio camera system was purchased 10/17/2001 for Media Technology Services Production Studio Woodward Hall, room 138. The camera was acquired at the total & adjustment value of \$18,562.00 and the NBV of \$0.00. The Production Studio used to record and produce classes, events, and shows by UNM Faculty, Staff or Students. However, due to changing format of the production studio from analog to digital, this camera has been deemed obsolete and we would like surplus it.

Sincerely,

William Scott Knapp
IT Support Tech III
277-9009

UNM Asset tag #	Serial Number/VIN	Description	Acquisition Date	Acquisition cost	Adjusted cost	NBV
252627	18206	Camera	10/17/2001	\$18,562.00	\$18,562.00	\$0.00



INFORMATION TECHNOLOGIES

TO: UNM Surplus

FROM: William Scott Knapp

DATE: 10/6/2021

SUBJECT: Memo for surplus of item

Dear UNM Surplus,

We are writing to confirm a Request for Disposition that included the following UNM Asset Tag #252626. UNM Tag #252626 studio camera system was purchased 10/17/2001 for Media Technology Services Production Studio Woodward Hall, room 138. The camera was acquired at the total & adjustment value of \$18,562.00 and the NBV of \$0.00. The Production Studio used to record and produce classes, events, and shows by UNM Faculty, Staff or Students. However, due to changing format of the production studio from analog to digital, this camera has been deemed obsolete and we would like surplus it.

Sincerely,

William Scott Knapp
IT Support Tech III
277-9009

UNM Asset tag #	Serial Number/VIN	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
252626	18153	Camera	10/17/2001	\$18,562.00	18,562.00	\$0.00



INFORMATION
TECHNOLOGIES

TO: UNM Surplus

FROM: William Scott Knapp

DATE: 10/6/2021

SUBJECT: Memo for surplus of item

Dear UNM Surplus,

We are writing to confirm a Request for Disposition that included the following UNM Asset Tag #252628. UNM Tag #252628 studio camera system was purchased 10/17/2001 for Media Technology Services Production Studio Woodward Hall, room 138. The camera was acquired at the total & adjustment value of \$18,562.00 and the NBV of \$0.00. The Production Studio used to record and produce classes, events, and shows by UNM Faculty, Staff or Students. However, due to changing format of the production studio from analog to digital, this camera has been deemed obsolete and we would like surplus it.

Sincerely,

William Scott Knapp
IT Support Tech III
277-9009

UNM Asset tag #	Serial Number/VIN	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
252628	18145	Camera	10/17/2001	\$18,562.00	\$18,562.00	\$0.00



INFORMATION
TECHNOLOGIES

To: Surplus

From: IT Business Operations/ Michelle Otero

Date: 9/16/2021

Re: Surplus Justification

This justification is to surplus vehicle #542, 1993 Ford Van, UNM Asset #216477. The van is 28 years old and is costing more to maintain and lacks modern safety features.

Vehicle Purchase date: 10/29/1995

Use of Vehicle: Used to haul equipment throughout campus.

Net Book Value: \$0.00

Total Cost: \$17,200.00

Adjusted Cost: \$17,200.00

It is being replaced with a newer 2021 Ford truck so this vehicle will no longer be in use by the department.

Thank you,


Timothy R Johnson (Sep 20, 2021 16:44 MDT)

Tim Johnson,
Associate Director, Academic Technologies


Elisha Allen (Sep 20, 2021 16:45 MDT)

Elisha Allen,
Director, Online Strategies & AT, Academic Technologies

Memo #9

UNM Asset tag #	Serial Number	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
216477	1FBJS31H9PHA39352	Vehicle/Van	10/29/1995	\$17,200.00	\$17,200.00	\$0.00



INFORMATION TECHNOLOGIES

TO: UNM Surplus

FROM: William Scott Knapp

DATE: 10/6/2021

SUBJECT: Memo for surplus of item

Dear UNM Surplus,

We are writing to confirm a Request for Disposition that included the following UNM Asset Tag #208471. UNM Tag #208471 Editing System was purchased 2/8/1995 at total and adjusted cost is \$16,955. The NBV of the item is \$0.00. The Editing System was used to provide analog video editing services at former Media Technology Services Production Studio. We identified we no longer use or need this obsolete analog hardware for video editing in Production services.

Sincerely,

William Scott Knapp
IT Support Tech III
277-9009

UNM Asset tag #	Serial Number	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
208471	20136	Editing System	2/8/1995	\$16,955.00	\$16,955.00	\$0.00



Memorandum

To: University of New Mexico Surplus Property

From: Jessica Bowen, Senior Operations Manager, Office of University Counsel

Date: November 11, 2021

RE: Surplus Audio-Visual equipment

Justification:

The Office of University Counsel is set to begin an office renovation on November 12, 2021 and will be needing to surplus outdated and obsolete audio-visual equipment. The pieces include a projector and projector screen as well as a receiver (serial number N00015496) and were used in the University Counsel conference room to accommodate sharing of documents as well as allowing phone in conference attendees.

As part of our office renovation, the Office of University Counsel will be getting updated AV equipment that can accommodate new technology.

The purchase date of the Lectrosoni DM-84 audio visual equipment was made on April 1, 2008 with a total cost of \$13,343.28. The current adjusted cost of the equipment is the same. The current net book value is \$0.00.

Please let me know if you require further information.

Thank you,

A handwritten signature in black ink that reads 'Jessica Bowen'.

Jessica Bowen
Senior Operations Manager

UNM Asset tag #	Serial Number/VIN	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
N00015496	N/A	Audio Visual Equipment	4/1/2008	\$13,343.28	\$13,343.28	\$0.00



INFORMATION
TECHNOLOGIES

TO: UNM Surplus

FROM: William Scott Knapp

DATE: 10/6/2021

SUBJECT: Memo for surplus of item

Dear UNM Surplus,

We are writing to confirm a Request for Disposition that included the following UNM Asset Tag #N00044112. UNM Tag # N00044112 Avenue Signal Integration System was purchased 11/11/2013 at value at cost and adjusted cost of \$12,100.00. Currently the NBV of the item is \$0.00. The Avenue Signal Integration System was used in the Production Studio Control in Woodward Hall to transition analog TV signals in HD. Since we are transitioning our production studio to digital technology we will no longer use or need this analog hardware. Sincerely,

William Scott Knapp
IT Support Tech III
277-9009

UNM Asset tag #	Serial Number	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
N00044112	KXEAF10652	AnalogToDigital Converter/Avenue 3RU	11/11/2013	\$12,100.00	\$12,100.00	\$0.00



INFORMATION TECHNOLOGIES

TO: UNM Surplus

FROM: William Scott Knapp

DATE: 10/6/2021

SUBJECT: Memo for surplus of item

Dear UNM Surplus,

We are writing to confirm a Request for Disposition that included the following UNM Asset Tag #201934. UNM Tag #201934 Test Set was purchased 5/24/1996 at value of \$11,258.00. The Test Set was used in the Sandia Crest location as part of broadcasting equipment for ITV classes. Since we are not using satellite broadcast for ITV classes, we identified we no longer use or need this.

Sincerely,

William Scott Knapp
IT Support Tech III
277-9009

UNM Asset tag #	Serial Number	Description	Acquisition date	Acquisition cost	Adjusted cost	NBV
201934	BO30194	Test Set	5/24/1996	\$11,258.00	\$11,258.00	\$0.00

New Mexico Compilation Commission

13-6-1 . Disposition of obsolete, worn-out or unusable tangible personal property.

A. The governing authority of each state agency, local public body, school district and state educational institution may dispose of any item of tangible personal property belonging to that authority and delete the item from its public inventory upon a specific finding by the authority that the item of property is:

- (1) of a current resale value of five thousand dollars (\$5,000) or less; and
- (2) worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the body.

B. The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property:

- (1) designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and
- (2) give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action.

C. A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act [Chapter 14, Article 2 NMSA 1978].

D. The governing authority shall dispose of the tangible personal property by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico or by negotiated sale or donation to other state agencies, local public bodies, school districts, state educational institutions or municipalities or through the central purchasing office of the governing authority by means of competitive sealed bid or public auction or, if a state agency, through the surplus property bureau of the transportation services division of the general services department.

E. A state agency shall give the surplus property bureau of the transportation services division of the general services department the right of first refusal when disposing of obsolete, worn-out or unusable tangible personal property of the state agency.

F. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D or E of this section, the governing authority may sell or, if the property has no value, donate the property to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

G. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D, E or F of this section, it may order that the property be destroyed or otherwise permanently disposed of in accordance with applicable laws.

H. If the governing authority determines that the tangible personal property is hazardous or contains hazardous materials and may not be used safely under any circumstances, the property shall be destroyed and disposed of pursuant to Subsection G of this section.

I. No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body, school district or state educational institution; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

J. This section shall not apply to any property acquired by a museum through abandonment procedures pursuant to the Abandoned Cultural Properties Act [18-10-1 to 18-10-5 NMSA 1978].

K. Notwithstanding the provisions of Subsection A of this section, the department of transportation may sell through public auction or dispose of surplus tangible personal property used to manage, maintain or build roads that exceeds five thousand dollars (\$5,000) in value. Proceeds from sales shall be credited to the state road fund. The department of transportation shall notify the department of finance and administration regarding the disposition of all property.

L. If the secretary of public safety finds that the K-9 dog presents no threat to public safety, the K-9 dog shall be released from public ownership as provided in this subsection. The K-9 dog shall first be offered to its trainer or handler free of charge. If the trainer or handler does not want to accept ownership of the K-9 dog, then the K-9 dog shall be offered to an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 free of charge. If both of the above fail, the K-9 dog shall only be sold to a qualified individual found capable of providing a good home to the animal.

History: 1953 Comp., § 6-1-7.1, enacted by Laws 1961, ch. 100, § 1; 1979, ch. 195, § 2; 1984, ch. 47, § 1; 1987, ch. 15, § 1; 1989, ch. 211, § 6; 1995, ch. 181, § 1; 1998, ch. 16, § 1; 2001, ch. 317, § 1; 2007, ch. 57, § 4; 2012, ch. 10, § 1; 2013, ch. 9, § 1.

TAB 5

5

UNM Consolidated

FY 22

2nd Quarter Financial Report



General Overview

- History of the Monthly/Quarterly Financial Report to the Regents
- Integration with the Draft UNM 2040 Strategic Goals and Objectives
- UNM Consolidated Financial Report and Schedules
- Status of Current Capital Projects

History of the Monthly/Quarterly Financial Report to the Regents

- The old original report format was created approximately 16 years ago and was based on the Higher Education Department (HED) financial exhibit report. Since this was the primary report generated that included all campuses, it made sense to use this format as a basis for the Regents' Report.
- As time went on, additional narratives, charts and summaries were added to answer questions and to aid further understanding.
- We redesigned this report to more effectively communicate the financial status of the institution
 - The report must meet the current needs and goals of the University.
 - Incorporates historical, current, and projected revenue and expense data
 - Emphasis on revenue and cost drivers
 - Relevant narratives
 - From time to time, include updates on capital projects, legislative priorities, budget priorities and budget workplans

Integration with the UNM 2040 Strategic Goals and Objectives

(currently in draft status)

Workday Adaptive
Planning went live
September 2021



✓ Goal Four-Sustainability

- Objective 4- Build a culture of multi-year budgeting and benchmarking and ensure that all our business and academic processes are effective and efficient, with an eye towards productivity, delivery of excellent value, taking advantage of economies of scale and management of cost.

✓ Goal Five-One University

- Objective 3- Integrate administrative systems and processes to provide coordinated, efficient and high-quality services. Assess areas potentially including but not limited to planning, reporting, data and analytics, infrastructure, marketing and branding, investments, and government relations and identify areas of unnecessary duplication and areas for process improvement

THE UNIVERSITY OF NEW MEXICO

Financial Exhibits - description

- Budget to actual financial exhibit
 - Provides status of institution as a certain point in time as compared to annual budget.
 - Used as a tool to inform if performance is as expected
 - Presented for combined enterprise, campus and health
 - Serves as the most recent fiscal projection for the current fiscal year

UNM Combined Enterprise FYTD as of December 31, 2021

Budget v. Actual Income Statement

(presented in millions, figures are unaudited and uneliminated)

	<u>FY22 Budget</u>	<u>FYTD Actuals</u>	<u>Diff</u>	<u>Budget % remaining</u>
Patient Services	\$2,112.7	\$1,019.3	(\$1,093.4)	51.75%
Research	462.7	271.6	(191.1)	41.30%
Appropriations	486.0	233.5	(252.5)	51.96%
Tuition and Fees	216.7	189.9	(26.8)	12.36%
Other Operating Revenue	417.2	194.0	(223.2)	53.50%
Investment and Other Nonoperating Revenue	334.6	77.6	(256.9)	76.80%
Total Revenues	\$4,029.9	\$1,985.9	2,043.9	50.72%
Salaries and Benefits	\$1,838.5	\$881.5	\$957.0	52.05%
Patient Costs	845.6	450.6	395.0	46.72%
Operating Expenses	715.6	273.1	442.6	61.84%
Capital Expenditures and Facility Costs	294.8	104.1	190.7	64.69%
Student Costs	140.4	83.4	57.0	40.58%
Research	166.7	19.6	147.1	88.23%
Total Expenses	\$4,001.6	\$1,812.2	2,189.4	54.71%
Net Income	\$28.2	\$173.7		

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UNM Campus FYTD as of December 31, 2021

Budget v. Actual Income Statement

(presented in millions, figures are unaudited and uneliminated)

	<u>FY22 Budget</u>	<u>FYTD Actuals</u>	<u>Diff</u>	<u>Budget % remaining</u>
Patient Services	\$11.6	\$6.9	(\$4.7)	40.88%
Research	207.3	154.2	(53.1)	25.62%
Appropriations	242.1	118.7	(123.4)	50.97%
Tuition and Fees	184.2	173.7	(10.5)	5.69%
Other Operating Revenue	266.4	108.8	(157.6)	59.16%
Investment and Other Nonoperating Revenue	308.1	58.9	(249.2)	80.89%
Total Revenues	\$1,219.7	\$621.1	598.6	49.08%
Salaries and Benefits	\$470.4	\$225.9	\$244.5	51.98%
Patient Costs	0.6	0.3	0.3	46.23%
Operating Expenses	426.0	92.6	333.4	78.26%
Capital Expenditures and Facility Costs	150.4	56.2	94.2	62.63%
Student Costs	134.0	83.4	50.5	37.72%
Research	38.3	19.6	18.7	48.75%
Total Expenses	\$1,219.7	\$478.1	741.6	60.80%
Net Income	(\$0.0)	\$143.0		

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UNM Health System FYTD as of December 31, 2021

Budget v. Actual Income Statement

(presented in millions, figures are unaudited and uneliminated)

	<u>FY22 Original</u>			<u>Budget %</u>
	<u>Budget</u>	<u>FYTD Actuals</u>	<u>Diff</u>	<u>remaining</u>
Patient Services	\$2,101.1	\$1,012.5	(\$1,088.7)	51.81%
Research	255.4	117.4	(138.0)	54.03%
Appropriations	243.9	114.8	(129.1)	52.93%
Tuition and Fees	32.5	16.2	(16.3)	50.22%
Other Operating Revenue	150.8	85.2	(65.6)	43.50%
Investment and Other Nonoperating Revenue	26.5	18.8	(7.7)	29.12%
Total Revenues	\$2,810.2	\$1,364.8	1,445.4	51.43%
Salaries and Benefits	\$1,368.1	\$655.6	\$712.5	52.08%
Patient Costs	845.0	450.3	394.8	46.72%
Operating Expenses	289.6	180.5	109.1	37.68%
Capital Expenditures and Facility Costs	144.4	47.9	96.5	66.85%
Student Costs	6.5	-	6.5	100.00%
Research	128.4	-	128.4	100.00%
Total Expenses	\$2,782.0	\$1,334.2	1,447.8	52.04%
Net Income	\$28.2	\$30.6		

THE UNIVERSITY OF NEW MEXICO

Key metrics – combined enterprise FY19-FY21

Metric	Description	Best practice	FY19	FY20	FY21
Primary Reserve Ratio	Unrestricted net assets/expenses	> .4	.375	.40	.44
Net Operating Revenue Ratio	Income/Revenues	> 0	.018	.039	.07
Return on Net Assets Ratio	Change in net assets/Total net assets	3-4%	.056	.072	.137
Viability Ratio	Expendable net assets/Long term debt	> 1.0	1.487	1.785	2.78

Ratios presented are calculated without final fiscal year adjustments included

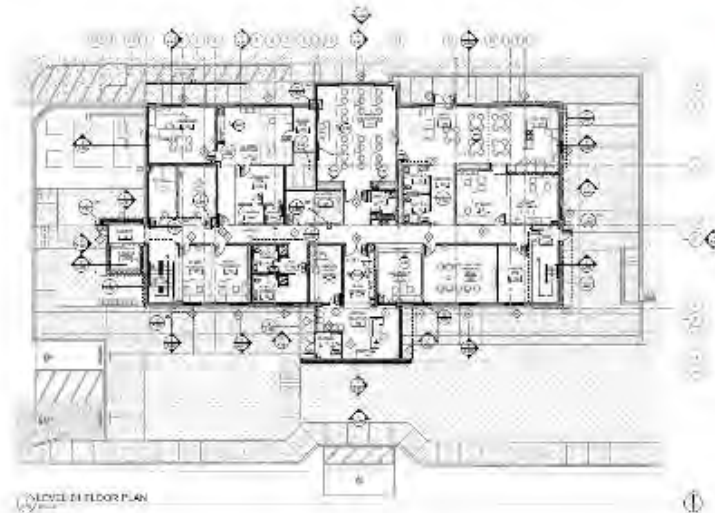
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Projects in Construction – Main/Branch Campuses

Project Name	Square Footage	Total Project Costs	Construction Start Date	Target Substantial Completion Date	On Schedule
UNM ROTC Renovation	20,600	\$10,767,379	09/01/2021	11/04/2022	✓
Valencia Workforce Training Center	19,095	\$8,374,810	02/15/2021	01/04/2022	✓
Klauer Campus Career Center (Pathways)	11,950	\$6,229,500	03/01/2021	01/24/2022	✓

THE UNIVERSITY OF NEW MEXICO

ROTC Renovation



RMKM
ARCHITECTURE, PC



GENERAL NOTES	
1.	SEE GENERAL NOTES TO CONTRACT DOCUMENTS.
2.	ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND STANDARDS.
3.	ALL MATERIALS AND METHODS OF CONSTRUCTION SHALL BE APPROVED BY THE ARCHITECT.
4.	ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
5.	ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED BUDGET.
6.	ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED QUALITY STANDARDS.

SCHEDULE OF VALUES	
1.	CONSTRUCTION
2.	GENERAL
3.	ROTC OFFICE
4.	ROTC CLASSROOM
5.	ROTC STORAGE
6.	ROTC LOCKER
7.	ROTC GYMNASIUM

LIST OF WORKS TO BE COMPLETED	
1.	ROTC OFFICE
2.	ROTC CLASSROOM
3.	ROTC STORAGE
4.	ROTC LOCKER
5.	ROTC GYMNASIUM

PROJECT DATA	
PROJECT NO.	
DATE	
LOCATION	
OWNER	
ARCHITECT	
ENGINEER	

REVISIONS	
NO.	DESCRIPTION
1.	
2.	
3.	
4.	
5.	

APPROVALS	
DATE	
BY	
DATE	
BY	

PROJECT INFORMATION	
PROJECT NO.	
DATE	
LOCATION	
OWNER	
ARCHITECT	
ENGINEER	

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ROTC Renovation



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Valencia Workforce Training Center



THE UNIVERSITY OF NEW MEXICO

Valencia Workforce Training Center



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Klauer Campus Career Center (Pathways)



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Klauer Campus Career Center (Pathways)



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Projects in Construction – Health Sciences Center

Project Name	Square Footage	Total Project Costs	Construction Start Date	Target Substantial Completion Date	On Schedule
UNMH New Hospital Tower	570,774	\$590,511,381	07/06/2021	10/03/2024	✓
Parking Garage, Materials Management, Central Utility Plant	558,532	\$120,653,423	07/14/2020	10/06/2022	✓
Center for Movement Disorder and Senior Primary Care	32,000	\$19,400,000	01/18/2021	06/30/2022	✓
Interdisciplinary Substance Use and Brain Injury (ISUBI) Center	15,700	\$12,555,750	01/03/2021	11/15/2021	✓

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UNMH New Hospital Tower



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UNMH New Hospital Tower



THE UNIVERSITY OF NEW MEXICO

UNMH Parking Garage



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Center for Movement Disorder & Senior Primary Care



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Center for Movement Disorder & Senior Primary Care



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ISUBI Research addition



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TAB 6

#6

New Mexico Higher Education Department
Institutional Finance Division
Quarterly Financial Certification Report Template

Please complete and sign the following Financial Certification Report and submit with the Quarterly Financial Actions Report.

To the best of my knowledge, I certify that the information provided in the attached Financial Actions Report for the:

1st ____ 2nd X 3rd ____ 4th ____ Quarter, FY 2022

is correct as of the signature dates noted below, and that

The University of New Mexico

has a functioning financial accounting system that captures assets, liabilities, revenues, and expenditures on a timely basis, and the Governing Board receives timely notification of any significant actual or projected variances between budgeted and actual revenues and expenditures.

Sandra Begay, Chair, Board of Regents-F&F

Date

Garnett S. Stokes, President

Date

Teresa Costantinidis, Senior VP for Finance & Administration

Date

University of New Mexico

Quarterly Financial Actions Report

Fiscal year 2022 Date 1/19/2022

Period (check one)

Quarter 1 Quarter 2 Quarter 3 Quarter 4

During the period of time covered by this report; did your institution:

- | | | | | |
|---|-----|--------------------------|----|-------------------------------------|
| (1) Request an advance of state subsidy? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (2) Fail to make its required payments, as scheduled, to appropriate retirement system(s)? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (3) Fail to make its payroll payments, as scheduled? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (4) Fail to make its scheduled debt service payments? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (5) Fail to make payments to vendors, as scheduled, due to a cash deficiency or a substantial deficiency in the payment processing system? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| (6) Relative to the original fiscal year budget, experience any significant actual or anticipated financial changes that are not reflected in a submitted Budget Adjustment Request (BAR). Significant financial changes refers to fiscal activity that will result in a substantially reduced year-end fund balance or any increase in a fund balance deficit. | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |

If the answer to any of the above questions is "Yes," please describe in a separate document:

- (i) the reason for the occurrence,
- (ii) the actions taken by your institution to resolve this particular occurrence, and
- (iii) the actions taken by your institution to prevent events such as this from occurring again.

In addition, if the answer to number 6 is "Yes," please describe in a separate document the nature of the financial changes and describe and assess the impact that the changes will have on your institution's planned year-end financial position. (See attached.)

TAB 7

#7



To: Members of the Board of Regents

From: Eddie Nunez, Director of Athletics

Nicole Dopson, Director of Financial Operations for Academic Affairs

Date: February 8, 2022

Re: Approval of the FY22 Second Quarter Submission to Higher Education Department for the Enhanced Fiscal Oversight Program (EFOP)

In order to respond to concerns brought by the New Mexico Higher Education Department (NMHED), the University has agreed to provide the attached Enhanced Fiscal Oversight Program (EFOP) Report. This report will be provided in addition to the Quarterly Financial Actions Report and Certification that are already required for all higher education institutions.

The report will provide Athletics financial status through reporting templates provided by the Higher Education Department for the Athletics budget exhibits as well as a template for the plan associated with resolving the overall deficit within Athletics budget.

The EFOP report will accompany the report submitted by the Controller's Office until NMHED is satisfied with the University's progress on these issues.

Thank you for your consideration.

New Mexico Higher Education Department
Institutional Finance Division
University of New Mexico Athletics Department
Quarterly Enhanced Fiscal Oversight Program (EFOP) Report

Please certify the following EFOP report and submit with the Quarterly Financial Certification and Financial Action Reports.

To the best of my knowledge, I certify that the information provided in the attached EFOP report for the:

1st ____ 2nd X 3rd ____ 4th. ____ Quarter, FY 2022

is correct as of the signature dates noted below:

The University of New Mexico

Sandra Begay, Chair, Board of Regents – Finance and Facilities Committee Date

Garnett S. Stokes, President Date

Teresa Costantinidis, SVP for Administration Date

Exhibit 21 - UNM MAIN Campus
Summary of InterCollegiate Athletics

		Original Approved Budget Budget 2022				Actuals Quarter 1 - FY22				Actuals Quarter 2 - FY22				Actuals Quarter 3 - FY22				Actuals Quarter 4 - FY22				Increase / Decrease YTD			
		FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted
Revenues	Tuition and Fees		3,779,321		-	1,849,400			-	1,457,100			-	-			-	-					472,821		-
	State Appropriations		4,436,200		-	1,288,497			-	1,040,901			-	-			-	-					2,106,802		-
	Federal Grants and Contracts		-		30,601	-			-	-			-	-			-	-					-		30,601
	State Grants and Contracts		-		25,500	-			-	-			-	-			-	-					-		25,500
	Private Gifts Grants and Contracts		0		-	-			-	-			-	-			-	-					0		-
	Sales and Services		8,845,000		-	3,387,262			-	2,260,853			-	-			-	-					3,196,884		-
	Other Sources		14,209,796		-	3,147,460			-	3,387,930			-	-			-	-					7,674,406		-
			31,270,317		56,101	9,672,619			-	8,146,784			-	0			-	0				13,450,913		56,101	
Beginning Balance	Beginning Balance		355,616		-	1,404,313			-	2,454,753			-	2,732,375			-	2,732,375			-	(1,048,697)		-	
Total Available			31,625,933							10,601,537				2,732,375				2,732,375				12,402,216		56,101	
Expenditures	Administrative Professional	92	9,132,066		-	2,310,698			-	2,405,650			-	-			-	-				92.00	4,415,718	0.00	-
	Federal Workstudy Salaries		-	2	30,601	-			-	-			-	-			-	-				0.00	0	2.00	30,601
	GA TA RA PA Salary	7	208,934		-	56,128			-	60,206			-	-			-	-				7.00	92,600	0.00	-
	Other Salaries	21	1,230,997		-	44,282			-	139,444			-	-			-	-				21.00	1,047,272	0.00	-
	State Workstudy Salaries		-	1	25,500	52			-	1,342			-	-			-	-				0.00	(1,394)	1.00	25,500
	Student Salaries	7	156,900		-	20,133			-	81,801			-	-			-	-				7.00	54,966	0.00	-
	Support Staff Salary	2	53,097		-	13,350			-	29,840			-	-			-	-				2.00	9,907	0.00	-
	Technician Salary	5	197,253		-	62,202			-	69,595			-	-			-	-				5.00	65,456	0.00	-
	Accrued Annual Leave		-		-	-			-	-			-	-			-	-					0		-
	Fica		714,100		-	142,166			-	136,628			-	-			-	-					435,306		-
	Group Insurance		581,094		-	168,354			-	184,674			-	-			-	-					228,066		-
	Other Staff Benefits		462,052		-	96,438			-	99,715			-	-			-	-					265,899		-
	Retirement		1,230,517		-	287,612			-	274,201			-	-			-	-					668,703		-
	Tuition Waivers		97,644		-	37,009			-	3,940			-	-			-	-					56,695		-
	Unemployment Compensation		8,626		-	2,188			-	2,382			-	-			-	-					4,056		-
	Workers Compensation		6,962		-	2,493			-	2,989			-	-			-	-					1,480		-
	Contract Services		1,081,694		-	157,030			-	152,879			-	-			-	-					771,785		-
	Cost of Good Sold		0		-	-			-	-			-	-			-	-					0		-
	Electricity		312,264		-	72,909			-	91,964			-	-			-	-					147,391		-
	Equipment		124,813		-	77,961			-	68,025			-	-			-	-					(21,173)		-
	Fuel Heat Cool		61,200		-	1,709			-	15,004			-	-			-	-					44,487		-
	Officials Expense 63T3		597,750		-	1,310			-	22,810			-	-			-	-					573,630		-
	Services		-		-	-			-	192			-	-			-	-							-
	Sewer_Other		201,200		-	56,256			-	44,146			-	-			-	-					100,798		-
	Student Awards and Aid		4,753,000		-	2,410,264			-	459,314			-	-			-	-					1,883,422		-
	Supplies Expense		8,725,535		-	2,447,276			-	1,821,813			-	-			-	-					4,456,446		-
	Travel		133,085		-	3,167			-	18,167			-	-			-	-					111,750		-
	Travel-Group		2,721,384		-	657,185			-	1,218,700			-	-			-	-					845,499		-
	Travel-Recruiting		588,150		-	127,178			-	158,103			-	-			-	-					302,869		-
	Internal Service Ctr		-		-	-			-	-			-	-			-	-							-
	Internal Sales		(200,000)		-	-			-	-			-	-			-	-					(200,000)		-
	Total Expenditures		134.00	33,180,317	3.00	56,101	9,255,351			-	7,563,523			-	0			-	109	0			134	16,361,635	3
Transfers (IN) or OUT	Transfers (IN) or OUT		(1,793,795)		-	(633,171)			-	305,640			-	0			-	0				(1,466,263)		-	
Ending Balance	Ending Balance		239,411		-	2,454,753			-	2,732,375			-	2,732,375			-	2,732,375				(2,493,155)		-	

Revenues	Tuition and Fees		0		0		0								0	
	Sales and Services		272		3,180,000		1,816,735		673,243						690,022	
	Other Sources		38,041		(554,853)		(554,853)		130,064						(130,064)	
Total Revenues			38,313		2,625,147		1,261,882		803,307		0		0		559,958	
Beginning Balance			0		(437,575)		0								(437,575)	
Total Available			38,313		2,187,572		1,261,882		803,307		0		0		122,383	
Expenditures	Administrative Professional	9.85	1,480,309	8.00	1,516,066		378,190		378,698					8.00	759,178	
	Other Salaries		53	0.48	15,000		0		2,881					0.48	12,119	
	State Workstudy Salaries	0.08	1,688		0		0		0						0	
	Student Salaries	0.76	17,330	1	18,000		771		6,894					0.82	10,335	
	Support Staff Salary								3,795							
	Technician Salary		0		0		60		104						(164)	
	Accrued Annual Leave		(4,458)		0		0		0						0	
	Fica		81,178		88,440		17,113		17,192						54,135	
	Group Insurance		76,059		71,659		19,061		19,960						32,638	
	Other Staff Benefits		50,023		54,315		13,059		13,305						27,951	
	Retirement		154,633		161,461		39,726		26,963						94,772	
	Unemployment Compensation		1,332		1,041		340		348						353	
	Workers Compensation		1,131		822		322		413						87	
	Contract Services		51,514		0		750		0						(750)	
	Cost of Good Sold		0		0		0		0						0	
	Equipment		5,150		2,650		1,892		3,369						(2,611)	
	Sewer_Other								273							
	Student Awards and Aid		201,216		0		0		130,064						(130,064)	
	Supplies_Expense		192,410		587,193		122,982		337,244						126,967	
	Travel		0		14,500		0		1						14,499	
	Travel-Group		416,059		324,000		0		235,871						88,129	
	Travel-Recruiting		11,534		120,000		52,205		16,683						51,112	
	Internal Service Ctr Internal Sales		0		(150,000)		0		0						(150,000)	
Total Expenditures		10.69	2,737,161	9.30	2,825,147		646,471	0	1,194,058	0	0	0	0	9.30	988,686	
Transfers (IN) or OUT	Transfer from Plant Fund Minor		0		(200,000)		(200,000)		0		0		0		0	
Ending Balance			(2,698,847)		(437,575)		815,412		(390,753)		0		0		(866,303)	
Budget Unit 352 - Football																
			FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues	Sales and Services		253,099		2,170,000		989,856		913,849						266,295	
	Other Sources		5,758,923		4,254,698		4,254,698		903,204						(903,204)	
Total Revenues			6,012,022		6,424,698		5,244,554		1,817,053		0		0		(636,909)	
Beginning Balance			0		(2,290,824)		0		0		0		0		(2,290,824)	
Total Available			6,012,022		4,133,874		5,244,554		1,817,053		0		0		(2,927,733)	
Expenditures	Administrative Professional	13.68	2,839,709	13.00	2,457,125		699,240		699,240					13.00	1,058,645	
	Federal Workstudy Salaries	0.02	510		0		0		0						0	
	GA TA RA PA Salary	2.60	72,033	1.91	60,000		20,387		20,387					1.91	19,226	
	Other Salaries		522	2.23	414,835		5,389		19,984					2.23	389,462	
	State Workstudy Salaries	0.06	1,140		0		0		0						0	
	Student Salaries	0.19	4,067	1.14	25,000		4,578		12,755					1.14	7,667	
	Support Staff						1,058		3,928							
	Technician Salary		0		0		678		1,648						(2,326)	
	Accrued Annual Leave		4,874		0		0		0						0	
	Fica		146,841		196,755		32,537		23,924						140,294	
	Group Insurance		126,935		147,899		30,704		37,765						79,430	
	Other Staff Benefits		111,627		111,627		24,782		24,963						69,976	
	Retirement		281,779		305,233		62,317		63,729						179,187	
	Tuition Waivers		26,675		30,000		14,979		0						15,021	
	Unemployment Compensation		2,556		2,314		636		653						1,025	
	Workers Compensation		2,315		1,859		740		752						367	
	Contract Services		26,222		219,633		19,102		43,617						156,914	
	Cost of Good Sold		0		0		0		0						0	
	Equipment		5,929		13,400		11,151		0						2,249	

Officials Expense 63T3	109,577	162,000	0	5,110	156,890										
Sewer_Other	0	25,000	0	7,600	17,400										
Student Awards and Aid	1,566,104	0	1,220	903,204	(904,424)										
Supplies_Expense	631,269	1,072,924	723,066	360,468	(10,610)										
Travel	4,548	36,000	772	4,320	30,908										
Travel-Group	1,485,202	900,000	427,484	333,270	139,246										
Travel-Recruiting	24,326	265,000	2,700	97,740	164,560										
Internal Service Ctr Internal Sales	0	(30,000)	0	0	(30,000)										
Total Expenditures	16.55	7,474,760	18.28	6,424,698	2,083,520	0	2,665,057	0	0	0	0	18.28	1,681,107		
Transfers (IN) or OUT	0	0	0	0	0	0	0	0	0	0	0	0	0		
Ending Balance	(1,462,739)	(2,290,824)	3,161,035	(848,003)	0	0	0	0	0	0	0	(4,608,840)			
Budget Unit 353 - Other Mens Sports															
	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	
Revenues															
Sales and Services		31,638		10,000		0		246						9,754	
Other Sources		1,601,264		1,272,570		1,236,860		209,444						(173,734)	
Total Revenues		1,632,902		1,282,570		1,236,860		209,690		0		0		(163,980)	
Beginning Balance		0		37,650		0		0		0		0		37,650	
Total Available		1,632,902		1,320,220		1,236,860		209,690		0		0		(126,330)	
Expenditures															
Administrative Professional	6.12	607,793	6.87	640,172		134,542		140,375					6.87	365,255	
GA TA RA PA Salary	0.55	26,600		0		7,200		7,200						(14,400)	
Other Salaries	0.01	5,317	0.83	26,000		0		970				0.83		25,030	
Support Staff Salary		157		0		112		0						0	
Technician Salary	0.03	1,064		0		56		0						(56)	
Accrued Annual Leave		303		0		0		0						0	
Fica		38,981		46,900		10,373		10,570						25,957	
Group Insurance		55,150		36,868		9,481		14,410						12,977	
Other Staff Benefits		26,342		27,945		6,183		6,454						15,308	
Retirement		86,339		83,071		19,061		19,922						44,088	
Tuition Waivers		4,881		0		2,754		0						(2,754)	
Unemployment Compensation		553		552		121		128						303	
Workers Compensation		529		429		129		136						164	
Contract Services		1,213		9,100		144		96						8,860	
Equipment		17,889		30,500		22,131		13,299						(4,930)	
Fuel_Heat_Cool		819		600		106		37						457	
Officials Expense 63T3		28,923		56,500		0		0						56,500	
Student Awards and Aid		299,674		0		0		209,444						(209,444)	
Supplies_Expense		99,206		49,597		16,851		21,094						11,652	
Travel		409		0		0		4,558						(4,558)	
Travel-Group		226,190		248,461		16,201		51,344						180,916	
Travel-Recruiting		1,000		25,875		27,652		17,783						(19,560)	
Total Expenditures	6.71	1,529,332	7.70	1,282,570		273,097		517,820		0	0	0	0	8	491,765
Transfers (IN) or OUT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	103,571	37,650	963,763	(308,129)	0	0	0	0	0	0	0	(618,095)			
Budget Unit 354 - Other Womens Sports															
	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	
Revenues															
Sales and Services		28,784		370,000		209,072		85,110						75,818	
Other Sources		6,112,547		4,361,045		4,462,014		1,060,373						(1,161,342)	
Total Revenues		6,141,331		4,731,045		4,671,086		1,145,483		0		0		(1,085,524)	
Beginning Balance		16,727		158,020		0		0		0		0		158,020	
Total Available		6,158,058		4,889,065		4,671,086		1,145,483		0		0		(927,504)	
Expenditures															
Administrative Professional	27.03	1,973,867	28.00	2,001,604		508,715		518,067					28.00	974,822	
GA TA RA PA Salary	1.10	40,652	0.54	17,000		0		0					0.54	17,000	
Other Salaries	0.01	4,884	2.52	74,450		1,701		20,942					2.52	51,807	
Student Salaries		0	0.46	10,000		0		5,064					0.46	4,936	
Support Staff Salary	1.51	52,947	2.00	53,097		11,706		18,913					2.00	22,478	
Technician Salary	0.05	2,153		0		543		1,213					0.00	(1,756)	

UNM- Department of Athletics Deficit Reduction Plan

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Beginning Fund Balance (Deficit)	(4,713,999)	(4,492,380)	(4,375,833)	(1,627,658)	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312
Recurring Fund Balance (Deficit)												
Net Balance (Deficit) (1)	(4,713,999)	(4,492,380)	(4,375,833)	(1,627,658)	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312
Revenues	32,944,217	31,669,259	27,699,073	27,934,821	31,386,522	31,386,522	31,386,522	31,386,522	31,386,522	31,386,522	31,386,522	31,386,522
Other Sources	814,207	789,039										
Subtotal Revenues	33,758,424	32,458,298	27,699,073	27,934,821	31,386,522	31,386,522	31,386,522	31,386,522	31,386,522	31,386,522	31,386,522	31,386,522
Expenses	33,541,301	33,829,147	33,570,560	25,570,774	33,180,317	33,180,317	33,180,317	33,180,317	33,180,317	33,180,317	33,180,317	33,180,317
Cost containment (reduction in expenses)	(4,496)	(737,396)	(2,496,467)	0								
Grant-aid subsidies (reduction in expenses)		(750,000)	(975,000)	0								
Subtotal Expenses	33,536,805	32,341,751	30,099,092	25,570,774	33,180,317	33,180,317	33,180,317	33,180,317	33,180,317	33,180,317	33,180,317	33,180,317
Transfers												
Transfer for Accumulated Deficit (2)			4,520,857									
Other Transfers	0	0	627,338	667,924	1,793,795	1,793,795	1,793,795	1,793,795	1,793,795	1,793,795	1,793,795	1,793,795
Subtotal Transfers	0	0	5,148,195	667,924	1,793,795	1,793,795	1,793,795	1,793,795	1,793,795	1,793,795	1,793,795	1,793,795
Net Annual Balance	221,619	116,547	2,748,175	3,031,970	0	0	0	0	0	0	0	0
Ending Fund Balance (Deficit) (3)	(4,492,380)	(4,375,833)	(1,627,658)	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312	1,404,312

(1) Net balance does not include use of reserves for sport expenses already committed in FY20, total accumulated deficit for FY20 was (\$4.5M)

(2) Transfer to eliminate the accumulated deficit

(3) FY20 ending balance was (\$1.6M), which reflects the fiscal impact of COVID-19; FY21 ended with positive balance of \$1.4M paying off the FY20 deficit



THE UNIVERSITY OF
NEW MEXICO



Athletics' FY22 Budget and Actuals (Exhibit P21)

Updated through December 31, 2021

Schedule A: (FY22 Budget and Actuals)- This schedule details out pooled revenues and directed revenues by sport for FY22 budget and actuals year-to-date through December 31, 2021. Please note that a majority of revenues are pooled centrally into Athletics and are not distributed by sport, however ticket sales and game guarantees are distributed by sport.

This report also compares FY22 budget to quarterly actuals, and FY22 year-to-date actuals to prior year-to-date actuals. Major variances are due to timing when revenue accruals and expenses were posted in the prior year and differences in institutional transfers.

Schedule B: (Expenses by Sports)- This schedule details out the FY22 expense budget and year-to-date expense actuals through December 31, 2021. Please note grant-in-aid expenses have been budgeted centrally and then reallocated based on FY22 year-to-date actuals, which will be allocated to individual sports as expenses post throughout the fiscal year.



Schedule A

FY22 Budget and Actuals by Exhibit P21

Revenue/Expense Description (2)	Fiscal Year 2021-22 (FY22)						FY22 YTD	FY22 Budget to Projected Actuals Variance	Actuals % of Revised Budget	FY21 YTD Actuals	FY22 YTD vs. FY21 YTD Actuals
	FY22 Original Budget	FY22 Revised Budget	Quarter 1 (7/1-9/30/21)	Quarter 2 (10/1-12/31/21)	Quarter 3 (1/1-3/31/22)	Quarter 4 (4/1-6/30/22)					
Pooled Revenues											
NCAA/Mountain West Conference	6,364,846	6,364,846	1,618,214	1,591,212			3,209,426	(3,155,420)	50.4%	1,594,556	1,614,870
Media Rights/Sponsorship/Licensing	3,650,000	3,650,000	521,199	702,950			1,224,149	(2,425,851)	33.5%	861,681	362,467
Commissions	680,000	680,000	-	-			-	(680,000)	0.0%	169,997	(169,997)
Student Fees	3,779,321	3,779,321	1,849,400	1,457,100			3,306,500	(472,821)	87.5%	1,697,536	1,608,964
Scholarship Fund (Fundraising)	2,200,000	2,200,000	549,999	549,999			1,099,998	(1,100,002)	50.0%	549,999	549,999
State Appropriation	4,436,200	4,436,200	1,288,497	1,040,901			2,329,398	(2,106,802)	52.5%	960,800	1,368,598
Facility Rental/Merchandise/GIK	1,680,000	1,680,000	386,794	439,213			826,007	(853,993)	49.2%	375,000	451,007
Special Events and Other Revenues	2,749,950	2,749,950	440,129	594,878			1,035,007	(1,714,943)	37.6%	1,972	1,033,034
CARES/HEERF III Distribution	-	-	-	-			-	-	0.0%	-	-
Transfers to/from Campus	1,793,795	827,431	633,171	(305,640)			327,532	(499,899)	39.6%	541,823	(214,292)
Budgeted Use of Reserves	116,205	1,114,783	-	-			-	(1,114,783)	0.0%	-	-
Sub-total	27,450,317	27,482,531	7,287,403	6,070,613	-	-	13,358,016	(14,124,515)	48.6%	6,753,365	6,604,652
Directed Revenues (by Sports)											
Men's Basketball Tickets	3,330,000	3,330,000	1,816,735	673,242			2,489,978	(840,023)	74.8%	-	2,489,978
Football Tickets	1,000,000	1,000,000	989,856	115,004			1,104,860	104,860	110.5%	299,933	804,926
Women's Basketball Tickets	370,000	370,000	201,040	68,502			269,542	(100,458)	72.8%	-	269,542
Other Sports Tickets (1)	30,000	30,000	10,757	13,783			24,540	(5,460)	81.8%	-	24,540
Football Game Guarantees	1,200,000	1,200,000	-	900,000			900,000	(300,000)	75.0%	-	900,000
Sub-total	5,930,000	5,930,000	3,018,388	1,770,531	-	-	4,788,919	(1,141,081)	80.8%	299,933	4,488,986
Total	33,380,317	33,412,531	10,305,791	7,841,144	-	-	18,146,935	(15,265,596)	54.3%	7,053,298	11,093,637
Expenses											
Salaries	10,979,247	10,923,063	2,506,845	2,787,877			5,294,722	(5,628,341)	48.5%	2,402,252	2,892,470
Payroll Benefits	3,100,995	3,096,616	736,261	704,529			1,440,790	(1,655,826)	46.5%	696,601	744,189
Communication Charges	84,542	84,542	16,447	18,388			34,835	(49,707)	41.2%	13,768	21,067
Other Expense	3,034,579	3,243,380	519,856	746,252			1,266,108	(1,977,272)	39.0%	432,118	833,990
Patient Care Costs	179,861	179,861	53,075	24,402			77,477	(102,384)	43.1%	8,713	68,764
Plant Maintenance	236,987	236,987	97,427	69,856			167,283	(69,704)	70.6%	29,429	137,854
Services	4,335,664	4,335,664	728,969	782,122			1,511,091	(2,824,573)	34.9%	141,332	1,369,759
Student Costs (includes Grant-in-Aid)	5,560,148	5,561,848	2,983,795	522,661			3,506,456	(2,055,392)	63.0%	2,797,922	708,533
Supplies	1,851,011	1,875,761	694,272	361,352			1,055,624	(820,137)	56.3%	170,451	885,174
Travel	3,442,619	3,300,145	787,530	1,394,970			2,182,501	(1,117,644)	66.1%	22,814	2,159,686
Utilities	574,664	574,664	130,873	151,114			281,987	(292,677)	49.1%	57,045	224,942
Total	33,380,317	33,412,531	9,255,351	7,563,523	-	-	16,818,874	(16,593,657)	50.3%	6,772,445	10,046,429
Net	-	-	1,050,440	277,621	-	-	1,328,061	1,328,061	4.0%	280,853	1,047,208
							Beginning Balance 7/1/21				
							Ending Balance 12/31/21				

(1) Other sports tickets include women's soccer, track, baseball, softball, volleyball and Pride Passes

(2) Actuals through December 31, 2021


FY22 Budgeted Expenses and Actuals by Sport Exhibit P21 (1)

Football			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	2,612,125	1,316,854	1,295,271
Payroll Benefits	759,808	315,683	444,125
Communication Charges	25,050	11,247	13,803
Other Expense	63,389	42,761	20,628
Patient Care Costs	18,000	6,873	11,127
Plant Maintenance	61,740	91,109	(29,369)
Services	854,733	498,807	355,926
Student Costs/Grant-in-Aid (2)	1,258,204	1,252,584	5,620
Supplies	88,100	162,680	(74,580)
Travel	1,201,000	866,286	334,714
Utilities	25,000	7,600	17,400
Total	6,967,149	4,572,484	2,394,665

Men's Baseball			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	341,672	157,500	184,172
Payroll Benefits	106,168	50,610	55,558
Communication Charges	-	270	(270)
Other Expense	7,135	2,597	4,538
Patient Care Costs	-	-	-
Plant Maintenance	3,900	-	3,900
Services	51,200	-	51,200
Student Costs/Grant-in-Aid (2)	140,450	137,141	3,309
Supplies	35,155	33,243	1,912
Travel	169,375	24,518	144,857
Utilities	-	-	-
Total	855,055	405,879	449,176

Women's Softball			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	183,000	86,307	96,693
Payroll Benefits	58,376	29,026	29,350
Communication Charges	540	405	135
Other Expense	4,014	1,254	2,760
Patient Care Costs	-	-	-
Plant Maintenance	2,422	2,480	(58)
Services	29,360	216	29,144
Student Costs/Grant-in-Aid (2)	104,821	103,335	1,486
Supplies	19,016	3,374	15,642
Travel	133,900	4,239	129,661
Utilities	-	-	-
Total	535,449	230,636	304,813

Men's Basketball			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	1,601,066	782,326	818,740
Payroll Benefits	381,799	168,948	212,851
Communication Charges	12,750	2,717	10,033
Other Expense	29,964	16,061	13,903
Patient Care Costs	5,000	309	4,691
Plant Maintenance	39,140	14,186	24,954
Services	681,290	308,045	373,245
Student Costs/Grant-in-Aid (2)	217,564	217,437	127
Supplies	71,000	59,625	11,375
Travel	440,050	304,760	135,290
Utilities	-	273	(273)
Total	3,479,623	1,874,688	1,604,935

Women's Basketball			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	825,333	398,345	426,988
Payroll Benefits	248,224	112,134	136,090
Communication Charges	1,550	765	785
Other Expense	17,357	9,335	8,022
Patient Care Costs	-	-	-
Plant Maintenance	15,700	11,311	4,389
Services	307,852	127,473	180,379
Student Costs/Grant-in-Aid (2)	153,711	135,122	18,589
Supplies	44,941	38,122	6,819
Travel	397,298	233,748	163,550
Utilities	-	-	-
Total	2,011,966	1,066,353	945,613

Women's Soccer			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	256,450	125,901	130,549
Payroll Benefits	83,116	43,923	39,193
Communication Charges	1,060	300	760
Other Expense	3,428	4,865	(1,437)
Patient Care Costs	-	1,702	(1,702)
Plant Maintenance	-	4,061	(4,061)
Services	9,600	530	9,070
Student Costs/Grant-in-Aid (2)	170,241	171,096	(855)
Supplies	6,650	10,227	(3,577)
Travel	115,650	193,884	(78,234)
Utilities	-	-	-
Total	646,195	556,489	89,706

Men's Golf			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	176,500	88,992	87,508
Payroll Benefits	58,246	32,715	25,531
Communication Charges	-	135	(135)
Other Expense	2,081	1,996	85
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	2,680	7,576	(4,896)
Student Costs/Grant-in-Aid (2)	43,538	44,434	(896)
Supplies	-	7,125	(7,125)
Travel	60,811	57,136	3,675
Utilities	600	143	457
Total	344,456	240,253	104,203

Women's Golf			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	151,726	76,283	75,443
Payroll Benefits	50,069	31,199	18,870
Communication Charges	-	-	-
Other Expense	3,124	1,485	1,639
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	12,600	7,080	5,520
Student Costs/Grant-in-Aid (2)	86,368	85,800	568
Supplies	6,150	11,890	(5,740)
Travel	47,965	15,562	32,403
Utilities	600	143	457
Total	358,602	229,443	129,159

Men's Tennis			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	108,000	43,734	64,266
Payroll Benefits	35,641	16,329	19,312
Communication Charges	290	128	162
Other Expense	3,146	1,222	1,924
Patient Care Costs	-	-	-
Plant Maintenance	-	1,594	(1,594)
Services	18,810	1,222	17,588
Student Costs/Grant-in-Aid (2)	33,456	32,640	816
Supplies	13,300	11,733	1,567
Travel	44,150	35,885	8,265
Utilities	-	-	-
Total	256,793	144,489	112,304

Women's Tennis			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	108,000	50,114	57,886
Payroll Benefits	35,641	13,811	21,830
Communication Charges	610	-	610
Other Expense	1,861	970	891
Patient Care Costs	-	-	-
Plant Maintenance	-	1,594	(1,594)
Services	17,910	1,700	16,210
Student Costs/Grant-in-Aid (2)	53,256	54,033	(777)
Supplies	11,615	4,289	7,326
Travel	46,300	17,774	28,526
Utilities	-	-	-
Total	275,193	144,286	130,908

Cross Country (M/W) (3)			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	110,325	54,544	55,781
Payroll Benefits	36,406	18,496	17,910
Communication Charges	-	-	-
Other Expense	1,566	2,514	(948)
Patient Care Costs	111	106	5
Plant Maintenance	487	-	487
Services	3,314	189	3,125
Student Costs/Grant-in-Aid (2)	55	1,480	(1,425)
Supplies	1,855	348	1,507
Travel	49,604	49,949	(345)
Utilities	-	-	-
Total	203,723	127,627	76,096

Track (M/W) (3)			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	201,803	104,435	97,368
Payroll Benefits	81,932	32,583	49,349
Communication Charges	560	135	425
Other Expense	4,560	2,602	1,958
Patient Care Costs	-	28	(28)
Plant Maintenance	-	-	-
Services	725	515	210
Student Costs/Grant-in-Aid (2)	296,448	289,565	6,883
Supplies	1,813	5,980	(4,167)
Travel	203,665	24,581	179,084
Utilities	-	-	-
Total	791,506	460,424	331,082

Women's Volleyball			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	237,232	122,348	114,884
Payroll Benefits	78,286	43,097	35,189
Communication Charges	330	67	263
Other Expense	4,504	3,869	635
Patient Care Costs	-	25	(25)
Plant Maintenance	23,300	-	23,300
Services	38,100	18,871	19,229
Student Costs/Grant-in-Aid (2)	129,116	130,852	(1,736)
Supplies	28,437	18,769	9,668
Travel	101,685	121,449	(19,764)
Utilities	-	-	-
Total	640,990	459,347	181,643

Swimming/Diving			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	146,810	68,814	77,996
Payroll Benefits	48,448	29,525	18,923
Communication Charges	-	-	-
Other Expense	2,840	1,963	877
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	500	-	500
Student Costs/Grant-in-Aid (2)	123,005	122,060	945
Supplies	22,725	9,316	13,409
Travel	98,700	48,065	50,635
Utilities	-	-	-
Total	443,028	279,743	163,285

Spirit			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	-	-	-
Payroll Benefits	-	-	-
Communication Charges	-	-	-
Other Expense	570	1,610	(1,040)
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	-	-	-
Student Costs/Grant-in-Aid (2)	7,500	7,800	(300)
Supplies	30,510	45,870	(15,360)
Travel	-	58,838	(58,838)
Utilities	-	-	-
Total	38,580	114,117	(75,537)

Administration/Events/Other Operating (4)			
Expense Description	FY22 Revised Budget	FY22 YTD Actuals	FY22 Budget to Actuals Variance
Salaries	3,855,021	1,818,224	2,036,797
Payroll Benefits	1,042,456	502,710	539,746
Communication Charges	41,802	18,666	23,136
Other Expense	3,093,841	1,171,005	1,922,836
Patient Care Costs	156,750	68,434	88,316
Plant Maintenance	90,298	40,948	49,350
Services	2,281,990	538,866	1,743,124
Student Costs/Grant-in-Aid (2)	2,742,415	721,077	2,021,339
Supplies	1,496,194	633,033	863,161
Travel	214,992	125,828	89,164
Utilities	548,464	273,828	274,636
Total	15,564,223	5,912,617	9,651,606

Total 33,412,531 16,818,874 16,593,657

(1) Does not include special events and bowl games

(2) FY21 Grant-in-Aid actuals will be allocated to individual sports as expenses post

(3) M/W track and cross-country coaches salaries split 50/50 between sports.

(4) Includes Events Management, Special Events, Bowl Games, Championships, Gifts-in-Kind, Parking, Concessions, Ticket Office, Administration, Business Office, Leagues and Clubs, Compliance, Advisement, Facility Rentals, Sports Camps, Utilities, Student Assistance Funds, Life skills, Pre Season Training, Athletic Vans, Insurance, Marketing and Media Relations

TAB 8

#8



**MEMORANDUM TO ADVANCE
COMMITTEE AGENDA ITEM TO
THE BOARD OF REGENTS
THE UNIVERSITY OF NEW MEXICO**

DATE: January 19, 2022

TO: Teresa Costantinidis, Sr. VP Finance & Administration

FROM: Lisa Marbury, Assistant Vice President, Campus Environments & Facilities,
Vice President Office for Institutional Support Services

RE: Requested Approval

RECOMMENDED ACTION:

Recommend to the Board of Regents Finance and Facilities Committee the following requests for Project Construction Approval:

1. Student Residence Center Stairs Repair & Modification Phase 2
2. Clinical Translational Science Center Roof Re-Approval
3. Student Union Building Roof Replacement Phase 2 Re-Approval

cc: A. Coburn, M. Dion, M. Bailey, C. Martinez, S. Rodgers, G. Skinner– PDC

**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for
STUDENT RESIDENCE CENTER STAIRS REPAIR & MODIFICATION PHASE 2
UNIVERSITY OF NEW MEXICO**

February 8, 2022

REQUESTED ACTION:

In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project approval is requested for **Student Residence Center Stairs Repair & Modification Phase 2, Main Campus, Albuquerque, New Mexico.**

PROJECT DESCRIPTION:

The UNM Student Residence Center, part of our on-campus student housing, includes 12 buildings (A-L), located on the Albuquerque Main Campus with a total square footage of 137,569.

This project, the second of three total projects will repair and modify Buildings B, C, E, H, I, and J stairs for code and safety requirements.

PROJECT RATIONALE:

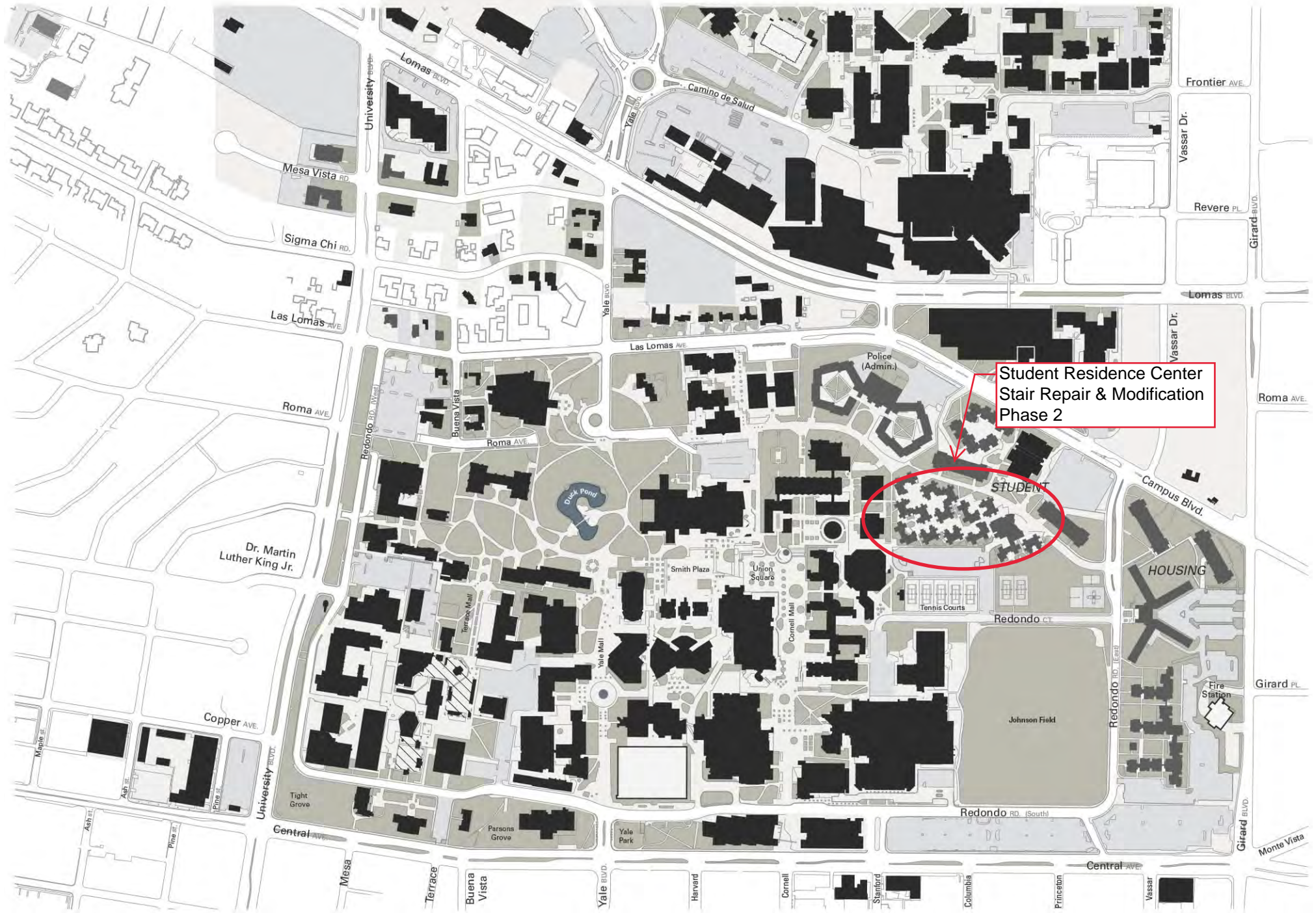
The Student Residence Center stairs were part of the 2020 structural assessment performed by Heatly Engineering. In the report, building stairs were identified as being very deteriorated and in need of immediate attention for repair or replacement. As construction costs are volatile and project funding is limited, the work will be executed as three separate projects. The stairs of buildings B, C, E, H, I, and J are the second phase. If this project is not approved, the stairs will continue to deteriorate and cause a safety concern for students that reside in these dorms.

FUNDING:

The total estimated Project Budget is \$1,066,851:

- \$1,066,851 is funded from Resident Life & Student Housing plant fund

The University of New Mexico - Albuquerque: Central Campus

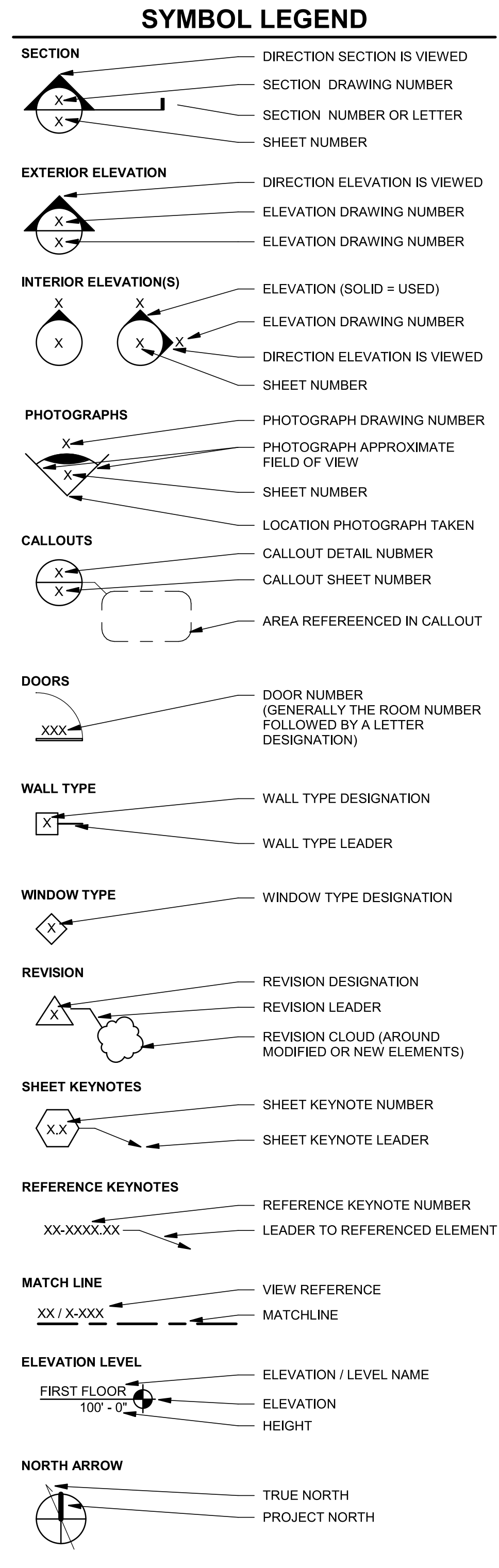


STUDENT RESIDENCE CENTER STAIR RESTORATION - PHASE II

301 Redondo Drive Ease NE,
Albuquerque, NM, 87131

100% Construction Documents 08/27/2021

ABBREVIATIONS	
ADJ	ADJUSTABLE
AFF	ABOVE FINISH FLOOR
AIB	AIR INFILTRATION BARRIER
AL	ALUMINUM
APPROX	APPROXIMATELY
ARGWB	ABUSE RESISTANT GYPSUM WALL
BD	BOARD
BLKG	BLOCKING
BM	BEAM
BO	BOTTOM OF
BUR	BUILT-UP ROOF
CJ	CONTROL JOINT
CL	CENTERLINE
CLG	CEILING
CMU	CONCRETE MASONRY UNIT
COL	COLUMN
CONC	CONCRETE
CONT	CONTINUOUS
CORR	CORRIDOR
COS	CENTERLINE OF STUDS
CPT	CARPET
CT	CERAMIC TILE
DBL	DOUBLE
DEMO	DEMOLITION
DIA	DIAMETER
DEFS	DIRECT-APPLIED EXTERIOR FINISH SYSTEM
DISP	DISPENSER
DN	DOWN
DW	DISHWASHER
EA	EACH
EL	ELEVATION
EJ	EXPANSION JOINT
EIFS	EXTERIOR INSULATION & FINISH SYSTEM
ELEC	ELECTRICAL
ENCL	ENCLOSURE
EQ	EQUAL
ERA	EXTERIOR ROOF ASSEMBLY
EWA	EXTERIOR WALL ASSEMBLY
EWC	ELECTRIC WATER COOLER
EXIST	EXISTING
FD	FLOOR DRAIN
FDN	FOUNDATION
FE	FIRE EXTINGUISHER
FEC	FIRE EXTINGUISHER CABINET
FF	FACE OF FINISH
FIN	FINISH
FL	FLOOR
FOF	FACE OF FRAMING
FOS	FACE OF STUD
FR	FIRE RESISTANT
FT	FEET
FURR	FURRING
GA	GAUGE
GALV	GALVANIZED
GLB	GLULAM BEAM
GB	GRAB BAR
GWB	GYPSUM WALL BOARD
HB	HOSE BIB
HRDW	HARDWARE
HM	HOLLOW METAL
HORIZ	HORIZONTAL
HGT	HEIGHT
HVAC	HEATING, VENTILATING AND AIR CONDITIONING
ID	INSIDE DIAMETER
IN	INCH
INSUL	INSULATION
INT	INTERIOR
JAN	JANITOR
JT	JOINT
JST	JOIST
LAM	LAMINATE
LAV	LAVATORY
MAT	MATERIAL
MAX	MAXIMUM
MECH	MECHANICAL
MEP	MECHANICAL ELECTRICAL PLUMBING
MFR	MANUFACTURER
MIN	MINIMUM
MISC	MISCELLANEOUS
MO	MASONRY OPENING
MTD	MOUNTED
MR	MOISTURE RESISTANT
MTL	METAL
MW	MICROWAVE
NFS	NON-FROST SUSCEPTIBLE
NIC	NOT IN CONTRACT
NTS	NOT TO SCALE
OC	ON CENTER
NOM	NOMINAL
OD	OUTSIDE DIAMETER
OH	OVERHEAD, OPPOSITE HAND
OPNG	OPENING
OPP	OPPOSITE
PLAM	PLASTIC LAMINATE
PL	PLATE
PLWD	PLYWOOD
PNT	PAINT
PR	PAIR
PREP	PREPARATION
PT	POINT
QT	QUARRY TILE
RAD	RADIUS
RB	RUBBER BASE
RCP	REFLECTED CEILING PLAN
RD	ROOD DRAIN
REF	REFERENCE
REFL	REFLECTED
REINF	REINFORCING
REP	REPLICA
REQD	REQUIRED
REV	REVISED
RM	ROOMS
RO	ROUGH OPENING
SA	SOFFIT ASSEMBLY
SF	SQUARE FEET
SHT	SHEET
SHTG	SHEATHING
SHWR	SHOWER
SIM	SIMILAR
SM	SQUARE METERS
SO	SQUARE
SOFT	SQUARE FEET
SS	STAINLESS STEEL
STL	STEEL
STRUCT	STRUCTURAL
SUSP	SUSPENDED
SSMR	STANDING SEAM METAL ROOF
SV	SHEET VINYL
SYM	SYMMETRICAL
TB	THERMALLY BROKEN
TBD	TO BE DETERMINED
TEL	TELEPHONE
TEMP	TEMPERED
THRESH	THRESHOLD
TO	TOP OF
TPD	TOILET PAPER DISPENSER
TS	TUBE STEEL
TYP	TYPICAL
T&G	TONGUE AND GROOVE
UNO	UNLESS NOTED OTHERWISE
WD	WOOD
WDD	WINDOW
XWA	EXISTING WALL ASSEMBLY



GENERAL NOTES

	ALUMINUM
	BATT INSULATION
	BRICK
	CONCRETE
	CONCRETE BLOCK
	EARTH
	GLASS
	GYPSUM BOARD
	PLYWOOD
	RIGID INSULATION
	SAND
	STEEL
	WOOD FINISH
	WOOD BLOCKING
	WOOD BLOCKING CONTINUOUS

**STATE OF NEW MEXICO
CONSTRUCTION INDUSTRIES
DIVISION**

NO EXCEPTIONS TAKEN
 EXCEPTIONS AS NOTED

PLAN REVIEWS APPROVED THIS DOES NOT INCLUDE PERMITS ALL CONTRACTORS GENERAL/MECHANICAL/ELECTRICAL SHALL PULL SEPERATE PERMIT.
12/06/2021 4:07:46 PM
orlando.garcia

ALL SECTIONS OF THE NEW MEXICO BUILDING, ELECTRICAL, MECHANICAL AND PLUMBING CODES MUST BE COMPLIES WITH.

PHYSICALLY HANDICAPPED NEW MEXICO BUILDING CODE REQUIRES FACILITIES FOR THE PHYSICALLY

APPROVED PLANS AND SPECIFICATIONS SHALL NOT BE CHANGED WITHOUT AUTHORIZATION FROM CONSTRUCTION INDUSTRIES DIVISION AND MUST BE AT THE JOB SITE AT ALL TIMES DURING CONSTRUCTION.

ALL INSPECTIONS MUST BE MADE AND FINAL SIGNATURE SHALL BE OBTAINED PRIOR TO THIS CONSTRUCTION BEEN OCCUPIED OR ISSUANCE OF CERTIFICATE OF OCCUPANCY

IF NO INSPECTIONS ARE PERFORMED WITHIN 180 DAYS THE PERMIT WILL EXPIRE AND WILL BE REQUIRED TO BE RENEWED AT FULL PRICE.

FINISH SCHEDULE

FINISH NAME	MANUFACTURER	MATERIAL	COLOR	LOCATION	NOTES
TRACTION TREAD	EATON	GALVANIZED STEEL	GALVANIZED	STAIR TREADS AND LANDING PLANKS	11 GAUGE - DRAIN HOLE PATTERN
PAINT	SHERWIN-WILLIAMS	PAINT	SW #7047 PORPOISE	ALL STAIR STRUCTURE AND RAILINGS	

GENERAL NOTES

- IF THIS SHEET IS NOT 24" X 36" THEN IT IS A REDUCED SIZE PLOT. USE GRAPHIC SCALE ACCORDINGLY.
- FIELD VERIFY DIMENSIONS AND CONDITIONS
- CONTRACTOR TO COORDINATE ALL DRAWINGS PRIOR TO CONSTRUCTION.
- THE ORGANIZATION OF THE KEYNOTING SYSTEM ON THE DRAWINGS WITH THE KEYNOTE REFERENCE NUMBERS RELATED TO THE MASTER SPECIFICATIONS NUMBERING SYSTEM SHALL NOT CONTROL THE CONTRACTOR IN DIVIDING THE WORK AMONG SUBCONTRACTORS OR ESTABLISHING THE EXTENT OF WORK.
- PROJECT CONSTRUCTION MUST BE BASED ON THE CONSTRUCTION DOCUMENTS AS A WHOLE.
- EXISTING CONDITIONS REPRESENTED BY ORIGINAL DRAWINGS PROVIDED BY UNM.
- ALL EXISTING STEEL SURFACES TO BE PAINTED. PROPERLY PREP ALL SURFACES. PRIME AND PAINT. WAIT TO PAINT AFTER EXISTING CONCRETE TREADS AND LANDINGS ARE REMOVED AND NEW STEEL SUPPORTS HAVE BEEN WELDED ON. PAINT PRIOR TO THE INSTALLATION OF THE NEW GALVANIZED TREADS AND LANDINGS TO ENSURE ALL SURFACES HAVE PROPER COVERAGE.



PROJECT TEAM

- ARCHITECT**
SMPC ARCHITECTS
219 Central Ave NW #800, Albuquerque, NM 87102
(505) 255-8668
- STRUCTURAL**
HEATLY ENGINEERING INC
120 Vassar Drive SE, Suite 200, Albuquerque, NM 87106
(505) 705-1355
- CLIENT**
THE UNIVERSITY OF NEW MEXICO
- CONTRACTOR**
ESA CONSTRUCTION
3435 Girard Blvd NE, Albuquerque, NM 87107
(505) 884-2171

SCOPE OF WORK

THIS IS A REPAIR PROJECT TO CORRECT DEGRADATION OF CONCRETE STAIRS AT THE UNM STUDENT RESIDENCE CENTER APARTMENTS. REPLACEMENT OF ALL TREADS, RISERS AND LANDINGS. REPAIR OF ANY COMPROMISED STEEL HANDRAIL PIECES. REPAIR OF COMPROMISED STAIR STRUCTURAL STEEL. REFINISHING AND PAINTING OF ALL HANDRAILS AND STRUCTURAL STEEL STAIRS.

CODE INTERPRETATION

- IEBC 2015
- CHAPTER 5
 - CLASSIFICATION OF WORK
 - ALTERATION - LEVEL 1 (SECTION 503) - TREADS AND LANDINGS
 - REPAIR - RAILINGS AND STRUCTURAL STEEL
 - CHAPTER 7
 - 704.1 MEANS OF EGRESS
 - ALL ALTERATIONS SHALL MAINTAIN THE SAME LEVEL OF PROTECTION FOR MEANS OF EGRESS
- UBC 1985 (ORIGINAL CODE USED AT THE TIME OF THE CONSTRUCTION OF THE BUILDINGS)
- GUARDRAILS (Sec. 1711
 - GUARDRAILS SHALL NOT BE LESS THAN 42 INCHES IN HEIGHT
 - GUARDRAILS SHALL HAVE TAULS SUCH THAT A 6 INCH SPHERE CANNOT PASS THROUGH
- IBC 2015
- 1011.5.5.1 NOISING PROJECTION SIZE
 - 1 1/4" MAX PROJECTION
 - 1011.5.5.3 SOLID RISERS
 - EXCEPTION 1 TAKEN AS STAIRS ARE NOT REQUIRED TO BE AN ACCESSIBLE MEANS OF EGRESS DUE TO 1009.1 EXCEPTION 1
 - 1011.7.1 STAIRWAY WALKING SURFACE
 - 1/48 MAX SLOPE. SOLID
 - EXCEPTION 1 TAKEN AS PERFERATIONS DO NOT ALLOW 1/2" SPHERE

INDEX OF DRAWINGS

GENERAL	COVER SHEET
G-001	COVER SHEET
ARCHITECTURAL SITE	
AS101	SITE PLAN
STRUCTURAL	
S-001	GENERAL STRUCTURAL NOTES
S-002	SPECIAL INSPECTION TABLES
S-100	PLANS SHEETS
S-500	TYPICAL DETAILS
S-501	TYPICAL DETAILS
ARCHITECTURAL	
A-101	TYPICAL BUILDING TYPES (A1, A2, B)
A-401	TYPICAL STAIRS
A-501	STAIR DETAILS
A-901	PHOTOS

STUDENT RESIDENCE CENTER STAIR RESTORATION -PHASE II

100% Construction Documents
301 Redondo Drive Ease NE,
Albuquerque, NM, 87131

NO	DATE	DESCRIPTION
	08/27/2021	
		PROJECT #: 21016
		DRAWN BY: SCKW
		CHECKED BY: GG
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COVER SHEET

* NOT ALL ABBREVIATIONS ARE USED WITHIN THIS PROJECT

*SHEETS MAY HAVE ADDITIONAL ANNOTATION SYMBOL LEGENDS

NOT ALL MATERIALS ARE USED WITHIN THIS PROJECT
ADDITIONAL MATERIALS MAY BE USED WITHIN THIS PROJECT

PHASE I PHASE II PHASE III

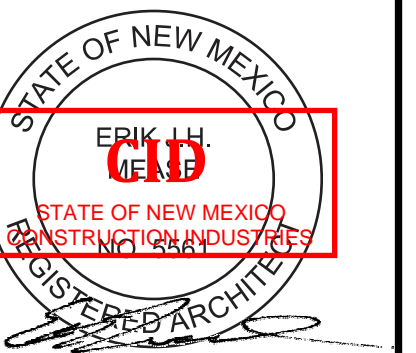


NOT IN PHASE II

NOT IN PHASE II

GENERAL NOTES

1. IF THIS SHEET IS NOT 24" X 36" THEN IT IS A REDUCED SIZE PLOT. USE GRAPHIC SCALE ACCORDINGLY.
2. FIELD VERIFY DIMENSIONS AND CONDITIONS.
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STUDENT RESIDENCE CENTER STAIR RESTORATION -PHASE II

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NO	DATE	DESCRIPTION
DATE:	08/27/2021	
PROJECT #:	21016	
DRAWN BY:	SCKW	
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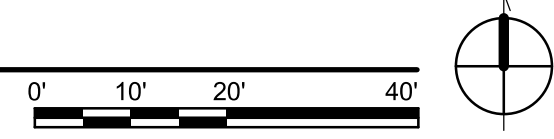
SHEET TITLE

SITE PLAN

AS101
2 of 11

A1 SITE PLAN
1" = 20'-0"

NOTICE!
THE APPROVED PLANS MUST BE AT THE JOB SITE AT ALL TIMES DURING CONSTRUCTION





2021.08.26 17:01:38-0600

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REFERENCE KEYNOTES

SHEET KEYNOTES

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NO	DATE	DESCRIPTION
DATE:	08/27/2021	
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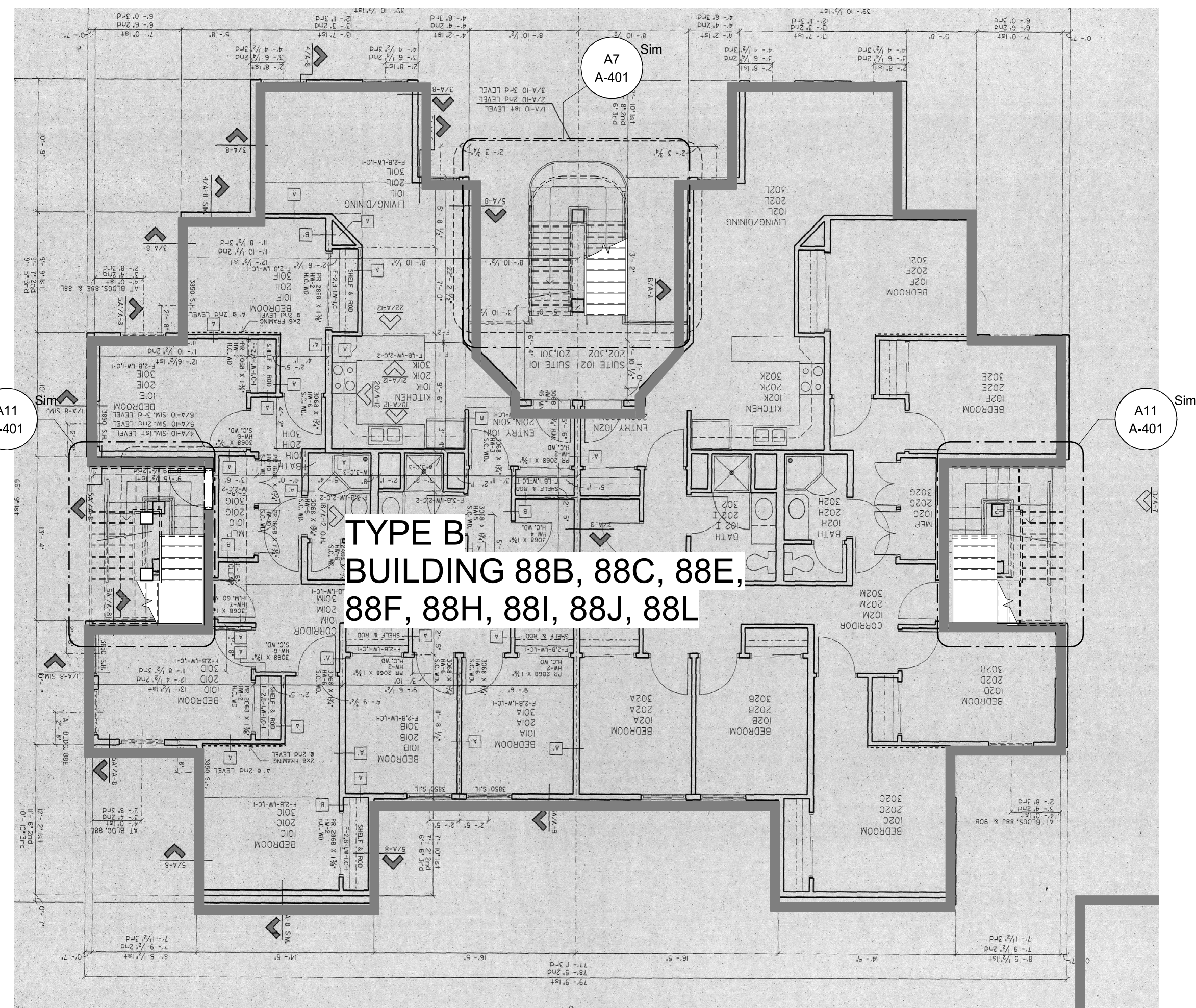
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SHEET TITLE

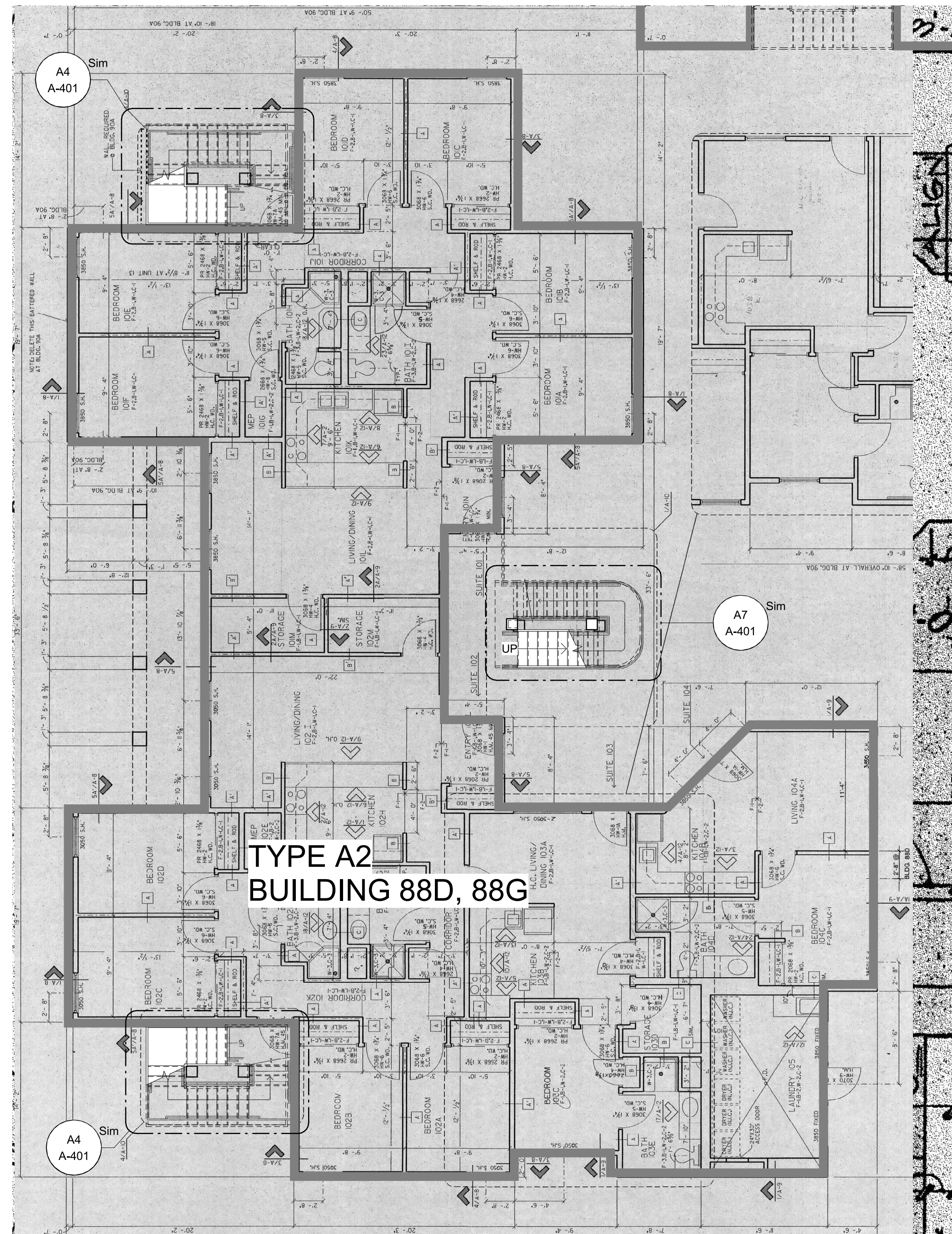
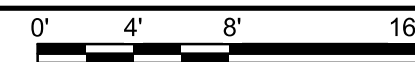
TYPICAL BUILDING TYPES (A1, A2, B)

A-101
8 of 11



TYPE B
BUILDING 88B, 88C, 88E,
88F, 88H, 88I, 88J, 88L

G1 BUILDING TYPE B
1/8" = 1'-0"



TYPE A2
BUILDING 88D, 88G

A8 BUILDING TYPE A2
1/8" = 1'-0"



NOTICE!
THE APPROVED PLANS MUST BE AT THE JOB SITE AT ALL TIMES DURING CONSTRUCTION



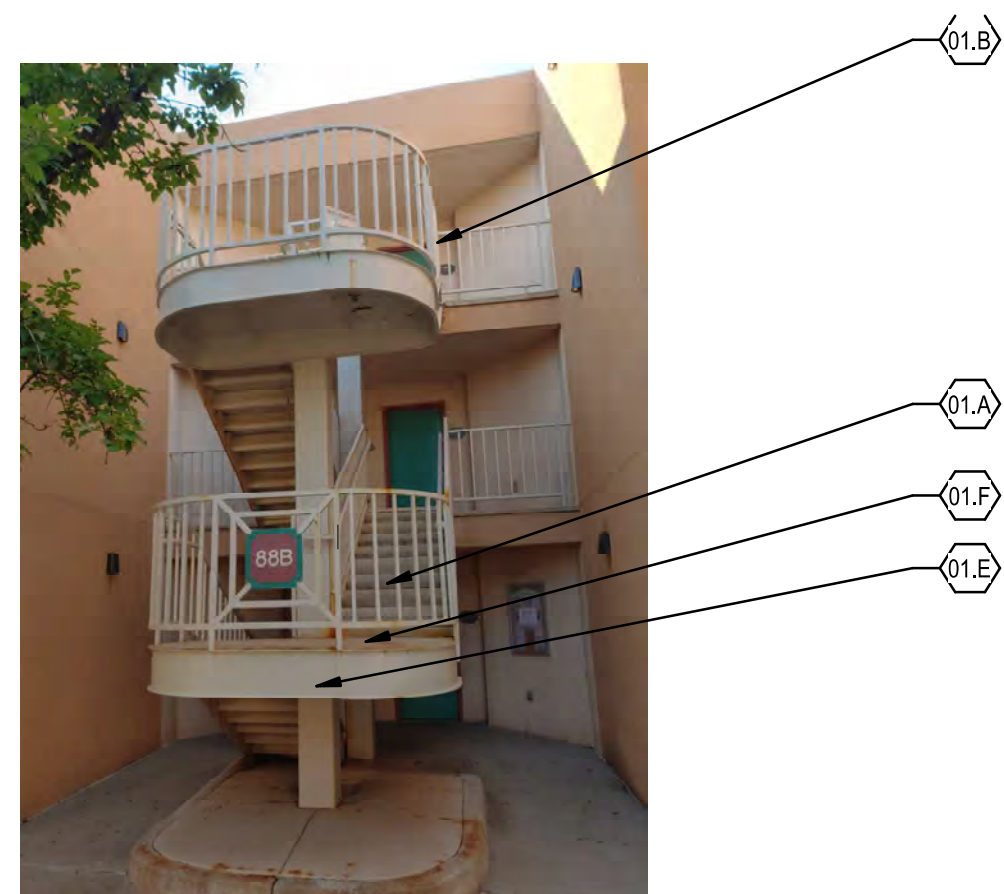
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NOT TO SCALE



K5 Photo - Back Exit - Short
NOT TO SCALE



K9 Photo - Back Exit 2
NOT TO SCALE



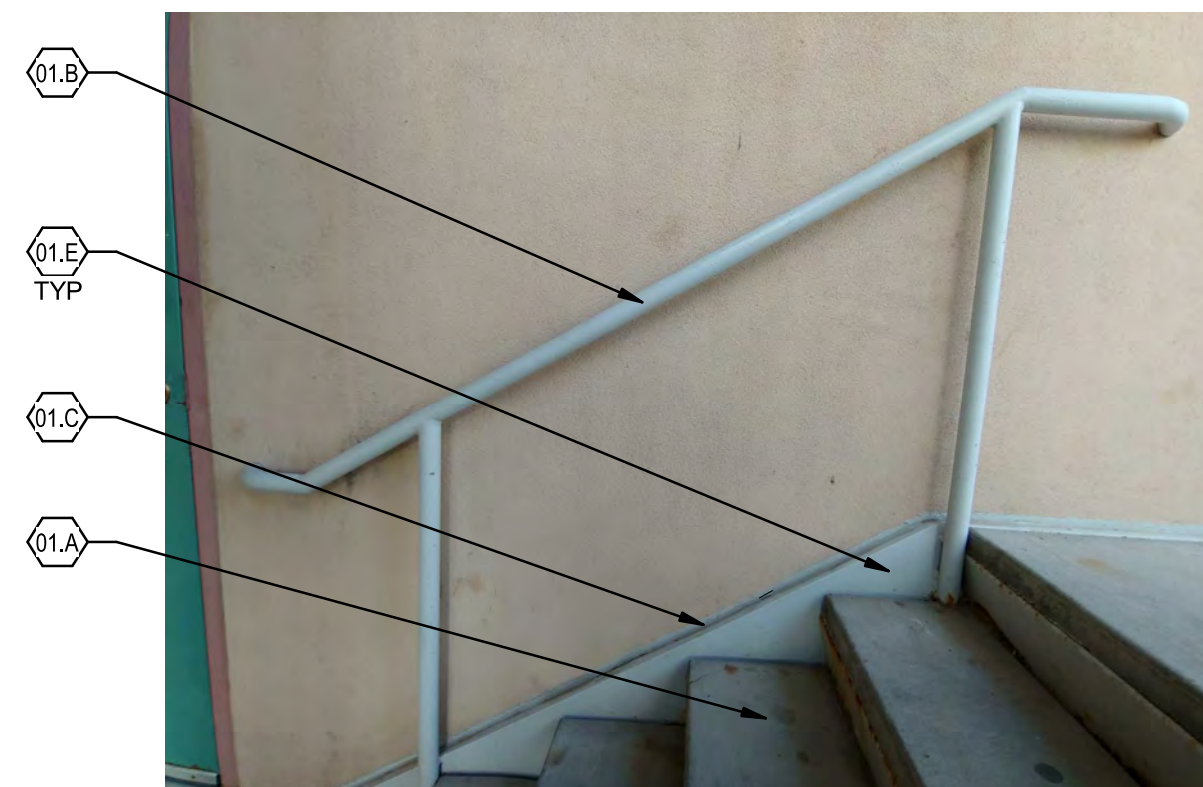
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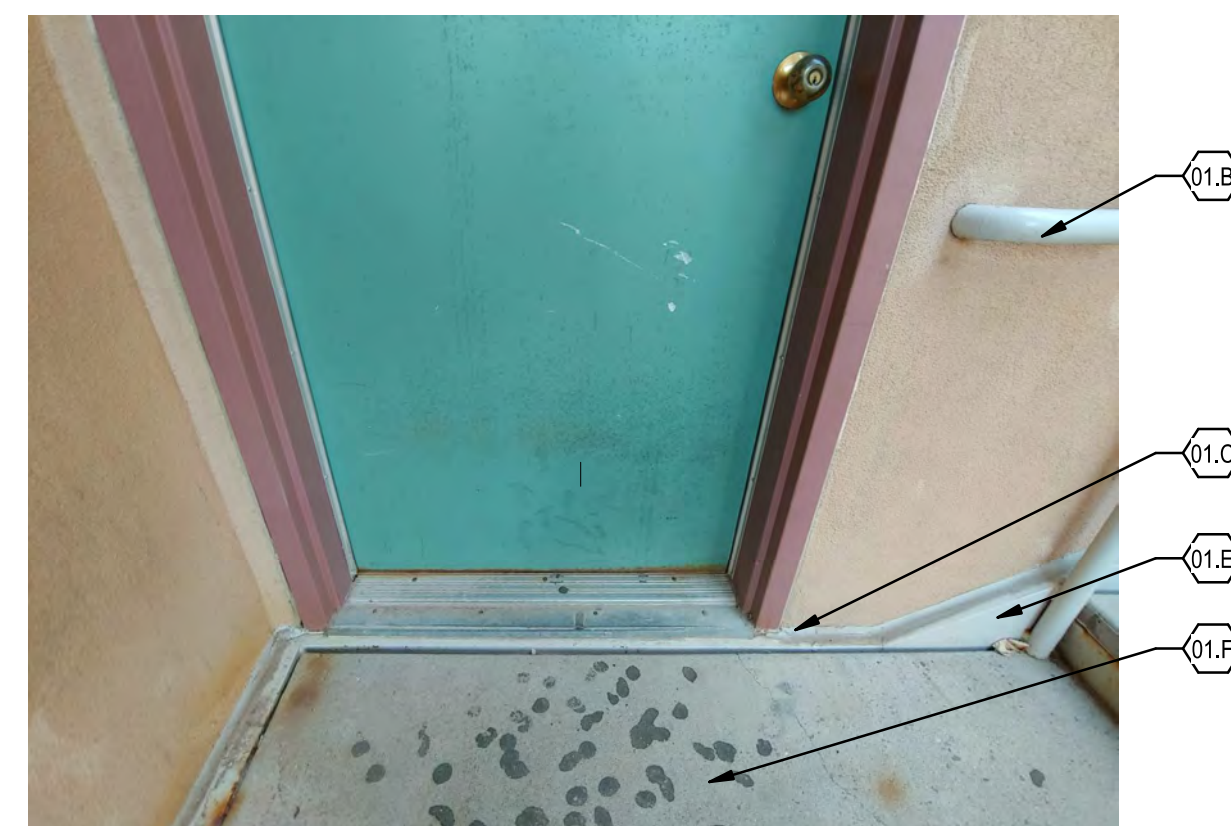
D5 Photo - Front Curved - Side
NOT TO SCALE



A1 Photo - Rusted Rail
NOT TO SCALE



A5 Photo - Wall Rail
NOT TO SCALE



A9 Photo - Threshold - Door
NOT TO SCALE

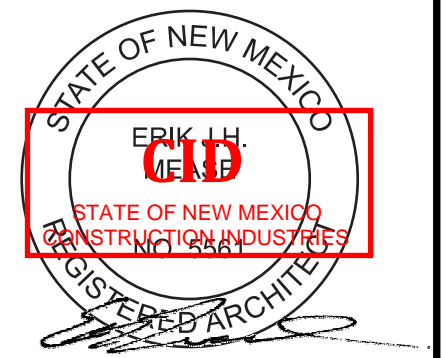
GENERAL NOTES

1. IF THIS SHEET IS NOT 24" X 36" THEN IT IS A REDUCED SIZE PLOT. USE GRAPHIC SCALE ACCORDINGLY.
2. FIELD VERIFY DIMENSIONS AND CONDITIONS
3. CONTRACTOR TO COORDINATE ALL DRAWINGS PRIOR TO CONSTRUCTION.
4. THE ORGANIZATION OF THE KEYNOTING SYSTEM ON THE DRAWINGS WITH THE KEYNOTE REFERENCE NUMBERS RELATED TO THE MASTER SPECIFICATIONS NUMBERING SYSTEM SHALL NOT CONTROL THE CONTRACTOR IN DIVIDING THE WORK AMONG SUBCONTRACTORS OR ESTABLISHING THE EXTENT OF WORK.
5. PROJECT CONSTRUCTION MUST BE BASED ON THE CONSTRUCTION DOCUMENTS AS A WHOLE.
6. EXISTING CONDITIONS REPRESENTED BY ORIGINAL DRAWINGS PROVIDED BY UNM.
7. ALL EXISTING STEEL SURFACES TO BE PAINTED. PROPERLY PREP ALL SURFACES. PRIME AND PAINT. WAIT TO PAINT AFTER EXISTING CONCRETE TREADS AND LANDINGS ARE REMOVED AND NEW STEEL SUPPORTS HAVE BEEN WELDED ON. PAINT PRIOR TO THE INSTALLATION OF THE NEW GALVANIZED TREADS AND LANDINGS TO ENSURE ALL SURFACES HAVE PROPER COVERAGE.

REFERENCE KEYNOTES

SHEET KEYNOTES

- | | |
|------|--|
| 01.A | REPLACE ALL TREADS AND RISERS WITH GRIP STRUT AND GALVANIZED PLATE. TYP. |
| 01.B | STRIP PAINT FROM ALL EXISTING RAILING SURFACES. REPLACE COMPROMISED PIECES, PRIME, REPAINT. TYP. |
| 01.C | REMOVE AND REPLACE SEALANT. TYP. |
| 01.D | EXAMPLE COMPROMISED RAILING PIECE TO REPLACE. TYP. |
| 01.E | STRIP PAINT FROM ALL EXISTING STAIR STRUCTURE, PRIME, REPAINT. TYP. |
| 01.F | REPLACE ALL LANDINGS WITH GRIP STRUT. SEE PLAN FOR PLANK SPAN DIRECTION, TYP. |



2021.08.26 17:01:44-0600

STUDENT RESIDENCE CENTER STAIR RESTORATION -PHASE II

100% Construction Documents
301 Redondo Drive Ease NE,
Albuquerque, NM, 87131

NO	DATE	DESCRIPTION
DATE:	08/27/2021	
PROJECT #:	21016	
DRAWN BY:	SCKW	
CHECKED BY:	EM	

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These documents were prepared for this specific project only. SMPC Architects' liability is limited to this specific project, and does not extend to reuse of these documents for other projects.

SHEET TITLE

PHOTOS

A-901
11 of 11

NOTICE!
THE APPROVED PLANS MUST BE AT THE JOB SITE AT ALL TIMES DURING CONSTRUCTION

**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for
CLINICAL TRANSLATIONAL SCIENCE CENTER ROOF REPLACEMENT
UNIVERSITY OF NEW MEXICO**

February 8th, 2022

REQUESTED ACTION:

In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project approval is requested for **Clinical Translational Science Center (CTSC) Roof Replacement, North Campus, Albuquerque, New Mexico.**

PROJECT DESCRIPTION:

The project includes the removal and replacement of the entire roof 12,314 SF (square foot) of the facility which is 109,553 GSF (gross square feet) in total. The building is located at 900 Camino De Salud N.E. Albuquerque, New Mexico. The existing and currently leaking roof system will be completely removed and disposed of. The new roof system will meet the thermal resistance and slope requirements by code (R-30 insulation) and minimum ½” per foot slope). The new white roof membrane will be an adhered 80-millimeter thick single ply and carries a 20 year no dollar limit warranty. Remediation of the entire roof system has been added to the scope.

PROJECT RATIONALE:

The Clinical Translational Science Center serves translational science locally, regionally and nationally; foster scientific and operational innovation to improve the efficiency and effectiveness of clinical translational research; and create, provide and disseminate domain-specific translational science training and workforce development. Our vision for the University of New Mexico Health Sciences Center Clinical and Translational Science Center is to catalyze scientific discovery into improved health by enabling high quality clinical and translational research locally, regionally and nationally. The existing roof has exceeded its life expectancy which now is consistently leaking and causing damages to the interior of the building. The roof has been repaired fifteen times over the last five years. If the facility is not properly maintained, and the roof is not replaced, user groups will experience impacts to their ability to perform. If the project is not approved, the building will continue to leak causing extensive interior damage which will only escalate as the roof continues to age.

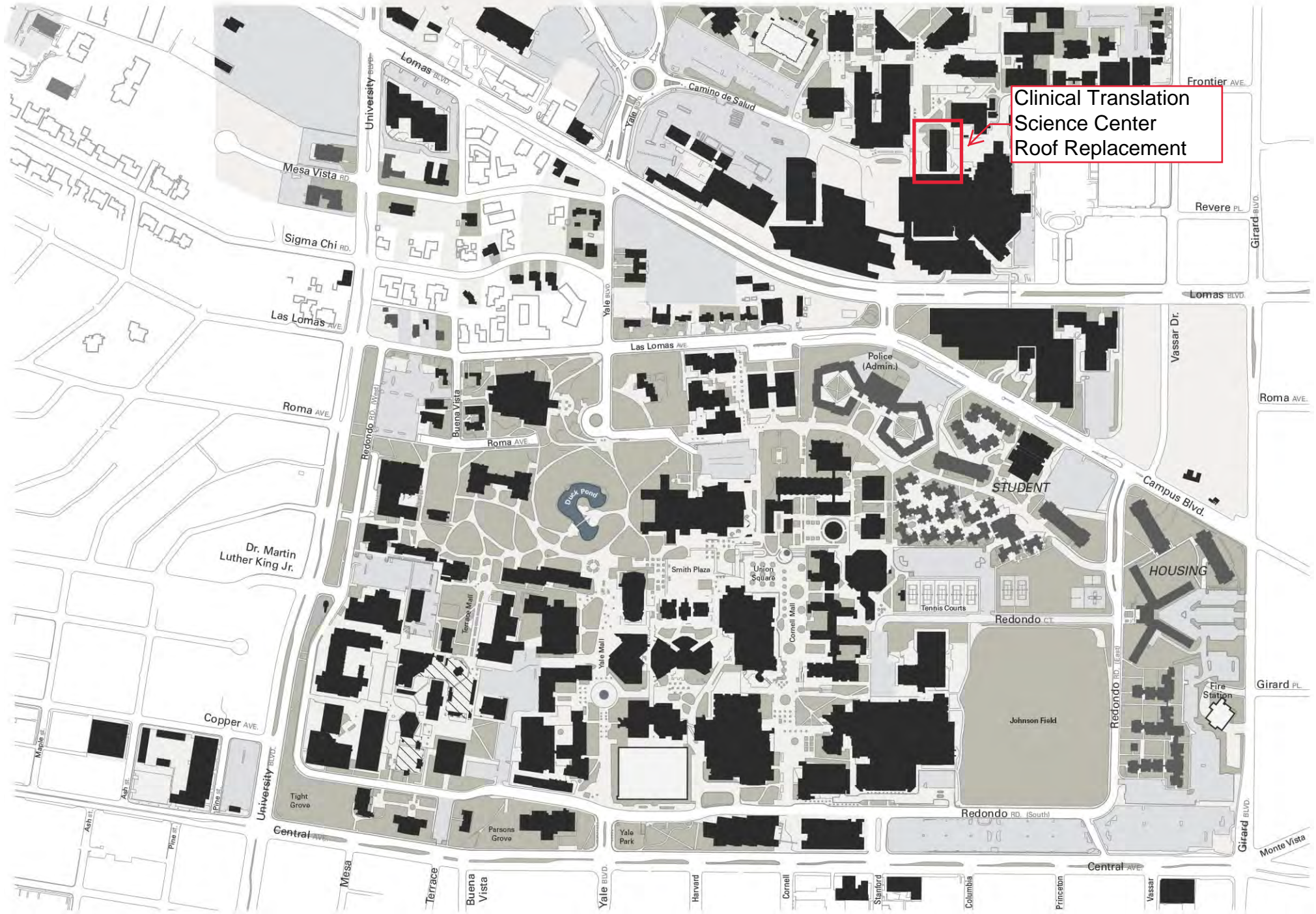
This request is for reapproval, as additional funds over the 10% threshold were added to the project for the purpose of abatement.

FUNDING:

The total estimated Project Budget is: \$679,916

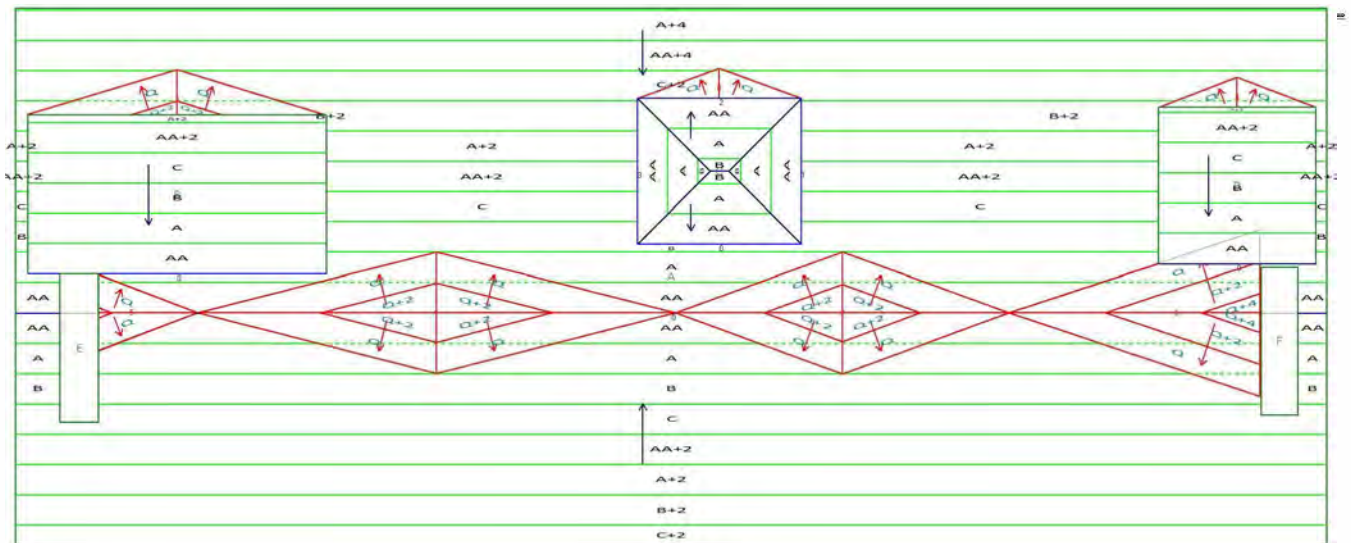
- \$679,916 - FY22 Facility Investment Needs funding (previously Building Renewal & Replacement Funds)

The University of New Mexico - Albuquerque: Central Campus



CLINICAL TRANSLATIONAL SCIENCE CENTER

ROOF PLAN



**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL FOR
STUDENT UNION PARTIAL ROOF REPLACEMENT PHASE 2
UNIVERSITY OF NEW MEXICO**

February 8th, 2022

REQUESTED ACTION:

In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project approval is requested for **Student Union Partial Roof Replacement Phase 2, Main Campus, Albuquerque, New Mexico.**

PROJECT DESCRIPTION:

Phase 2 of the partial roof replacement of the Student Union Building at the Main Campus in Albuquerque. Phase 2 will provide and install a new PVC Roof System including tear off of existing membrane roofing, insulation & associated flashings, disposal of roofing demolition materials, installation of new 80 mil. PVC, seal all drains & any other roof penetrations with PVC flashing materials, manufacturer's 20-year system warranty & Contractor's 2-year workmanship warranty. Also included is asbestos abatement, and sealing of the roof after abatement contractor performs removals. This project will replace approximately 18,266 square feet of roof. The remaining roof not covered in Phase 1 or Phase 2 will be replaced when funds become available.

PROJECT RATIONALE:

The Student Union Building (SUB) serves as a campus community center offering many programs and services to the University community as well as the greater Albuquerque area. The Student Union sees over 10,000 people every day within the walls of its facility. The facility provides meeting and event venues for student groups, communication forums of elected student government and various speaking events that our student population are passionate about. We offer space for student groups to meet, individual study areas and student-sponsored events.

The SUB is a leader on campus and provides many high-tech conveniences, essential services, and cultural enrichments to the students and UNM community.

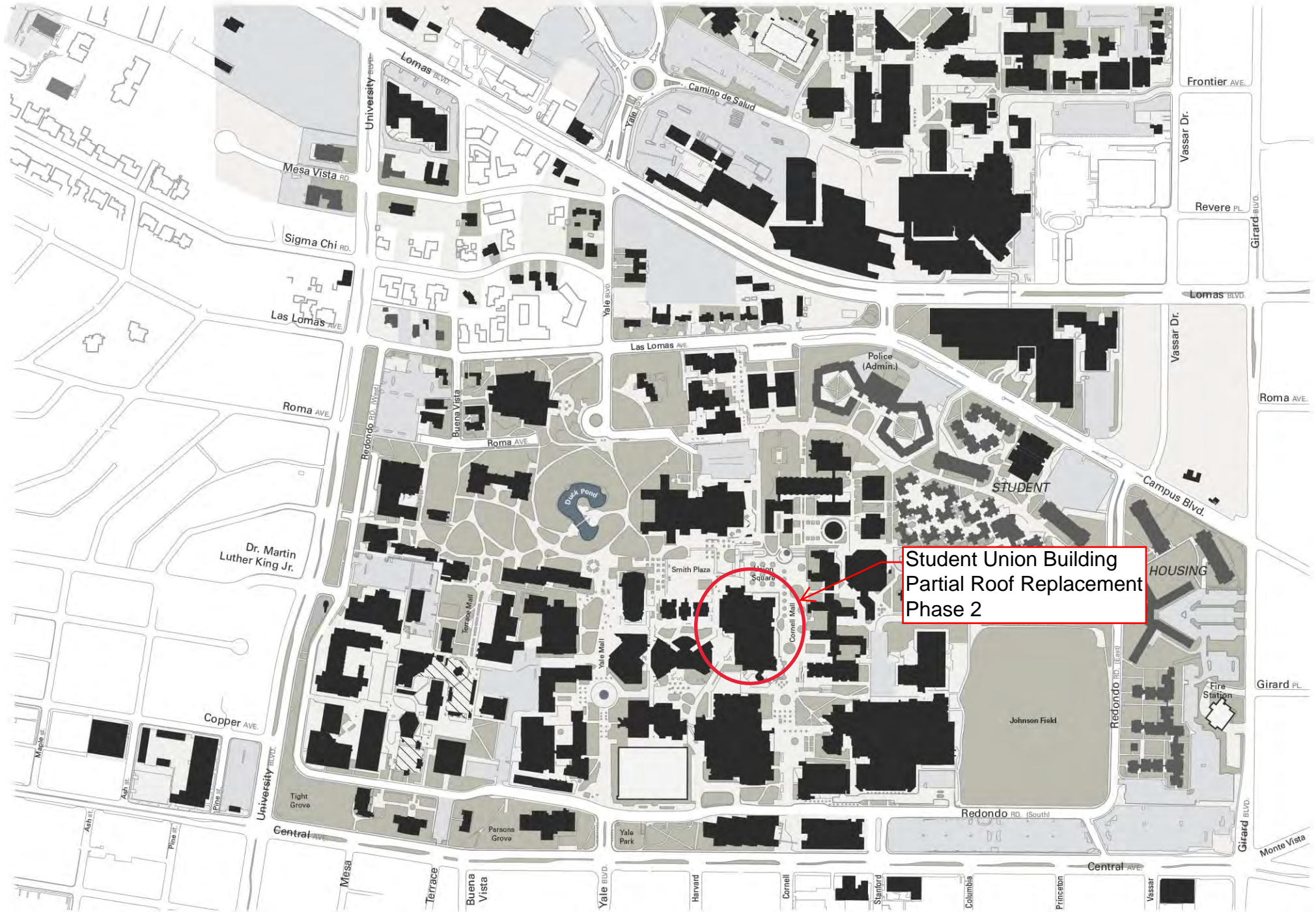
If this project is not approved, our facility, UNM students, the community, faculty and staff will be impacted by less than adequate facilities for the programs and services we offer. Our event staff market our facility as a premier venue to promote UNM for conferences and events. If our facility is not properly maintained, it impacts our ability to market UNM as a premier venue for events and makes us less competitive with other venues in the Albuquerque area.

FUNDING:

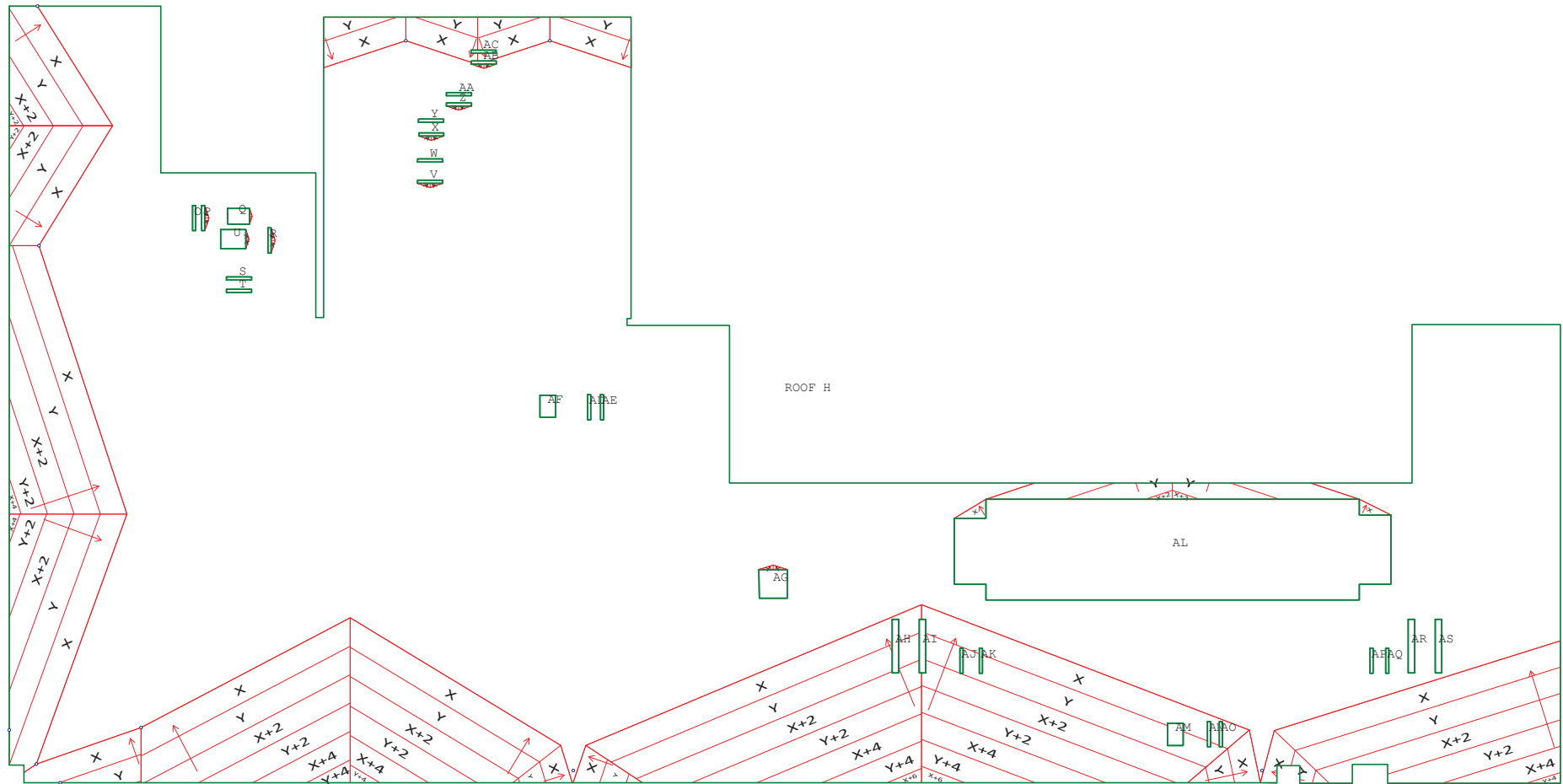
The total estimated Project Budget is \$460,144.00:

- \$300,000 is funded by Student Union Department funds
- \$160,144 is funded by FY22 Building Replacement and Renewal

The University of New Mexico - Albuquerque: Central Campus



Student Union Building
Partial Roof Replacement
Phase 2



THINKING ON TOP™ 6521 ACADEMY PARKWAY W. NE ALBUQUERQUE, NM 87109
 P 505.883.3000 F 505.883.1719 INFORMATIONALROOFING.COM
NATIONAL ROOFING NATIONALROOFING.COM

PROJECT	UNM Bldg 60- Student Union - NRC Designated Area H	
ADDRESS		
ARCHITECT		
Avg. R = 6.65		
Scale: 0.06" = 1'	Total SqFt = 18266.0	

TAB 9

#9

TO: The University of New Mexico Board of Regents
Finance & Facilities Committee Meeting

FROM: UNM Rainforest Innovations (UNMRI)
Board of Directors

DATE: February 8, 2022

RE: Approval of Board Reappointment(s): David Gibson

The UNMRI Board of Directors submits for approval the reappointment of David Gibson to its Board of Directors for a four-year term, beginning July 1, 2022 and ending June 30, 2026. This board member was recommended for reappointment by the UNMRI Nominations Committee and approved by the UNMRI Board of Directors at its January 28, 2022 board meeting, subject to Board of Regents' approval.

David Gibson

Bio Attached

Mr. David W. Gibson



**Deputy Laboratories Director and Chief Operations Officer
Sandia National Laboratories**

Education

BS – Construction Management, UNM
MBA – Business Administration, UNM

Business/Research Background

David Gibson currently serves as Deputy Laboratories Director and Chief Operations Officer at Sandia National Laboratories in Albuquerque, New Mexico. His responsibilities include, leadership, oversight, management direction, and execution to implement the Labs Director's strategic vision for safe and secure operations. His most recent role was at Argonne National Laboratory in Lemont, IL as he was Sr. Director of Environmental, Safety, Health, and Quality Directorate.

Particular Knowledge and Skills

Mr. Gibson has many years of experience managing business and physical operations functions including facilities, ES&H, safeguards & security, project management, strategic planning, human resources, procurement, logistics, and business operations.

In 2007, he was selected to serve as a detailee to the National Nuclear Security Administration's (NNSA's) Office of Infrastructure and Environmental Management in Washington, D.C.

Upon returning to Sandia in 2009, Mr. Gibson accepted his first management position in the FMOC Nuclear Weapons Customer Partnership Department with responsibility for sustaining the mission-critical nuclear weapons infrastructure.

In 2013, Mr. Gibson was promoted to Senior Manager and Deputy Vice President of Infrastructure Operations. His primary duty was to serve as the technical advisor to the Sandia vice president responsible for the corporate Safeguards and Security; Environment, Safety, and Health (ES&H); and Facilities policy areas. He also served as the Acting Director for the ES&H Center from January to May 2015.

In December 2015, he moved to Sandia's California Laboratory in Livermore, CA where he served as the Senior Manager of Collaborative Development and Operations. He led three departments focused on external partnerships with industry, academia, Department of Energy laboratories, and other federal agencies. He also managed business development and intellectual property for the California site. In 2017, Mr. Gibson became Director of California Site Operations.

TAB 10

#10



Memo

To: Teresa Costantinidis, UNM Senior Vice President for Finance and Administration

From: Kelly S. Ward, Director of Business Development
Lobo Development Corporation

Date: January 18, 2022

Re: Project Development Proposal and Agreement, UNM Owned Land at Central Ave.
and University Blvd.

Lobo Development Corporation is seeking approval of the attached Project Development Proposal and Agreement. The Lobo Development Board of Directors approved the agreement on December 9, 2021.

The proposed development site is approximately 3.8 acres located on the northwest corner of Central and University and is envisioned as a mixed-used zone that will provide a range of retail, office, and housing. It currently houses the UNM Center for Advanced Research Computing (CARC), several UNM College of Fine Arts Programs, and storage rooms for UNM Facilities Management.

The 2009 UNM Master Plan identified the site for commercial development. This has since been reaffirmed through various planning documents and with the recent adoption of the South Campus Tax Increment Development District (TIDD) which extended north to include this site.

The University and Lobo Development Corporation have been in preliminary discussions with the City of Albuquerque and Bernalillo County regarding future development on the site. There is a desire to utilize the site for a mixed-use commercial and residential housing development. The residential components would be oriented toward the workforce housing market to take advantage of the transportation, employment, local incentive (funding) programs and redevelopment in the area. Discussions have been at a concept level and issues related to site control, development approvals, deal structure, and long-term financial benefits have yet to be detailed. At this stage, Lobo Development Corporation would like to formally engage with the City of Albuquerque on behalf of the Regents and start taking steps to prepare the site by demolishing a vacant building at the corner of University and Central (PATS Building).

Any proposed development and corresponding deal structure will be presented to the Lobo Development Corporation Board and the UNM Regents for approval.

PROJECT DEVELOPMENT PROPOSAL AND AGREEMENT
Real Estate Development and Management of Regent-Owned Land

Effective _____, 2022 (the “Effective Date”), THE REGENTS OF THE UNIVERSITY OF NEW MEXICO and LOBO DEVELOPMENT CORPORATION (each a “Party” and together the “Parties”) agree as follows:

1. Background.

- a. Lobo Development Corporation (“LDC”) is a nonprofit research park corporation created by and operated for the benefit of The Regents of the University of New Mexico, a body corporate of the State of New Mexico (“UNM”) pursuant to the New Mexico University Research Park and Economic Development Act, NMSA 1978 Sections 21-28-1 et. seq. (“URPEDA”). LDC was created to provide real estate management and development services to and in support of UNM.
- b. The real estate subject to this Agreement is an approximately 3.8-acre site located on the northwest corner of Central and University shown on Attachment A (the “Real Estate”). The Real Estate is owned by UNM. The Real Estate is comprised of four individually platted parcels which are contiguous. The legal descriptions are: Tract of land being all of BLK 9 including VAC alleys and Pine St. NE and all of LTS 1 thru 4 and the WLY 18.54 Ft of LTS 5 thru 10 BLK 10 Brownwell and Lail’s Highland ADDN, Cont 3.2713 acres; LT 3 BLK 8 Brownwell and Lail’s Highland ADDN and Vacated E1/2 of North to South Alley of and adjacent to Lot 3, Cont .1854 acres; *002 008B X L Highland, Cont .1607 acres; 001 008B X L Highland Cont .1607 acres.
- c. The 2009 UNM Master Plan identified the Real Estate for commercial development (Attachment B). This has since been reaffirmed through various planning documents and with the recent adoption of the South Campus Tax Increment Development District (TIDD) which extended north to include the Real Estate.
- d. As provided for in Section 1.3 of the Memorandum of Agreement between UNM and LDC dated August 12, 2008 (the “MOA”), LDC or UNM may present a Development Proposal to the other party for concurrence. LDC is initiating and offering for concurrence this Development Proposal and Agreement (“Agreement”) for the development of the Real Estate.

2. Purposes of LDC and the Real Estate Development and Management Framework. Under Article III of the Articles of Incorporation of LDC, LDC was organized and is to be operated for the benefit of, to perform functions of, and to carry out the purposes of UNM. Under this proposal, LDC desires to serve as the real estate developer and manager of the Real Estate in accordance with the terms and conditions of this Agreement, the LDC Articles of Incorporation, the LDC Bylaws, and the MOA.

3. Role of LDC. In accordance with the terms of this Agreement and in consultation and coordination with the UNM Real Estate Department, LDC will develop, implement, and manage plans for the financing, constructing and leasing of improvements on the Real Estate (the “Project”).
4. UNM Determinations. UNM previously found and affirmed that the Real Estate is appropriate for commercial development as noted in the 2009 Master Plan, 2011 Land Use Planning, and the 2021 South Campus Tax Increment Development District application and formation documents.
5. LDC Intent. It is the intent of LDC to plan and execute mixed-use commercial development on this Real Estate that may include workforce housing, retail and/or office uses.
6. Coordination with the UNM Real Estate Department and other UNM Departments as Necessary. It is the intent of LDC to coordinate real estate development efforts with the UNM Real Estate Department. Additionally, it is understood that there exist current UNM uses on the Real Estate. As such, and to the extent necessary, LDC will participate in the planning and coordination of relocation efforts for those programs.
7. No Signature Authority Granted to LDC. Notwithstanding any provision of URPEDA or this Agreement, LDC shall not have the authority or power to bind UNM under any third-party agreement or encumber or lease the Real Estate. All agreements with third parties that impose obligations on UNM or that encumber or lease the Real Property shall be authorized and signed on behalf of UNM by the UNM President or the Senior Vice President for Finance and Administration.
8. Revenue and Expenses of Project and LDC. Except through written agreement between the UNM Board of Regents and LDC, entered into after the Effective Date, UNM will not provide funding for the Project. All revenues derived from the Project, including revenues derived from the leasing of improvements on the Real Estate entered into on or after the Effective Date, shall be retained by or paid to LDC as the manager of the Project and the Real Estate and used by LDC for the purposes of the Project, including payment of expenses of the Project and the Real Estate.
9. Participation of Other Governmental Units. It is anticipated that the City of Albuquerque, Bernalillo County, or other governmental units may desire to participate in the Project and LDC is encouraged to obtain such participation.
10. Term. This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated in writing by either Party effective at least two (2) months in advance of the date of termination.

11. Approvals. This Agreement was approved by the UNM Board of Regents on _____ and by the LDC Board of Directors on _____.

AGREED:

The Regents of the University of
New Mexico, a body corporate of
the State of New Mexico

By: _____

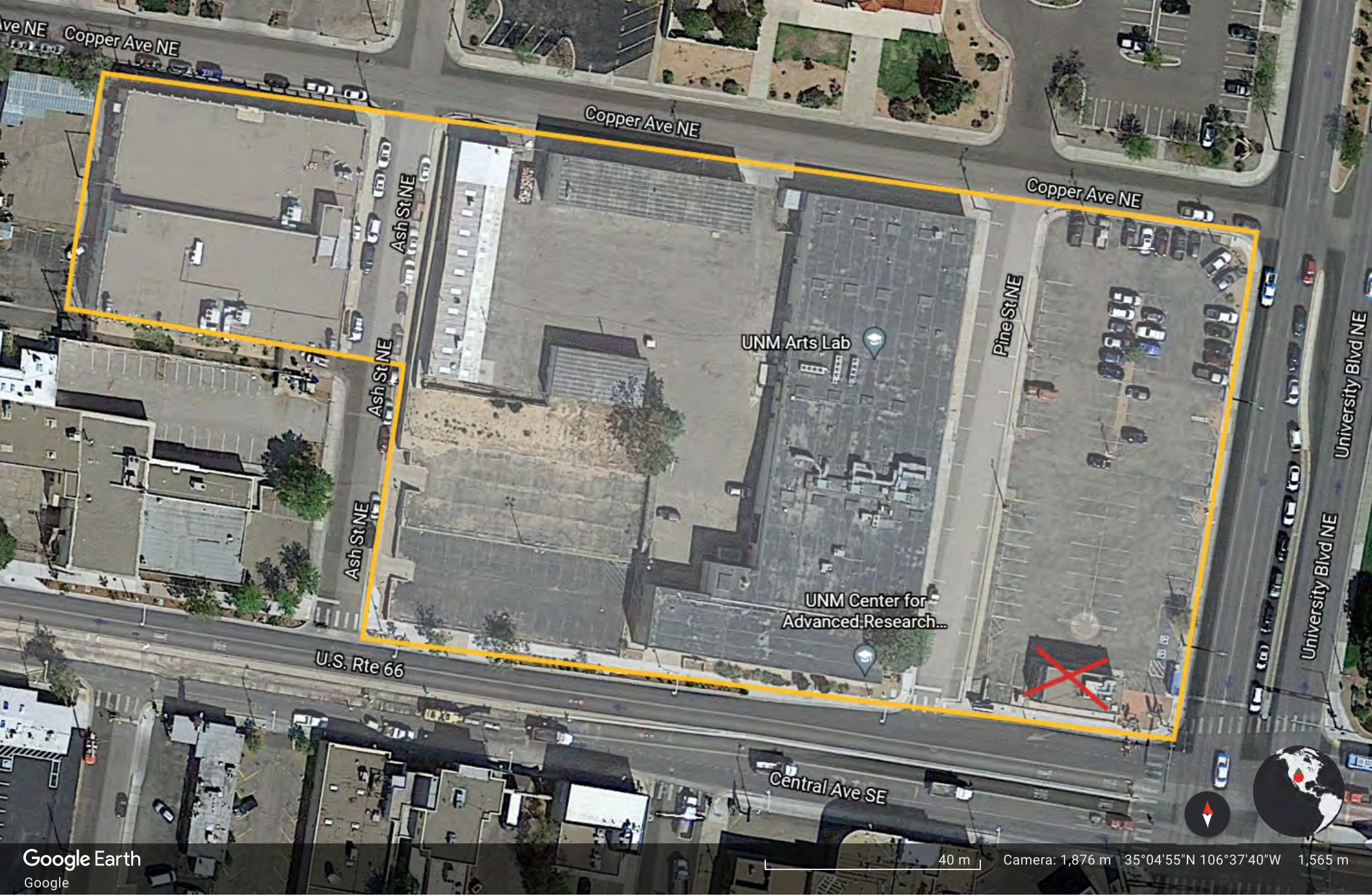
Its: _____

Lobo Development Corporation
a New Mexico nonprofit, research
park corporation

By: _____

Its: _____

ATTACHMENT A



Google Earth
Google

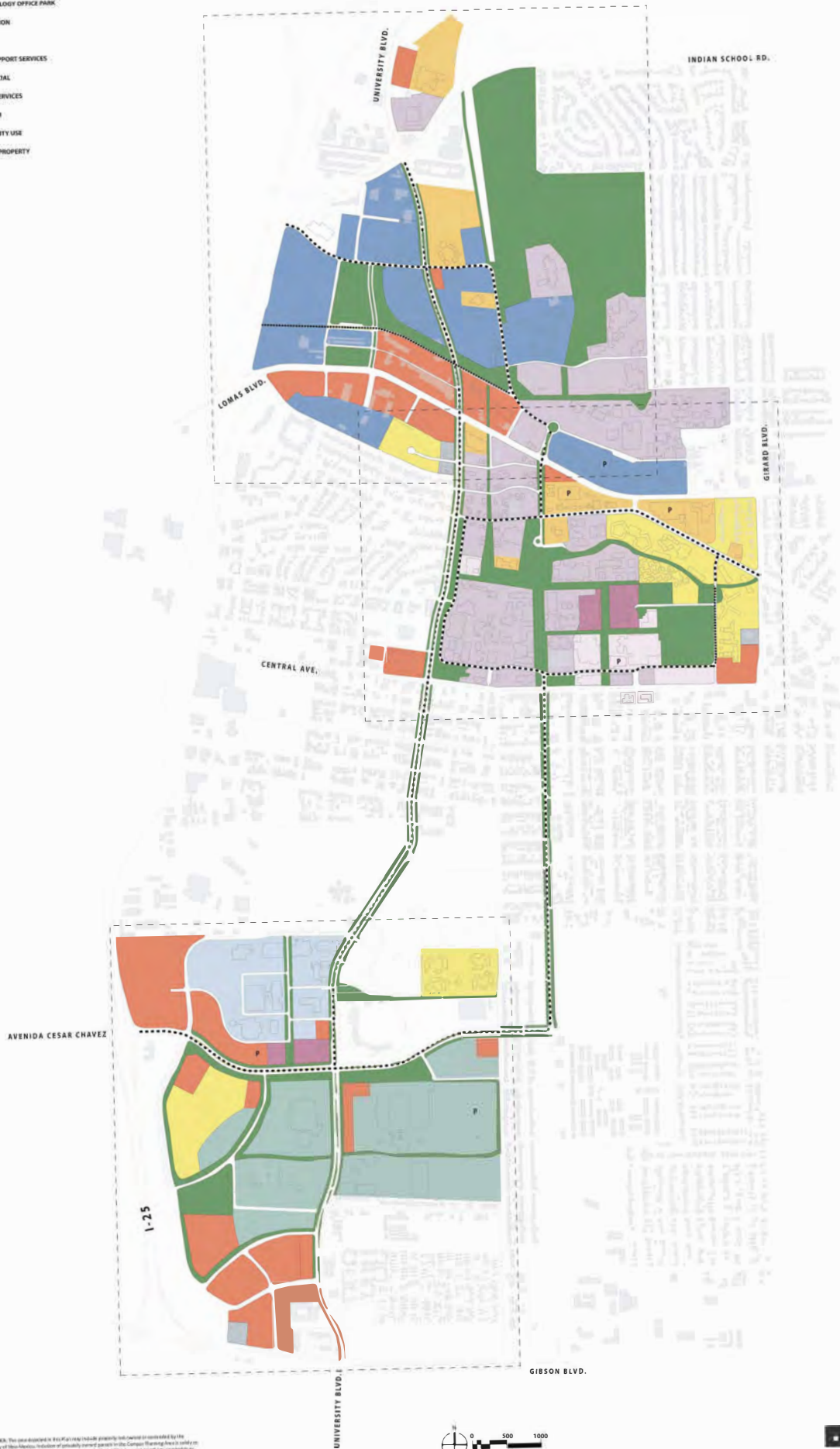
40 m

Camera: 1,876 m 35°04'55"N 106°37'40"W 1,565 m

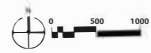
ATTACHMENT B

LEGEND

- ATHLETICS
- HOSPITAL/CLINIC
- SCIENCE AND TECHNOLOGY OFFICE/PARK
- OPEN SPACE/RECREATION
- RESIDENTIAL
- ADMINISTRATION/SUPPORT SERVICES
- MIXED USE/COMMERCIAL
- STUDENT SUPPORT SERVICES
- ACADEMIC/RESEARCH
- ACADEMIC/COMMUNITY USE
- LEASED UNIVERSITY PROPERTY
- ACCESS
- LIMITED ACCESS



DISCLAIMER: This plan is intended to be a conceptual plan and does not constitute a contract. The University of New Mexico is not responsible for any errors or omissions in this plan. The University of New Mexico is not responsible for any errors or omissions in this plan. The University of New Mexico is not responsible for any errors or omissions in this plan.



TAB 11

#11

ACTION ITEM RECOMMENDATIONS:

Recommendations for Consent Agenda Items on Full Board
of Regents' Agenda (*Sandra Begay, Chair, Regents' Finance
& Facilities Committee*)

TAB 12

#12



Supporting Technology Transfer and
Catalyzing Economic Development
at the University of New Mexico

ANNUAL REPORT TO THE BOARD OF REGENTS OF THE UNIVERSITY OF NEW MEXICO

Presented by Lisa Kuuttila,
CEO & Chief Economic Development Officer
UNM Rainforest Innovations

February 8, 2022

UNM RAINFOREST INNOVATIONS BOARD OF DIRECTORS



Ms. Sandra Begay
Chair, UNM Rainforest Innovations
Board of Directors



Ms. Terri L. Cole
Vice Chair, UNM Rainforest Innovations
Board of Directors



Dr. James P. Holloway
Vice Chair, UNM Rainforest Innovations
Board of Directors



Dr. John H. Stichman
Secretary & Treasurer,
UNM Rainforest Innovations Board of Directors



Ms. Elizabeth (Lisa) Kuuttilla
CEO & Chief Economic Development Officer, UNM Rainforest Innovations



Mr. Joe Christian



Dr. Christos Christodoulou



Dr. Julie Coonrod



Ms. Teresa Constantinidis



Dr. Ellen Fisher



Dr. Robert Fisher



Mr. David Foster



Mr. David W. Gibson



Mr. Riis Gonzales



Ms. Maria Griego-Raby



Dr. Kelly Hammett



Dr. Richard Larson



Dr. Richard Luarkie



Dr. Gregg L. Mayer



Dr. Mitzi M. Montoya



Mr. Robert Nath



Dr. Eric Prossnitz



Mr. Alex O. Romero



Dr. Alton Romig, Jr.



Ms. Kimberly Sanchez Rael



Dr. Garnett S. Stokes



Dr. John C. Stormont

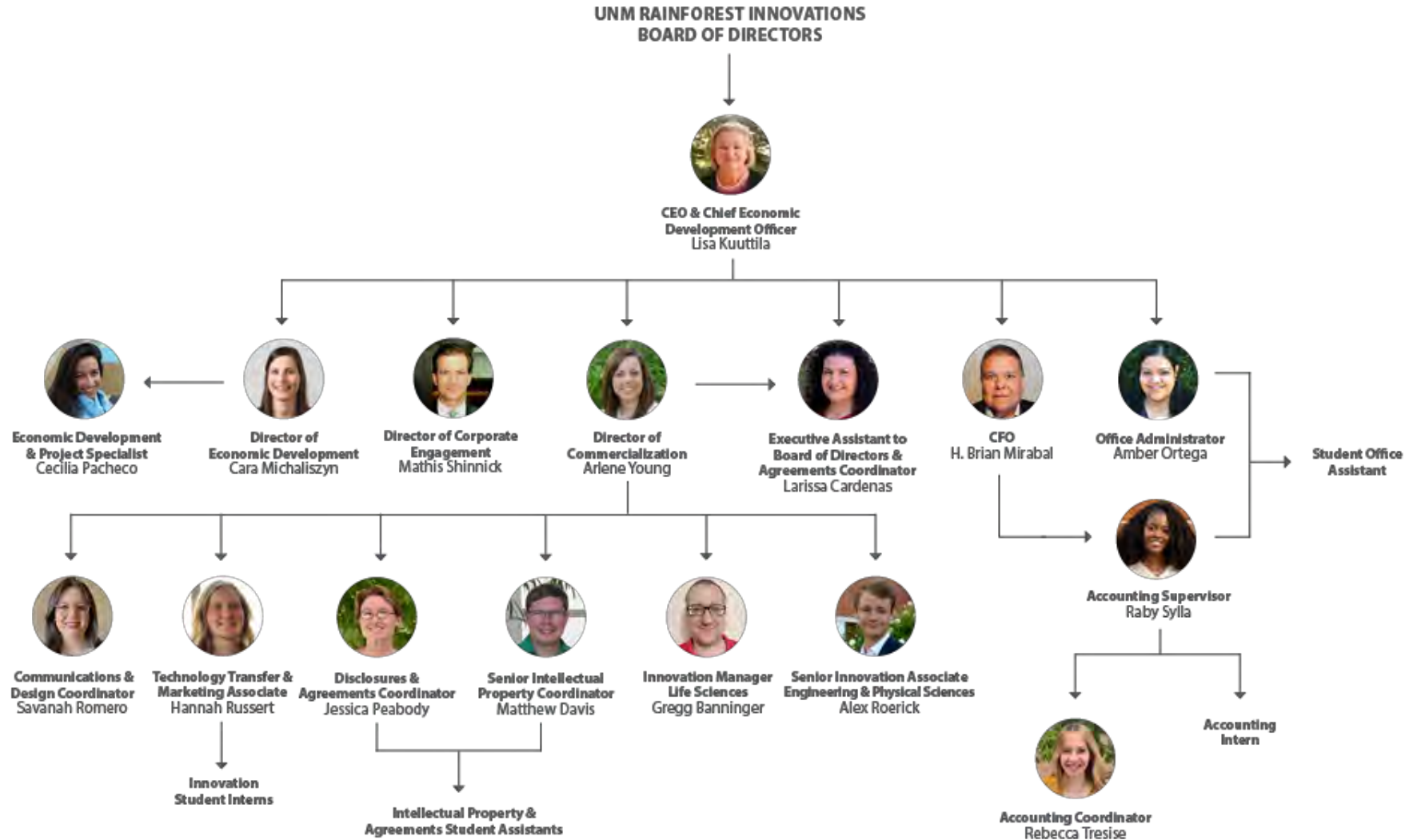


Mr. Charles Wellborn



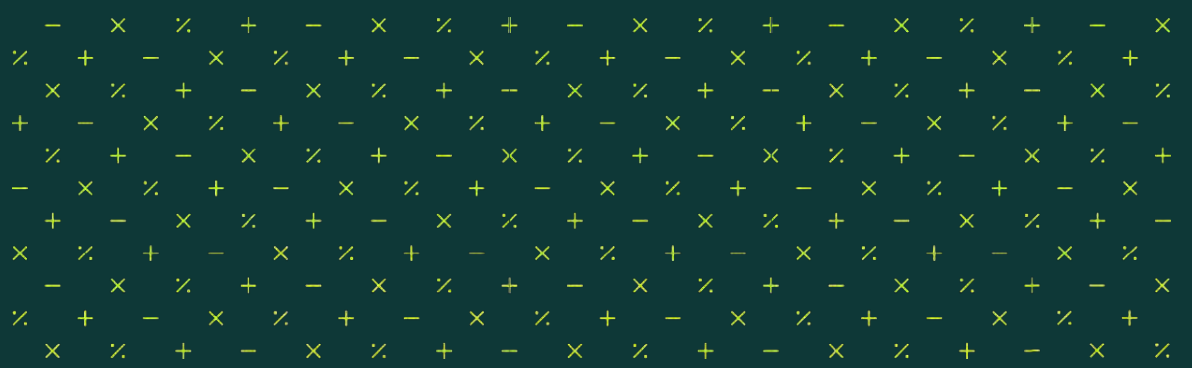
Dr. Douglas Ziedonis

STAFF ORGANIZATIONAL CHART



OUTLINE

- ❖ FY 2021 Audit Results
- ❖ FY 2021 Accomplishments
 - Technology Transfer
 - Economic Development
 - Board Retreat: Future Scenario Planning
- ❖ FY 2021 Data, Income Analysis & Forecast



UNM Rainforest Innovations

Audit Exit Conference

September 7, 2021



Your Service Team

Name	Role	Contact
Lisa Todd	Partner	lisa.todd@mossadams.com 505-837-7653
Josh Lewis	QC Reviewer	josh.lewis@mossadams.com 505-837-7617
Sheila Herrera	Senior Manager	sheila.herrera@mossadams.com
Lauren Kistin	Senior Manager	lauren.kistin@mossadams.com
Lauren Casias	Audit Senior	lauren.casias@mossadams.com



Overview of Current Year Audit

- Unmodified independent auditors' report
 - Unmodified = a clean opinion
- Unmodified Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance With *Government Auditing Standards*



Overview of Current Year Audit

Our Consideration of Fraud

- We consider internal control over financial reporting as a basis for designing our auditing procedures but not for the purpose of expressing an opinion on the effectiveness of UNM Rainforest Innovation's internal control
- We do not design our audit to specifically detect fraud but are required to communicate any instances detected by our procedures



Communications With Those Charged With Governance

- Significant accounting policies are the responsibility of Management – are defined in Note 2 in the financial statements with no significant changes from prior year
- We noted no transactions entered into by UNM Rainforest Innovations during the year for which there is a lack of authoritative guidance or consensus
- Additional time spent auditing license settlements and related costs, incentive compensation



Communications With Those Charged With Governance

- **Significant Accounting Estimates**
 - Allowance of accounts receivable
 - Estimated useful lives of capital assets
 - Compensated absences
 - Valuation of investments
- **Audit adjustments**
 - No audit adjustments or passed adjustments



Verbal comments

- Noted trivial misstatements in our licensing and royalties revenue testing:
 - \$7,542 of revenue related to FY20 was recorded in FY21
 - Royalty sharing payables were understated by \$11,503
 - Based on known misstatements in our sample, we projected/estimated a possible additional overstatement of revenue of \$11,858, and possible additional understatement of liabilities of \$19,659
 - All impacts – actual and estimated – are immaterial. Management has passed on adjusting FY21 balances.
 - We recommend that accounts/contracts are more carefully reconciled at year-end.



Communications With Those Charged With Governance

- To our knowledge, management has not consulted with other independent accountants
- No issues discussed prior to our retention as auditors
- We will be requesting certain representations from management in our management representation letter to be signed prior to the issuance of the financial statements
- No noncompliance with laws and regulations
- No fraud noted

PRESIDENT'S REPORT FY 2021

FY 2021 ACCOMPLISHMENTS

TECNOLOGY TRANSFER

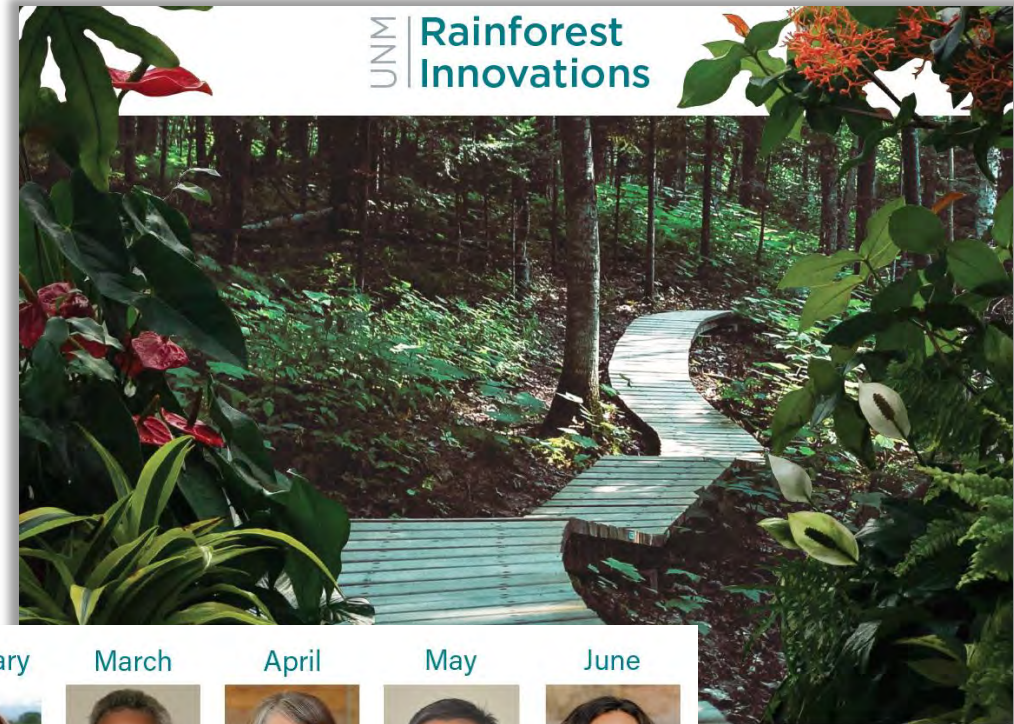
Metrics

	FY 2018	FY 2019	FY 2020	FY 2021 (Goal)	FY 2021 (Actual)	% of Goal
Disclosures	107	125	127	125	81	65%
New U.S. Patent Applications Filed	93	102	77	---	64	---
Issued U.S. Patents	51	59	46	---	54	---
Option/License Agreements	52	52	47	50	43	86%
Start-up Companies	11	11	4	8	6	75%
Patent Expenses						
• Licensee Initiated	\$557,531	\$667,648	\$459,529	\$545,000	\$624,287	115%
• UNM Rainforest Innovations Initiated	\$885,030	\$886,475	\$1,007,541	\$841,670	\$970,128	115%
License Revenues	\$1,470,078	\$1,330,759	\$52,317,796	\$1,749,000	\$54,521,482	3117%
Patent Cost Reimbursement Revenues	\$621,413	\$623,274	\$480,334	\$580,000	\$624,287	108%
Combined License & Patent Cost Reimbursement Revenues	\$2,091,491	\$1,954,033	\$52,798,130	\$2,329,000	\$55,145,769	2368%
Total Revenues (excludes funding from UNM)	\$2,490,951	\$2,407,927	\$54,341,187	\$2,761,228	\$55,733,707	2018%

SUPPORTING UNM

Inventors Featured in 2021 Calendar

- ❖ Sang Eon Han, UNM Main
- ❖ Jennifer Gillette, HSC
- ❖ Fernando Garzon, UNM Main
- ❖ Carolyn Muller, HSC
- ❖ Ying-Bing Jiang, UNM Main
- ❖ Karin Westlund High, HSC
- ❖ Steven Bradfute, HSC
- ❖ Eva Chi, UNM Main
- ❖ Kathryn Frietze, HSC
- ❖ Ladan Arissian, UNM Main
- ❖ Kiran Bhaskar, HSC
- ❖ Alexander Neumann, UNM Main



UNM | Rainforest
Innovations

2021 Calendar

January	February	March	April	May	June
 Sang Eon Han, Ph.D.	 Jennifer Gillette, Ph.D.	 Fernando Garzon, Ph.D.	 Carolyn Muller, Ph.D.	 Ying-Bing Jiang, Ph.D.	 Eva Chi, Ph.D.
July	August	September	October	November	December
 Steven Bradfute, M.D.	 Kathryn Frietze, Ph.D.	 Kiran Bhaskar, Ph.D.	 Ladan Arissian, Ph.D.	 Peter Vorobieff, Ph.D.	 Karin Westlund High, Ph.D.

SUPPORTING UNM

Innovation Fellow Wall

A new Rainforest Innovation Fellow wall has been installed at the Lobo Rainforest Building. This wall is to recognize the hard work and significant accomplishments of the thirteen Rainforest Innovation Fellows selected to date and those who will be honored in the future.



SUPPORTING UNM

National Academy of Inventors Fellow

- ❖ Larry Sklar, Ph.D.
Emeritus Professor
Department of Molecular
Genetics & Microbiology
- ❖ Named a 2020 Fellow of the
National Academy of Inventors
- ❖ 2020 Fellows will be inducted on
June 8, 2021 in Tampa, Florida





NATIONAL ACADEMY of INVENTORS FELLOW



2021 Fellow

David G. Whitten, Ph.D.

Distinguished Professor, Department of Chemical & Biological Engineering
Associate Director, Center for Biomedical Engineering
The University of New Mexico



2019 Fellow

Bryce Chackerian, Ph.D.

Professor, Department of Molecular Genetics & Microbiology
The University of New Mexico



2016 Fellow

Gabriel P. López, Ph.D.

Professor, Department of Chemical & Biological Engineering
Founding Director and Member, Center for Biomedical Engineering
The University of New Mexico



2020 Fellow

Larry A. Sklar, Ph.D.

Emeritus Professor, Department of Pathology
The University of New Mexico



2017 Fellow

Cheryl L. Willman, M.D.

Distinguished Professor of Pathology
The University of New Mexico
Director & CEO of the UNM Comprehensive Cancer Center



2015 Fellow

C. Jeffrey Brinker, Ph.D.

Distinguished and Regents' Professor, Department of Chemical & Biological Engineering
Professor, Department of Molecular Genetics & Microbiology
Member, UNM Cancer Center
The University of New Mexico



2019 Fellow

David S. Peabody, Ph.D.

Professor, Department of Molecular Genetics & Microbiology
The University of New Mexico



2017 Fellow

Plamen B. Atanassov, Ph.D.

Distinguished Professor of Chemical and Biological Engineering
Director of the UNM Center for Micro-Engineered Materials



2015 Fellow

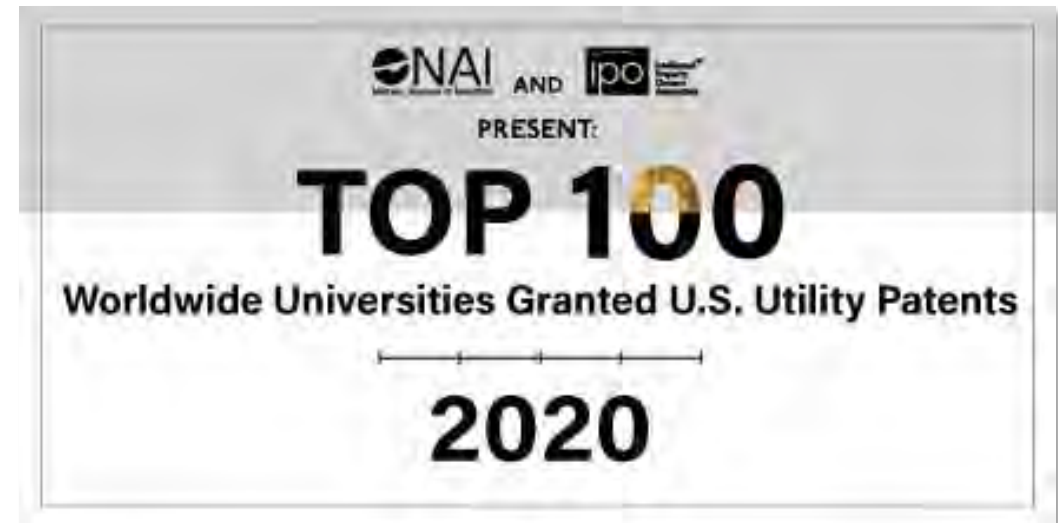
Steven R. J. Brueck, Ph.D.

Distinguished & Professor Emeritus
Department of Electrical & Computer Engineering
Department Physics & Astronomy
Center for High Technology Materials
The University of New Mexico

SUPPORTING UNM

NAI Ranking

- ❖ UNM makes list of top 100 worldwide universities with largest number of issued US patents for the seventh year in a row.
- ❖ Recognized by National Academy of Inventors (NAI) and the Intellectual Property Owners Association (IPO)
- ❖ Ranked 86th in 2020



SUPPORTING UNM

E-Newsletters FY 2021

Monthly news, events & updates

Building a Rainforest in the Desert | December 2020

Milken Institute Ranks New Mexico 18th on State Technology and Science Index

[Read more](#)

Editorial: A Rainforest That Works – Even in the New Mexico Desert
By Albuquerque Journal Editorial Board

[Read more](#)

UNM Rainforest will be Closed December 23, 2020 - January 1, 2021 for Winter Break

Upcoming Events

[See what's happening](#)

UNM Rainforest Innovations Celebrates 25th Anniversary

On November 18, UNM Rainforest Innovations celebrated its 25th anniversary with a virtual celebration. Over 80 guests attended the event to celebrate this milestone. We also honor the 2020 Rainforest Innovation Fellow, David G. Whitten.

Dr. Whitten has excelled as a scientist and an academic. He joined the University of New Mexico, where he has received 17 issued patents and has a strong desire to find a better method for vaccine development. Dr. Whitten and his students have developed novel antimicrobial oligomers, and conjugated polymers with unique properties as antimicrobial agents (e.g., viruses, fungi and biofilms in various processes). Dr. Whitten's research focuses on several potential antimicrobial properties.

[Watch event recording](#)

[Read more](#)
Kevin Robinson-Avila's No. 100 "UNM Rainforest Innovations" featured in the Albuquerque Journal.



Dr. David Whitten has over 50 years of experience as a scientist and an academic. He joined the University of New Mexico in 2005 and has since been an inventor, disclosing 33 technologies and 17 issued patents. He was selected as a Distinguished Professor in 2011 and is currently the Director for the Center for Bioinformatics and Biomaterials. He also serves as Associate Editor for the Journal of Materials and Interfaces.

[Read more about his journey and accomplishments](#)



UNM Rainforest For CABQ Economic Development Presentation

November 19, 4:00-5:00 p.m. (MST)

Join us to hear from Synthia Jaramillo, Director, Economic Development, City of Albuquerque, on the City's plan to position Albuquerque to step into its future.

[REGISTER](#)

In the Spotlight - Featured Inventor

2017 Rainforest Innovation Fellow



Bryce Chackerian, Ph.D.
Professor and Vice-Chair
Department of Molecular Genetics & Microbiology
Member, Comprehensive Cancer Center
Member, Center for Infectious Disease and Immunity
The University of New Mexico

As a 2017 Innovation Fellow, Dr. Chackerian is recognized as a pioneering innovator in developing the next generation of vaccines for viruses, pathogens and chronic diseases and a dedicated mentor to the next generation of vaccine researchers. Dr. Chackerian has been working on vaccine development using nanoparticle-based platforms for over 20 years. The overall aim of his work is to develop simple, effective vaccines that make an impact on human health worldwide.

[READ MORE](#)

Carrying Out Customer Discovery in a Virtual World Rainforest Webinar

October 14, 11:00 a.m. - 12:00 p.m.



Presented by Susan Cornelius, learn how to conduct market research, carry out customer discovery and navigate the development of your start-up in the virtual world of Covid-19. This workshop will give you strategies so that you can continue to develop your company and cater to the right customers in this new "virtual world."

[REGISTER](#)

11 U.S. Patents Issued to UNM Rainforest Innovations for UNM Technologies in July, August, and September

[See the list](#)

UNM Rainforest Innovations Board Chair Wins 2020 Indigenous Excellence Award



The American Indian Science and Engineering Society (AISES) announced that Sandra Begay, the UNM Rainforest Innovations Board Chair, has been awarded the 2020 Indigenous Excellence Award. Sandra Begay is the Sandia National Laboratories R&D Researcher – Principal Member of the Technical Staff, Board Chair of Rainforest Innovations, and a Regent of the

Annual AISES Professional Awards Program recognizes the significant contributions of Indigenous scientists and professionals in six different areas. The Indigenous Excellence Award is a recognition, only awarded to those who have made substantial and impactful work to advance science and opportunities for Indigenous students and professionals in STEM education and careers.

SUPPORTING UNM

25th Anniversary Celebration Webinar

❖ November 17, 2020, 4:00-5:00pm

Agenda		
4:00 – 4:10 pm	Welcome and Opening Remarks: 25 Year Milestone	Sandra Begay
4:10 – 4:20 pm	UNM Rainforest Innovations' Value to the University of New Mexico	Garnett Stokes
4:20 – 4:25 pm	Introduction of Dr. David Whitten	Lisa Kuuttila
4:25 – 4:50 pm	Keynote by 2020 Rainforest Innovation Fellow	David Whitten
4:50 – 5:00 pm	Closing Remarks: Reflection on the Past 25 years and Looking Ahead	Gregg Mayer

Recording available on Rainforest Innovations YouTube Channel: <https://youtu.be/Tv3Xy1sIJ5Q>.

UNM Rainforest Innovations

25th Anniversary

Please join us for an
Anniversary Celebration

Tuesday, November 17, 2020 ▪ 4:00 - 5:00 pm ▪ Online Event

This year marks UNM Rainforest Innovations' 25th Anniversary! Join us as we celebrate this milestone year and honor the 2020 Rainforest Innovation Fellow:

David G. Whitten, Ph.D.

Distinguished Professor, Department of Chemical & Biological Engineering
Associate Professor, Center for Biomedical Engineering

To register for this event, click on the button below.

[Click Here](#)

UNM Rainforest Innovations



SUPPORTING UNM

NMTC Women in Technology

- ❖ Sandra Begay is a 2021 NMTC Women in Technology Honoree.
- ❖ The applicants were evaluated on four criteria: Impact to their Profession, Volunteerism, Mentorship, and Entrepreneurialism.
- ❖ Honoree video: <https://www.youtube.com/watch?v=6owa5pl8FKY>



Sandra Begay
Principal Member of
Technical Staff
Sandia National Laboratories

Sandra has worked at Sandia National Laboratories for 29 years. She previously worked at the Lawrence Livermore National Laboratory and Los Alamos National Laboratory as a facilities engineer. Sandra is well known in the minority engineering and science arenas for her engaging presentations and advocacy for diversity within the STEM fields.

SUPPORTING UNM

NMTC Women in Technology Awards Event Ad

“Dear Lisa, I wanted to say 'thank you' for this email and recognition. It has been a tough year due to COVID losses and the need to conduct teaching and keep research going under virtual circumstances, and seeing this email in my inbox (arrival was delayed by several weeks until this afternoon!) was a lovely surprise.”

- Susan Atlas, Associate Professor, Chemistry



Our hats go off to women innovators at the University of New Mexico!

UNM Rainforest Innovations
Lobo Rainforest Building
101 Broadway Blvd. NE, Suite 1100
Albuquerque, NM 87102
(505) 272-7900
innovations.unm.edu

START-UP SUPPORT

New Start-up Option/Licenses Signed – FY 2021

- ❖ VIC Foundry, Inc.
 - Option signed
- ❖ Nanoplasmonics, LLC
 - Option signed
- ❖ Flagship Labs 72, Inc.
 - Option signed
- ❖ Mike Freedland & Ian Rennie
 - Option signed
- ❖ Troy Sensor Company, LLC
 - Option signed
- ❖ Advanced Concepts in Biology, LLC
 - Option signed

PRESIDENT'S REPORT FY 2021

ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

UNM Rainforest Forum – FY 2021

- ❖ Formerly the UNM Economic Development Forum; Over 200 members from the business community. Meetings began August 24, 2012, meetings now quarterly

Speaker(s)	Date	Topic (Recordings linked)
NSF I-Corps Mentor Panel: Tom Chepucavage, Susan Cornelius, Bill Szaroletta, Denise Pliskin, Robert Frank; Moderated by: Lisa Kuuttila and Rob DelCampo	9/17/2020	<u>What is the NSF I-Corp program? And testimonies from I-Corp mentors about program experiences.</u>
Synthia Jaramillo, Director, Economic Development, City of Albuquerque	11/19/2020	<u>City's plan to position Albuquerque to step into its future.</u>
Rob Black, CEO, New Mexico Chamber of Commerce	4/14/2021	<u>Update on Driving New Mexico's Future Plan</u>
Perkins&Will and HATCHspaces	7/15/2021	<u>Innovate ABQ Master Plan Update</u>

ECONOMIC DEVELOPMENT

UNM Economic Development Council – FY 2021

- ❖ Meetings began on June 26, 2013
- ❖ EDC will be an advisory board for NM Rainforest University Center (EDA Grant)
- ❖ FY 2021 topics/presenters:

Speaker(s)	Date	Topic
Lisa Kuuttilla, UNM Rainforest Innovations and Rob Delcampo, UNM Innovation Academy	10/22/2020	Updates on New Mexico Rainforest University Center and CARES Act Expansion
Lisa Kuuttilla, UNM Rainforest Innovations	1/21/2021	Discussion on 2021 UNM Business and Economic Summit
Dean Mitzi Montoya, UNM ASM & Leba Freed, Wheels Museum	4/15/2021	ASM's Economic Development Activities and Update on Wheels Museum and Railyards

ECONOMIC DEVELOPMENT

UNM Economic Summit

The 2021 Virtual University of New Mexico Business and Economic Summit

When: Tuesday, January 12, 2021, 10am-3:30pm MST

Where: Zoom

- ❖ UNM and UNM Rainforest Innovations is hosting a 3rd Business and Economic Summit. It is an event to continue our statewide dialogue about ways to grow our New Mexico economy and our innovation ecosystem.
- ❖ The summit will build on the results of New Mexico Association of Commerce and Industry's recent "Creating New Mexico's Future – A Statewide Economic Strategic Action Plan".

ECONOMIC DEVELOPMENT

UNM Economic Summit



The University of New Mexico
BUSINESS & ECONOMIC SUMMIT | 2021

The University of New Mexico Business and Economic Summit: New Mexico 2030
Tuesday, January 12, 2021, 10:00 a.m. – 3:30 p.m. (MST) | Online via Zoom
Hosted by the University of New Mexico and UNM Rainforest Innovations

Welcome to UNM's third Business & Economic Summit. The purpose of today's event is to continue our statewide dialogue about ways to grow our New Mexico economy and our innovation ecosystem. This summit will build on New Mexico Chamber of Commerce's strategic plan: "Driving New Mexico's Future: Empowering a Competitive Economy in a Post-Pandemic World."

AGENDA - PART 1

10:00 - 10:10 a.m. **Welcome and Opening Remarks**
Garnett S. Stokes, Ph.D., President, University of New Mexico

10:10 - 10:45 a.m. **Presentation of New Mexico Chamber of Commerce "Driving New Mexico's Future" Report**
Rob Black, President & CEO, New Mexico Chamber of Commerce
Ted Abernathy, Principal & Founder, Economic Leadership

10:45 - 11:00 a.m. **Break**

Panel Discussions around Implementing the New Mexico Chamber of Commerce Plan

11:00 - 11:30 a.m. **Research Universities in New Mexico**
Interviewer: Mitzi Montoya, Ph.D., Dean, Anderson School of Management, UNM
Garnett S. Stokes, Ph.D., President, University of New Mexico
Dan Arvizu, Ph.D., Chancellor, New Mexico State University
Van Romero, Ph.D., Vice President of Research, New Mexico Tech University

11:30 a.m. - 12:00 p.m. **National Laboratories in New Mexico**
Interviewer: James Holloway, Ph.D., Provost & Executive Vice President for Academic Affairs, UNM
Colonel Eric Felt, Ph.D., Commander of the Phillips Research Site & Director, Space Vehicles Directorate, Air Force Research Laboratory
Kelly D. Hammett, Ph.D., Director, Directed Energy Directorate, Air Force Research Laboratory
Thomas (Thom) Mason, Ph.D., CEO of Triad National Security & Director, Los Alamos National Laboratory
Scott Aelits, Associate Labs Director and Chief Financial Officer, Sandia National Laboratories

12:00 - 12:15 p.m. **Break/Grab your lunch**

Continues



AGENDA - PART 2

- 12:15 - 1:15 p.m. **Keynote Speaker: The Role of Public Universities in State-wide Economic Development**
Introduced by Lisa Kautilla, CEO & Chief Economic Development Officer, UNM Rainforest Innovations
Michael M. Crow, Ph.D., President, Arizona State University
- 1:15 - 1:30 p.m. **Reflect on Michael Crow Remarks**
Mayor Timothy M. Keller, City of Albuquerque
- Zoom Breakout Room Sessions**
- 1:30 - 2:15 p.m. **Introduction of Breakout Sessions**
Mitzi Montoya, Ph.D., Dean, Anderson School of Management, UNM
- Breakout Rooms – Developing Specific Actions in Areas of Competitiveness**
- Moderator: Tracey Bryan, President/CEO, The Bridge of Southern New Mexico*
- To address the challenge of insufficient skilled workers**
 - Increase the overall labor pool for employers
 - Improve the number of workers with work readiness skills and in-demand middle skills
 - Extend opportunity to underserved communities and populations
 - To address the top concern of stakeholders and improve overall regulatory business climate**
 - Make the New Mexico regulatory environment among the most business friendly in America
- Moderator: Maithis Shinnick, CEO, OptiPulse, Inc.*
- To take advantage of the state's location, respond to corporate needs and spread opportunity more broadly**
 - Strengthen the State's infrastructure
- Moderator: Waneta Tuttle, Manager, Trainway Venture Partners*
- To acknowledge rapid change and take advantage of emerging opportunities**
 - Prioritize and emphasize entrepreneurship
- Moderator: Jon Clark, Deputy Cabinet Secretary, New Mexico Economic Development Department*
- To align business needs, higher education assets and government efforts to efficiently grow the New Mexico economy and raise the prosperity of the state's citizens**
 - Amplify the voice of business
 - Create forums for ongoing collaboration and partnerships between the public and private sector
- 2:15 - 2:30 p.m. **Break**
- 2:30 - 3:15 p.m. **Report-out by Areas of Competitiveness**
Facilitated by Rob Black, President & CEO, New Mexico Chamber of Commerce
- 3:15 - 3:30 p.m. **Closing Remarks: Economic Development Strategic Planning Process**
Jon Clark, Deputy Cabinet Secretary, New Mexico Economic Development Department
- 3:30 p.m. **Closing and Adjourn**
James Holloway, Ph.D., Provost & Executive Vice President for Academic Affairs, UNM
- 



The University of New Mexico
BUSINESS & ECONOMIC SUMMIT | 2021

The Role of Public Universities in State-wide Economic Development
Presented by Michael M. Crow, Ph.D., President, Arizona State University

UNM THE UNIVERSITY OF NEW MEXICO UNM Rainforest Innovations
UNM Business & Economic Summit | January 12, 2021 | Online

Video recordings and slides from the event are available at:

GRANTS

Lobo Rainforest I-Corps Site



- ❖ To encourage and support entrepreneurs from all disciplines and backgrounds at UNM to commercialize their projects, create new start-up businesses, generate licensing agreements and business models, and submit fundable proposals to the I-Corps program
- ❖ Receive up to \$3,000 to participate in the customer discovery process of a STEM-related innovation
- ❖ 2 cohorts per year
- ❖ Program consists of workshops and meetings over 10 weeks, where teams work to validate the market size, value propositions, and customer segments of their innovations
- ❖ First Cohort started in October 2017 –9th cohort completed in fall 2021
- ❖ <http://loborainforest.com/icorps/>

ECONOMIC DEVELOPMENT

PARTNERSHIPS

PARTNERSHIPS

Partnership Intermediary Agreement with AFRL Through New Mexico Tech – FY 2021

- ❖ **UNM Rainforest Innovations Members Providing Support For AFRL:**
 - Arlene Young, Director of Commercialization, AFRL PIA Project Manager
 - Gabe Wilkinson, Commercialization Associate
 - Cecilia Pacheco, Economic Development & Project Specialist
 - Innovation Interns

- ❖ **PIA Subaward concluded February 28, 2021**



PARTNERSHIPS

Partnership Intermediary Agreement with AFRL Through New Mexico Tech – FY 2021

❖ FY 2019 vs. FY 2020 Comprehensive Metrics Highlights

	FY 2019 Total	FY 2020 Total
Invention Disclosures	23	34
Issued Patents	9	8
Technology Campaigns	23	17
Company Interactions	59	28
Response Rate	19.2%	14.5%
COVID-19 Campaigns	-	25
Response Rate	-	14.7%



PARTNERSHIPS

Jointly-owned Inventions - Activity with Sandia and LANL

	Sandia	LANL
Jointly-owned inventions	222	56
• Active	100	27
• Closed	122	30
Number of commercialization agreements	118	28
Number in which UNM Rainforest Innovations has taken lead	85	27
Number of option and license agreements executed with UNM Rainforest Innovations as lead	36	5
Number of option and license agreements executed with partners as lead	6	-
Income from option and license agreements with UNM Rainforest Innovations as lead	\$85,222,698 ^(a)	\$355,363
Start-ups from option and license agreements with UNM Rainforest Innovations as lead	8	2
Revenues from option and license agreements with partners as lead	\$134,950	\$-0-
Start-ups from option and license agreements with partners as lead	2	-

- ❖ Currently have 9 outstanding commercialization agreements with Sandia
- ❖ 5 new joint invention(s) with Sandia disclosed during FY 2021
- ❖ 9 commercialization agreements with Sandia and 5 commercialization agreements with LANL executed during FY 2021

(a) Gross licensing income composed of pooled technologies that also include other non-jointly-owned technologies

PARTNERSHIPS

Historical Distributions to Sandia Over Last 10 Years

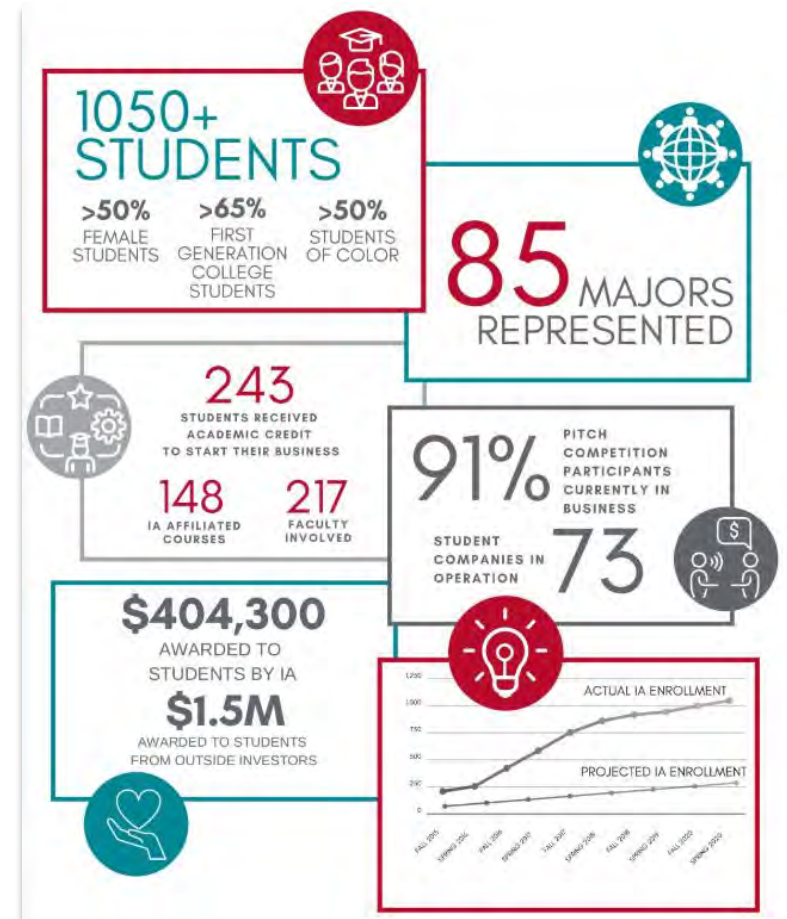
Fiscal Year	Distribution Amount
FY2011	\$14,633.04
FY2012	\$11,004.14
FY2013	\$5,892.88
FY2014	\$12,520.91
FY2015	\$244,325.24
FY2016	\$7,653.45
FY2017	\$106,544.49
FY2018	\$11,133.20
FY2019	\$59,908.22
FY2020	\$147,709.81
Total	\$621,325.38

PARTNERSHIPS

Innovation Academy - Program Data



Robert G. DelCampo, Ph.D.
Sr. Executive Director, Corporate & Community Engagement
Executive Director, innovationAcademy
Rutledge Professor of Management
Anderson School of Management



PARTNERSHIPS

Innovation Academy – Rainforest Student Pitch Competition

- ❖ Hosted by UNM Rainforest Innovations and the UNM Innovation Academy, 13 competitions have now been held
- ❖ Student entrepreneurs present their innovative ideas for products, services or technologies in 60-90 second presentations before entrepreneurs, investors, and business professionals in the community
- ❖ Competition open to students from any university in the state of New Mexico

PARTNERSHIPS

Rainforest Student Pitch Competition – November 2020



- ❖ 48 submissions
- ❖ Ideas ranged from emergency preparedness support, to a virtual magazine platform that brings artists together.



Pictured are the top ten students featuring 7 Finalists who will each receive \$250, and 3 Judges' Choice winners who received \$1000 each.

PARTNERSHIPS

Rainforest Student Pitch Competition – March 2021



- ❖ 24 submissions (90 second videos)
- ❖ Their innovative ideas ranged from a patented liquid metal that can be used for repair purposes, to a task-based language learning video game.
- ❖ Prize money provided by Bernalillo County
- ❖ Pictured are the top ten students featuring 7 Finalists who will each receive \$250, and 3 Judges' Choice winners who each receive \$1,000!

PARTNERSHIPS

Comcast Pitch Deck Competition



April 15, 2021 - Virtually via Zoom

- ❖ \$20,000 in cash prizes for pitch deck presentations sponsored by Comcast
- ❖ First round (5 minute presentation) – 18 submissions
- ❖ Second round (10 minute presentation) – 5 finalists

Awardees:

- ❖ First Place \$10,000 Prize – Alexander Hafez, Circular Genomics – A circular RNA technology to help in the clinical fight against depression.
- ❖ Second Place \$5,000 Prize – Isabel Last & Miguel Roman, Faena – A research-based, intuitive video game to engage language learning for non-native speakers.
- ❖ Third Place \$2,500 Prize – Savannah Hoover, Modest House – An app to help millennials “Learn, Turn and Earn” in today’s real estate market.
- ❖ Finalist \$1,250 Prize – Daniel Martinez, Omnos Sleep – An innovative device for the treatment of sleep apnea.
- ❖ Finalist \$1,250 Prize – Tina Memarian, Lamiflo – An innovative solution for ischemic strokes.



Lisa Kuuttilla with Pitch Deck Judges: Francine Sommer, Chris Hemmeter, and Tom Chepucavage



Alexander Hafez



Left to Right: Miguel Roman, Isabel Last, Savannah Hoover, Daniel Martinez, and Tina Memarian

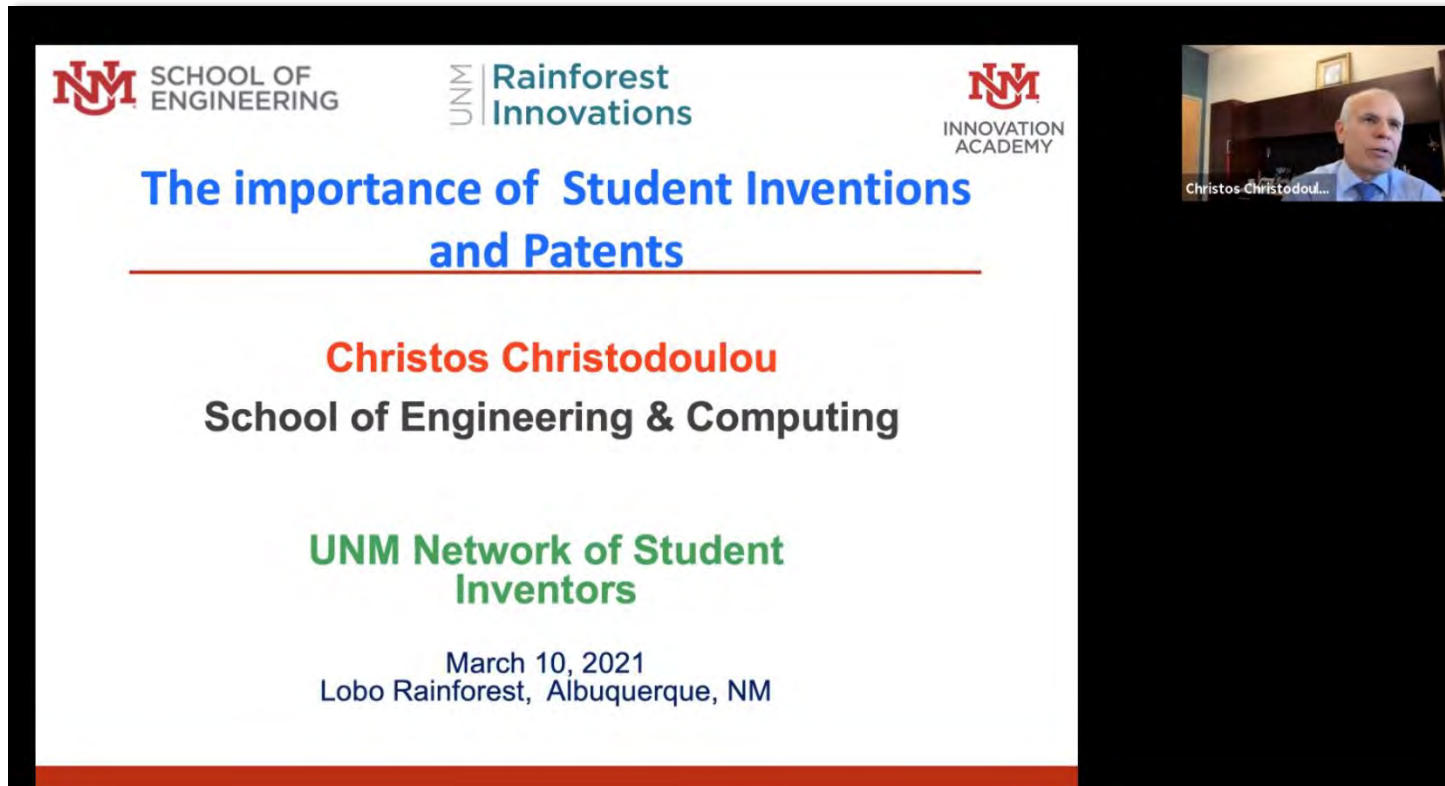
PARTNERSHIPS

Pitch Competition Companies in Business

- ❖ BioSafe Defenses
- ❖ EcoPesticides
- ❖ Carnivore
- ❖ Armis
- ❖ \$ave \$quad
- ❖ Pencil-In
- ❖ Ale Republic
- ❖ Blossom Beauty
- ❖ TABS
- ❖ Back to Earth (raised over \$1M in crowdfund campaign)
- ❖ Inde Beat
- ❖ Saavy
- ❖ CRAFTED ABQ
- ❖ RepUniversity
- ❖ Shutter Bombs, LLC
- ❖ Adaptive Biomedical Design
- ❖ Dipped by Dee
- ❖ Kaiser Music LLC
- ❖ Wild Woman Kombucha Company
- ❖ Parental Values
- ❖ Sipavax
- ❖ EasyFlo
- ❖ Perspective Components
- ❖ ClassBucks, LLC
- ❖ ArmaTech, LLC
- ❖ Circular Genomics

PARTNERSHIPS

UNM Network of Student Inventors



NM SCHOOL OF ENGINEERING **UNM** Rainforest Innovations **NM** INNOVATION ACADEMY

The importance of Student Inventions and Patents

Christos Christodoulou
School of Engineering & Computing

UNM Network of Student Inventors

March 10, 2021
Lobo Rainforest, Albuquerque, NM

Christos Christodoulou...



JOIN US FOR THE NEXT LOBO RAINFOREST

UNM NETWORK OF STUDENT INVENTORS

Hey! I'm an Inventor too!
Join us to hear from **Dr. Christos Christodoulou, Dean, UNM School of Engineering**, to talk about the importance of inventing and opportunities around your ideas!

•••••

MARCH 10, 2021, 3:00PM
VIRTUAL | ZOOM MEETING

[Click here to register.](#)

NM INNOVATION ACADEMY **UNM** Rainforest Innovations **NM** SCHOOL OF ENGINEERING

PARTNERSHIPS

Grow Innovate New Mexico

INNOVATE NEW MEXICO®

Discover The State of Innovation

- ❖ Alliance among the State's research institutions to promote New Mexico technology and start-ups
- ❖ Members: UNM Rainforest Innovations, New Mexico State University, New Mexico Tech, Sandia National Laboratories, Los Alamos National Laboratory, Air Force Research Laboratory, NASA (White Sands/JSC)
- ❖ 2021 Online Showcase – March 2 & 3, 2021, 10am-1pm
- ❖ Save the date - 2022 Tech Showcase – March 1, 2022



PARTNERSHIPS

Grow Innovate New Mexico

- ❖ 2021 Online Showcase
- ❖ Day 1: March 2 – Physical Sciences

INNOVATE NEW MEXICO®

Discover *The State of Innovation*



Technology Presentations

Company Presentations

Fluid-Infused Elastomers for Improved Resistance to Degradation in High Temperature Applications - Erica Redline (Sandia)

Osazda Energy - Sang Han, Chief Technical Officer

Pressure-Induced Synthesis of Highly Uniform Metal Nanostructures - Hongyou Fan (Sandia)

NASA White Sands Test Facility Technology Update - Joe Bullington, Commercialization Manager, Jacobs Technology

Adaptimize: Smarter and Faster UAV/drone Radiation Mapping for Enhanced Decision Making - Tony Shin (LANL)

Build with Robots, Inc. – Chris Ziomek, CEO and Matthew Ennis, CSO

Integrated Trigger PCSS - Joseph Teague (AFRL)

Identification of Volatile Organic Compounds using Tandem Differential Mobility Spectrometry - G.A. Eiceman, President, GP Ionics, LLC

Separation Unit for Per- and Polyfluoroalkyl Substances (PFAS) Remediation - Dr. Reza Foudazi, Associate Professor, Chemical and Materials Engineering (NMSU)

SoniView: See the Unseen in your Production Processes - Eric Davis, LANL

In-line Angular Optical Multi-Point Scatterometry for Nanomanufacturing Systems - Juan J. Faria-Briceno, Post-Doctoral Fellow (UNM)

OptiPulse – Mathis Shinnick, COO



PARTNERSHIPS

Grow Innovate New Mexico

INNOVATE NEW MEXICO®

Discover *The State of Innovation*

❖ Day 2: March 3 – Life Sciences



Technology Presentations

Company Presentations

<i>EnPeel: High Yield Recovery of Plastic Waste - Tatyana Elkin (LANL)</i>	<i>Nob Hill Therapeutics - Yun Li, CEO</i>
<i>Inhibition of Cellular Uptake to Treat Bacterial Infections - Larry Sklar (UNM)</i>	<i>BennuBio, Inc. - Matthew Hess, COO</i>
<i>Multifunctional Central Pattern Generator-Based Neuromimetic Control Systems - Jeremy Wojcik (AFRL)</i>	<i>Just Breathe Free, LLC - Antonio ("Tony") Garcia, Ph.D. and George W. Lucky, Professor of Chemical Engineering (NMSU)</i>
<i>Bio-inspired Cancer Vaccines - Rita Serda (UNM)</i>	<i>GPER G-1 - John Elling, CEO</i>
<i>Novel Vascular Access Device - Sam Pedrotty and Gus Pedrotty (UNM)</i>	<i>RS21 - Angelica Bruhnke, Division President, RS21 Health Lab</i>
<i>ScFv Antibodies as Non-opioid Therapeutic for Pain Management - Karin High (UNM)</i>	<i>BioSafe Defenses - David Whitten, CEO & Scientific Advisor</i>



Tatyana Elkin
2021 UC-LANL Postdoc Entrepreneur Fellow
Innovate New Mexico Technology Showcase
March 3rd, 2021
LA-UR-20-29848



INNOVATE NEW MEXICO® TECHNOLOGY SHOWCASE

MARCH 2 & 3, 2021 | VIRTUAL

SCFV ANTIBODIES AS NON-OPIOID THERAPEUTICS FOR PAIN MANAGEMENT

Karin Westlund High, PhD Professor and Vice-Chair for Research
Department of Anesthesiology & Critical Care Medicine
University of New Mexico Health Sciences Center Albuquerque, NM

INNOVATE NEW MEXICO®
Discover The State of Innovation



ECONOMIC DEVELOPMENT

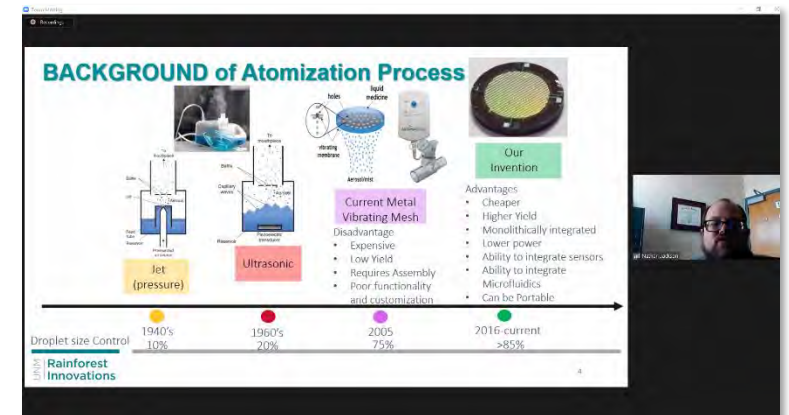
EVENTS

EVENTS

Rainforest Innovations Technology Showcase

August 26, 2020 on Zoom

- ❖ Life Science Technology Presentations
 - Rita Serda, Ph.D., Research Assistant Professor, Cancer Therapeutics, Silicified Tumors Cancer Treatment
 - Nikolaos Mellios, Ph.D., Assistant Professor, Neurosciences, Circular RNAs for Diagnostics and Treatment of Brain Disorders
 - Gabriel Lopez, Ph.D., Vice President for Research, Catheters for Debonding Fouling Agents form an Interior Surface
- ❖ Physical Sciences & Engineering Technology
 - Nathan Jackson, Ph.D., Assistant Professor, Portable Vibrating Mesh Atomizer
 - Steven Brueck, Ph.D., Distinguished Professor, In-line Angular Optical Multi-point Scatterometry for Nanomanufacturing Systems
 - Sang M. Han, Ph.D., Professor, Super-Scattering: Spectrally Tuned Camouflage by Accelerated Evolution
- ❖ [Recordings available on UNM Rainforest Innovations YouTube.](#)



EVENTS

Rainforest Innovations Technology Showcase

November 10, 2020 on Zoom

❖ Life Science Technology Presentations

- Christina Salas, Ph.D., Associate Professor, Orthopedic Research, *3D Bioprinting and Near-Field Electrospinning for Targeted Fabrication of Scaffolds for Bone-Soft Tissue Interface Engineering*
- Surojit Paul, Ph.D., Professor, Neurosciences, *Therapeutic Potential of the Tyrosine Phosphatase STEP in Reducing Ischemic Brain Injury*
- Ke Jian (Jim) Liu, Ph.D., Professor, Pharmaceutical Sciences, *Blood Biomarker for Early Blood Brain Barrier Disruption in Ischemic Stroke*

❖ Physical Sciences & Engineering Technology Presentations

- Marek Osinski, Ph.D., Distinguished Professor, Electrical & Computer Engineering, *Integrated Silicon Photonics Platforms for Scalable Quantum Systems*
- Kannan Ramaiyan, Ph.D., Research Assistant Professor, Chemical & Biological Engineering, *Low Cost, Printable Colorimetric UV Personal Dosimetry*
- Mansoor Sheik-Bahae, Ph.D., Distinguished Professor, Physics & Astronomy, *Optical Cryocooler & Refrigeration Portfolio*

❖ [Recordings available on UNM Rainforest Innovations YouTube.](#)



TECHNOLOGY SHOWCASE FEATURING WOMEN INNOVATORS



- ❖ On June 8, UNM Rainforest Innovations, in partnership with the New Mexico Technology Council, hosted a special Technology Showcase – *Women in Technology Edition* featuring women innovators from the University of New Mexico.
- ❖ The event featured six University of New Mexico women innovators presenting life-science and physical-science technologies available for commercialization.



Life-Science Presenters:

- **Kathryn Frieze, Ph.D.** *Virus-like Particle Vaccines for Opioid Drugs*
- **Michelle Ozburn, Ph.D.** *Inhibitor of Early and Late Stage HPV Infection*
- **Eva Chi, Ph.D.** *Novel Theranostics for Protein Misfolding Diseases*

Physical-Science Presenters:

- **Mahya Hatambeigi** *A Novel Liquid Metal of High Density and Low Viscosity at Room Temperature*
- **Ivy Hurwitz, Ph.D.** *Environmentally Friendly Larvicide*
- **Lydia Tapia, Ph.D.** *Autonomous Defense Escort Teams*

EVENTS

2021 Virtual Innovation Awards

- ❖ Date: April 27, 2021, 4:00-5:30 PM
Online via Zoom
- ❖ 2021 Innovation Fellow:
Eric Prossnitz, Ph.D.
- ❖ Keynote Speaker:
Patrick Mooney, Linnaeus Therapeutics



EVENTS

2021 Virtual Innovation Awards

- ❖ April 27, 2021, 4:00-5:30 PM, Online via Zoom

48 UNM inventors received patents
49 U.S. patents and trademark issued
32 patents from UNM main campus
17 patents from HSC

- ❖ Inventor Award pick-up
Thursday, April 29 at Lobo Rainforest

2021 Virtual

Innovation AWARDS

Tuesday, April 27, 2021 | 4:00 - 5:30 pm MT

[CLICK HERE TO REGISTER](#)

Celebrate with us as we recognize University of New Mexico faculty, staff, and students who have received issued patents and registered copyrights/trademarks from March 1, 2020 through February 28, 2021.

In addition, the 2021 UNM Rainforest Innovation Fellow Award will be presented to

Eric Prossnitz, PhD
Professor, Department of Internal Medicine
Chief, Division of Molecular Medicine

Keynote Speaker

Patrick Mooney, MD
CEO & Director of Linnaeus Therapeutics, Inc.

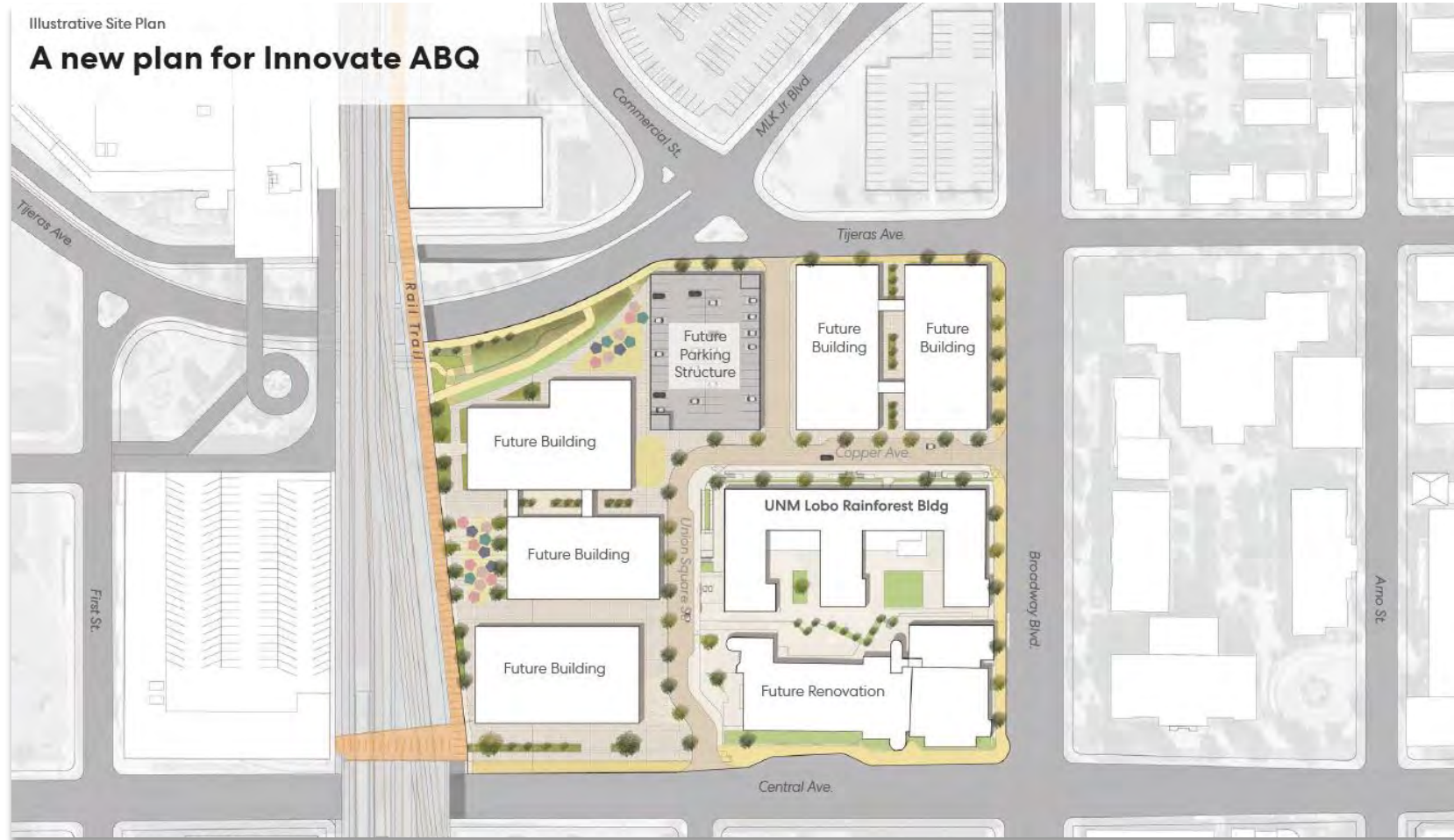


ECONOMIC DEVELOPMENT

INNOVATE ABQ

INNOVATE ABQ

Updated Master Plan



PRESIDENT'S REPORT FY 2021

BOARD RETREAT GOALS

CONTINUE TO EXPAND NATIONAL RECOGNITION

Advanced Economic Development Leadership

- ❖ AEDL immerses participants in a collaborative, team-centric approach that fosters learning through exploration, debate, exercises and team competition. The program attracts practitioners from across the U.S. bringing a wide range of thought, ideas and experiences to these sessions. Through this approach and the diversity of thought represented, participants often learn as much from interaction with fellow professionals as they do from faculty instruction.
- ❖ University Partners – UNM, Clemson University, The University of Southern Mississippi, Texas Christian University
- ❖ Lisa presented the Rainforest concept in Kansas City, MO on November 6, 2019
- ❖ **Event held November 3-5, 2020 – Online due to COVID**
- ❖ **Event held November 8-11, 2021 in Kansas City, MO**

ADVANCED
Economic Development
LEADERSHIP

CONTINUE TO EXPAND NATIONAL RECOGNITION

Advanced Economic Development Leadership

❖ Participants

- Sunnyvale (TX) EcD Corp
- Florida West EDA (Pensacola)
- Columbus 2020
- England Airpark, Alexandra, LA
- Dept. of EcD, City of York, PA
- Cedar Hill (TX), EDC
- Chatham County (NC) EcD Corp.
- Alachua County (FL)
- Pinellas County EcD – (FL)
- Big Sky EcD (MT)
- West Point (GA) Development Authority
- Washington County Chamber of Commerce and EcD (FL)
- Lee County EcD Group (IA)
- Duke Energy (NC)
- Economic Development, City of Center, TX
- Winston County (MS) EcD District Partnership
- East Mississippi Business Development Corp.
- Economic Development, City of Houston (MO)
- Detroit (MI) Regional Workforce Fund
- Effingham County (GA) Industrial Development Authority
- Minot Area Development Corp. (ND)
- Michigan City EDC (IN)
- Mayor, Lakeside, TX
- Sherman EcD Corp. (TX)
- College of Business, Montana State University Billings
- Develop Danville, Inc.
- Owner, consulting firm
- WV Dept. of Commerce
- St. Tammany Corporation (LA)
- Team Taylor County/Campbellsville (KY)
- Upstate SC Alliance
- Cherokee County (SC) Development Board
- Economic Development, Florida Power & Light
- New Castle Henry County EcD Corp. (IN)
- 58Inc., Shelby County AL
- ThriveED/Jefferson Co. Econ. Development (WI)
- One Dearborn, Inc. (IN/Cincinnati MSA)
- Baton Rouge (LA) Area Chamber
- Tarrant County, TX
- Team Volusia (FL)
- North Carolina's Southeast
- City of Kyle, Texas
- Choctaw Nation of Oklahoma
- SC Power Team
- The Right Place, Grand Rapids, MI
- Campbell Co. Econ. Dev. (SD)
- Tomball (TX) Economic Development Corp.
- City of Saginaw, TX
- Marion County Development Partnership (MS)
- U.S. Dept. of Commerce EcD Administration
- Boone County EcD Corp. (IN)
- Tomball (TX) EcD Corp.

CONTINUE TO EXPAND NATIONAL RECOGNITION

Milken Institute 2020 State Technology & Science Index

- ❖ Compares each U.S. state's capacity for achieving prosperity through scientific discovery and technological innovation
- ❖ New Mexico ranked 18th overall, rising six places since the 2018 index.



FY 2021 UNM RAINFOREST INNOVATIONS

FY 2021 Data, Income Analysis & Forecast

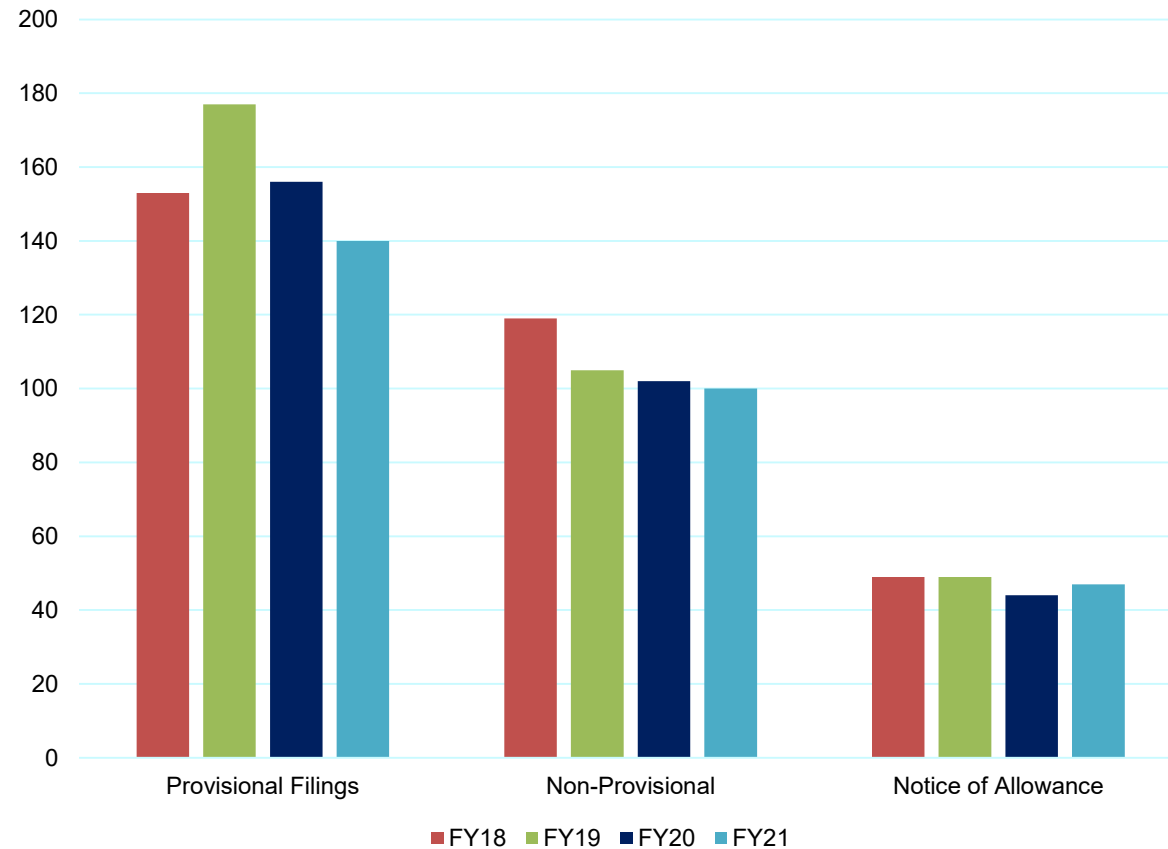
DATA, INCOME ANALYSIS, & FORECAST

❖ FY 2021 Data

- UNM Rainforest Innovations filed first-time patent applications on 54 of the 81 patent disclosures in FY 2021 (67% in FY 2021 vs. 56% in FY 2020)
- UNM Rainforest Innovations generated \$53,612,829 of new (agreements) license revenues in FY 2021, representing 98% of total license revenues (vs. \$51,313,841 of new revenues in FY 2020 – 98% of total)
- Of the 81 total disclosures (patents & copyrights) received in FY 2021, representing 60 lead inventors, 16 were first-time inventors (27% vs. 40% in FY 2020)

PATENT ANALYSIS

Trends in Patent Activity



	FY18	FY19	FY20	FY21
Provisional Filings	153	177	156	140
Non-Provisional	119	105	102	100
Notice of Allowance	49	49	44	44

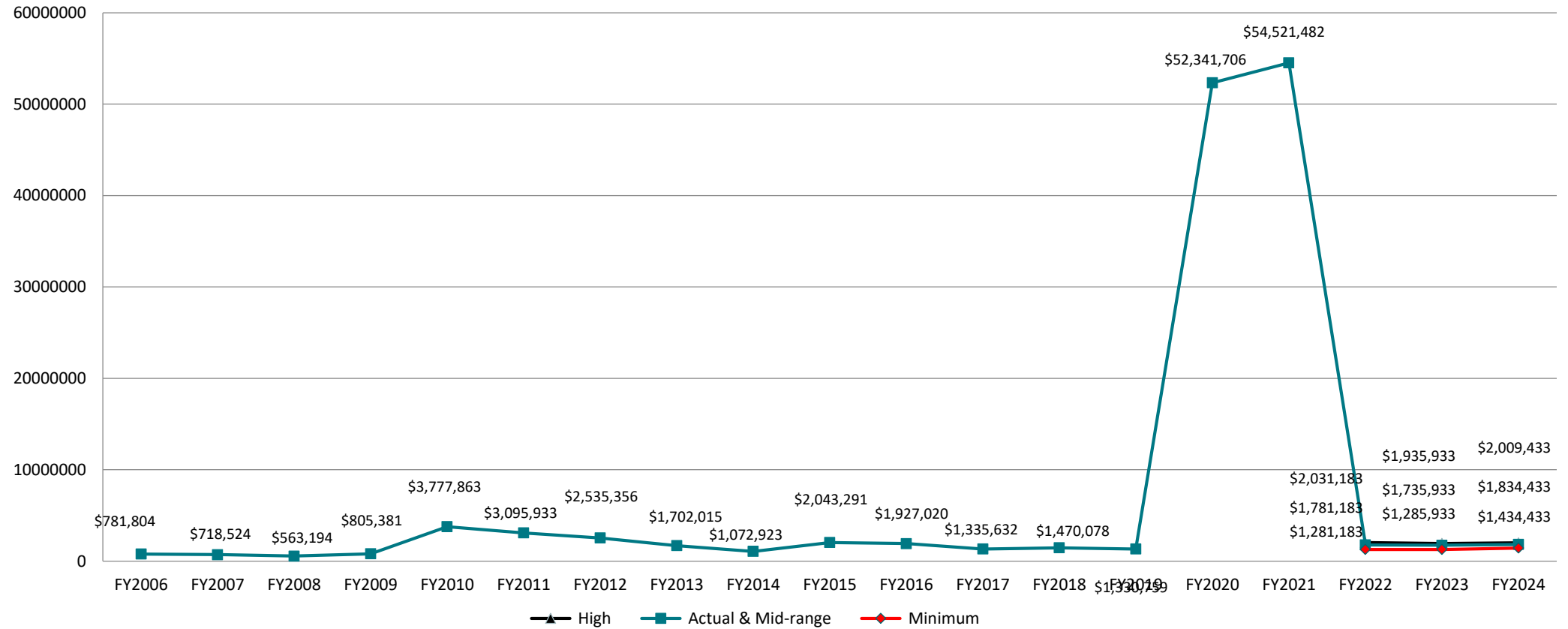
DATA, INCOME ANALYSIS, & FORECAST

License Revenues - Actual & Forecast Assumptions (same assumptions as prior year projections)

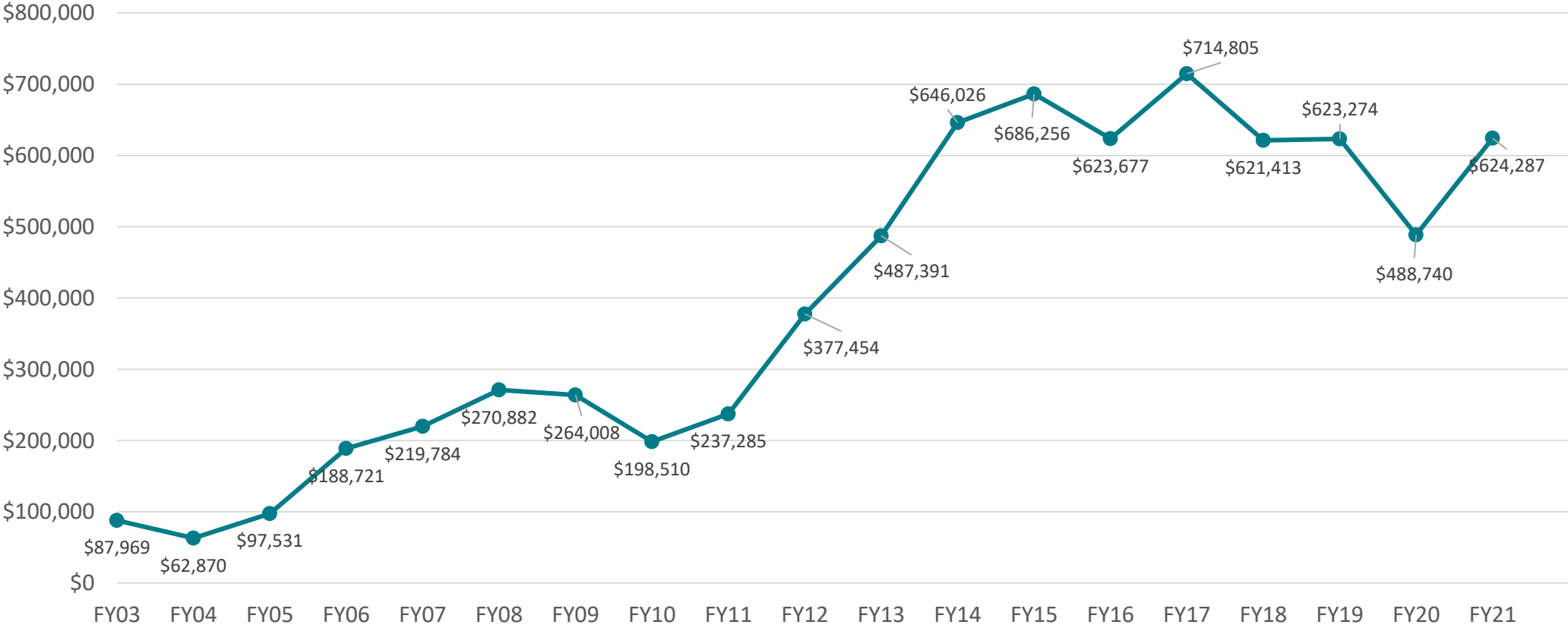
- ❖ Minimum numbers for FY2022 through FY2024 represent minimum fees and payments from existing licenses.
- ❖ FY2022 mid-level represents approx. \$500,000 of new license income. FY2022 upper end represents \$750,000 of new license income.
- ❖ FY2023 mid-level represents \$450,000 of new license income and/or minimums from deals closed in FY2022. FY2023 upper end represents \$650,000 of new license income and/or minimums from deals closed in FY2022.
- ❖ FY2024 mid-level represents \$400,000 of new license income and/or minimums from deals closed in FY2022 and FY2023. FY2024 upper end represents \$575,000 of new license income and/or minimums from deals closed in FY2022 and FY2023.
- ❖ No equity liquidations included.
- ❖ No forecasted terminations of agreements included.
- ❖ No unknown substantial earned royalties forecasted.

LICENSE REVENUES

Updated 3-year Forecast

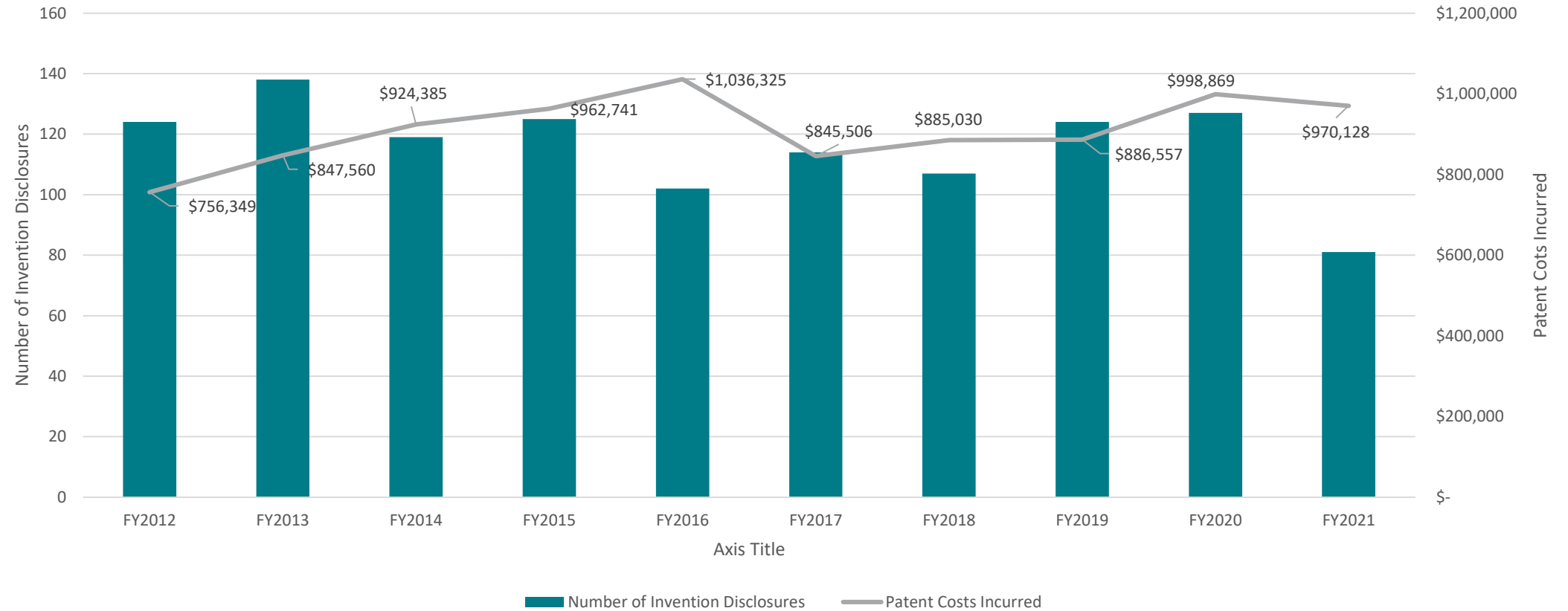


PATENT COST REIMBURSEMENT REVENUES

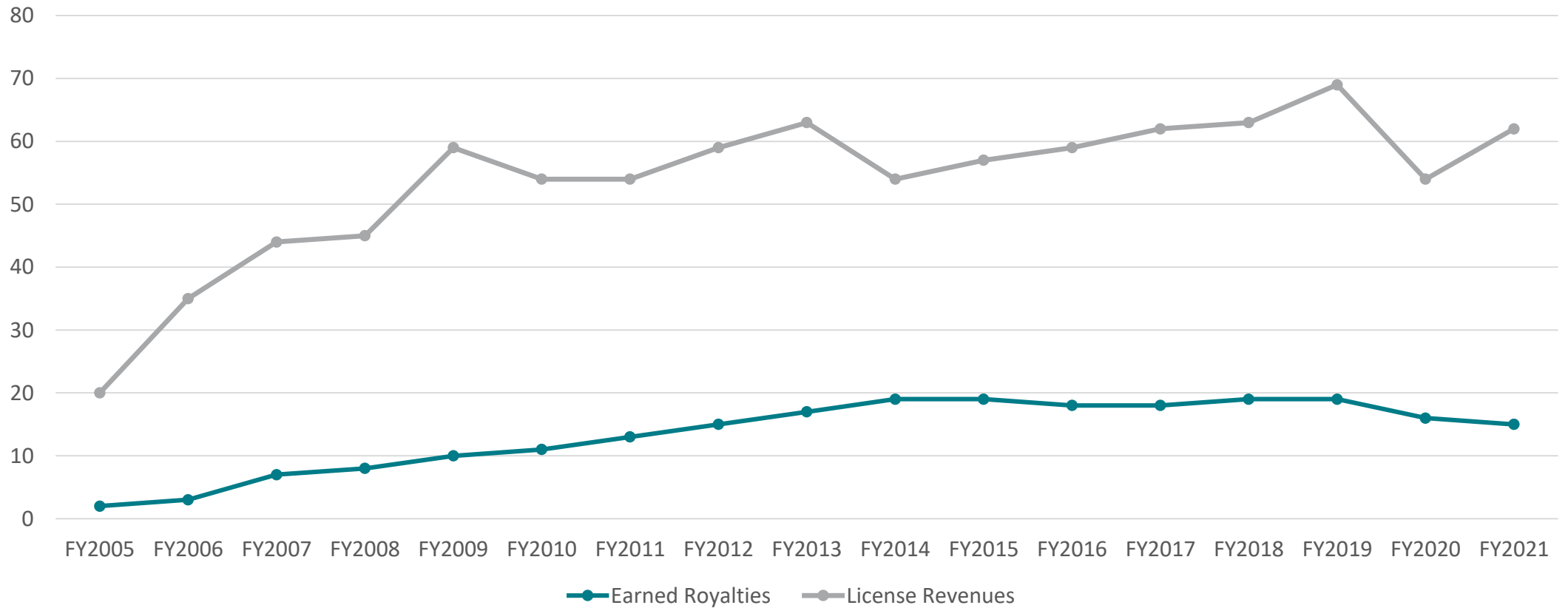


PATENT COSTS INCURRED

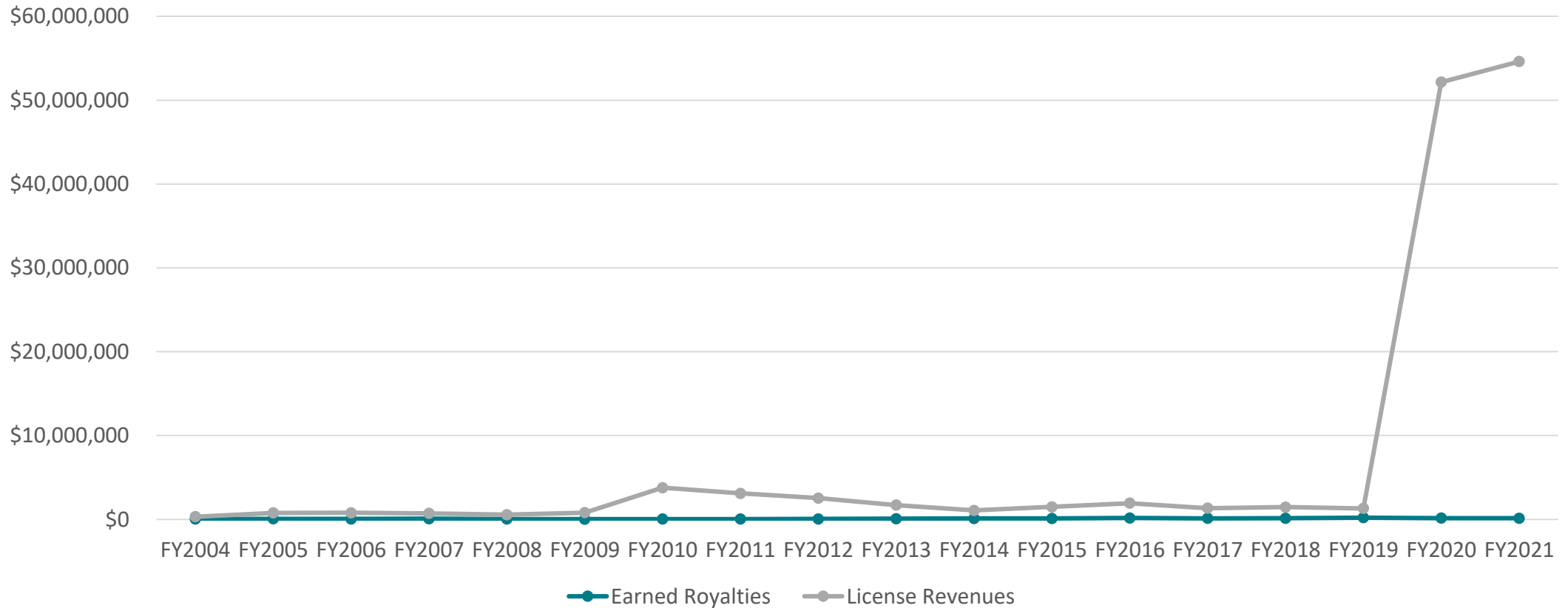
Rainforest Innovations-initiated; non-licensee reimbursed



TOTAL NUMBER OF LICENSES/OPTIONS YIELDING REVENUES



TOTAL DOLLAR AMOUNT OF LICENSES/OPTIONS YIELDING REVENUES



INCOME COMPARISON

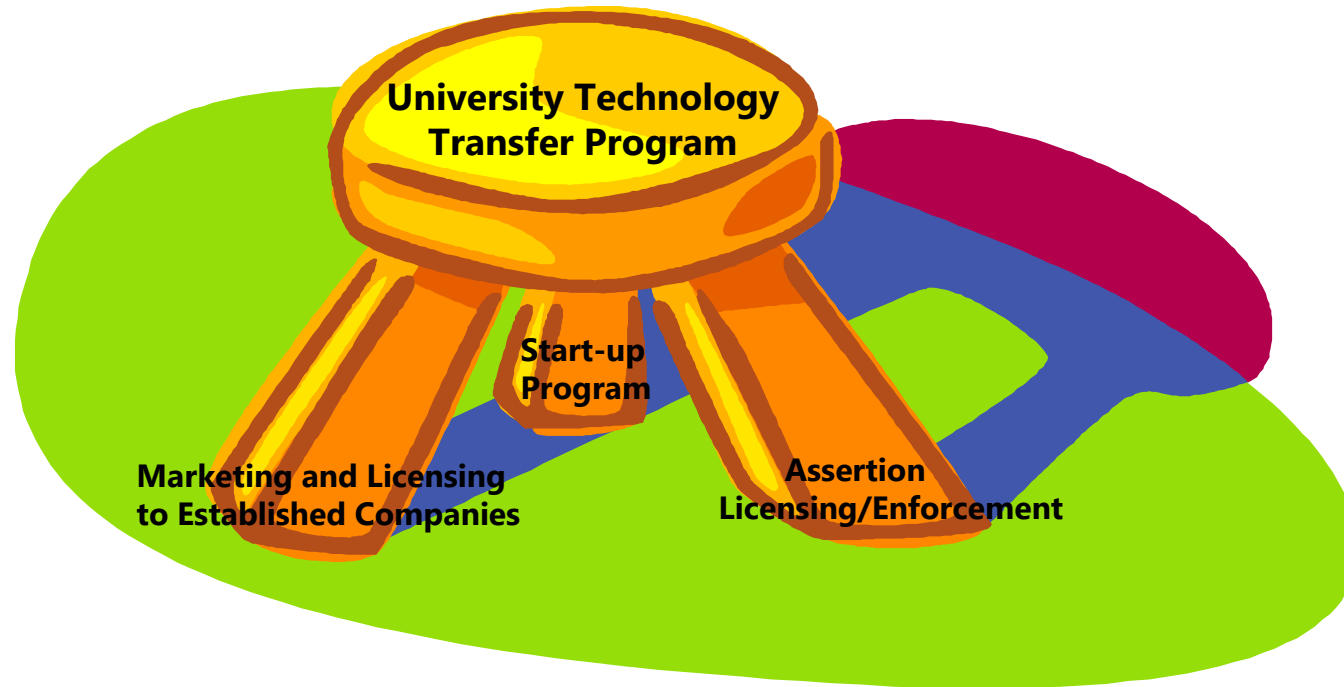
Institution Name	2019 Gross License Income
The General Hospital dba Massachusetts General Hospital	\$298,897,875
Northwestern University	\$261,129,388
Memorial Sloan Kettering Cancer Center	\$160,801,301
University of Texas System	\$134,667,864
University of California System	\$103,761,000
Harvard University	\$97,891,618
University of Florida	\$79,536,998
Mayo Foundation for Medical Education and Research	\$77,007,005
Johns Hopkins University	\$73,494,269
New York University	\$71,630,327
University of Houston	\$65,686,595
Duke University	\$57,795,470
UNM Rainforest Innovations	\$54,521,482*

*2021 Income

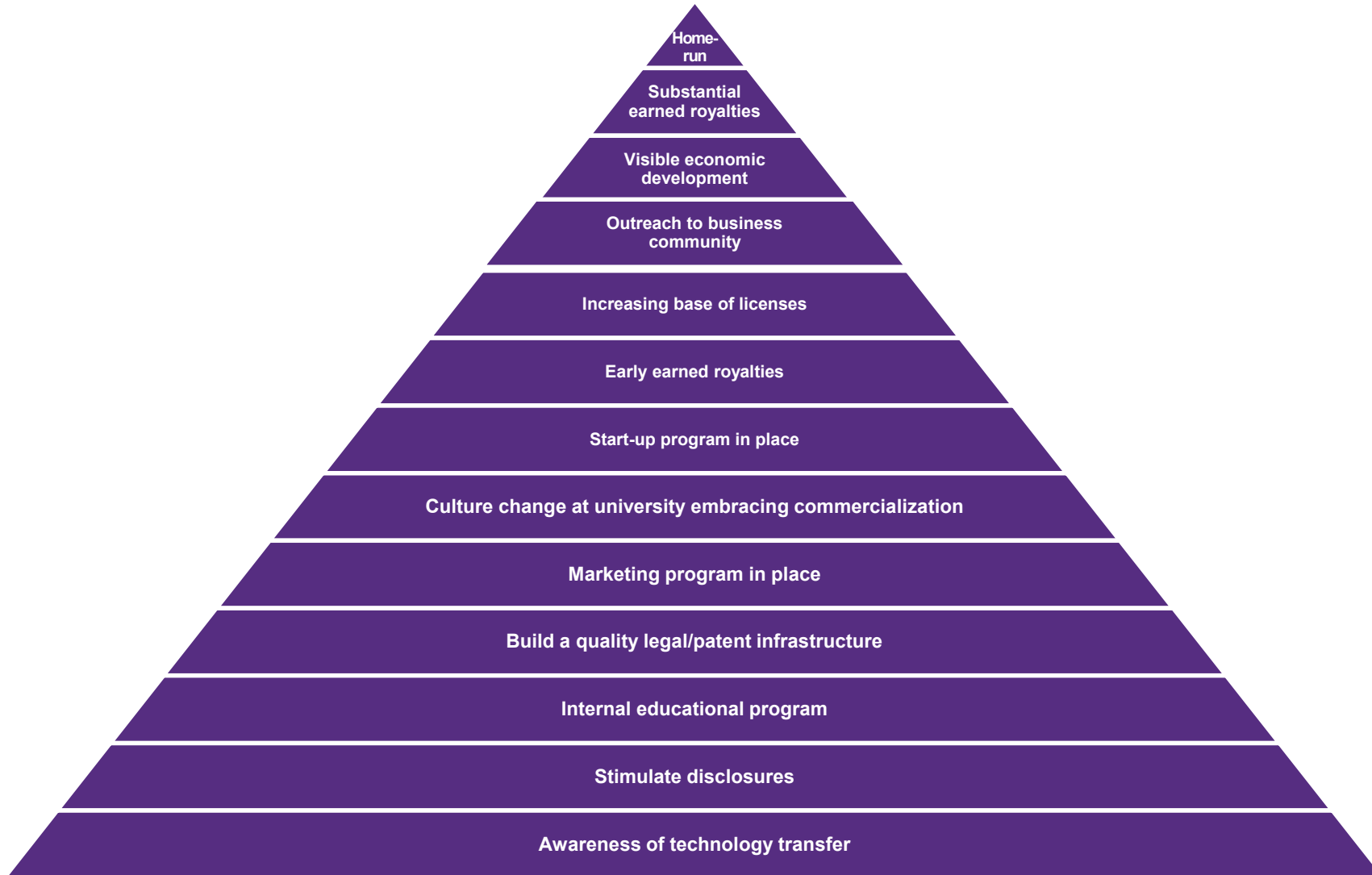
UNM RAINFOREST INNOVATIONS

Stage of Maturity

- ❖ A mature technology transfer program needs all 3 legs of the stool as transfer mechanisms



BUILDING A TECHNOLOGY TRANSFER PROGRAM



STAGES OF MATURITY IN TECHNOLOGY TRANSFER

Expected Issues

Early	Mid-Stage	Mature
Faculty cooperation	Marketing (technology and organization)	Assertion licensing
Disclosure growth	Negotiation norms	Inventor disputes
Internal systems	Start-up practices	Contract disputes
Cost management	Events management	Patent litigation
Royalty-sharing policies	Visibility locally	Complaints about licensing practices
Website management		Visibility nationally

UPDATED ON RECENT ACTIVITY

FY 2022

- ❖ Provisionally warded EDA grant - \$800,000
 - NM Tribal Entrepreneurship Enhancement
- ❖ Provisionally awarded sub-award under New Mexico Tech PIA with AFRL - \$1,435,187
- ❖ Right to Start project underway with Victor Hwang
- ❖ Corporate Engagement Director began November 1, 2021



**SUPPORTING TECHNOLOGY TRANSFER AND
CATALYZING ECONOMIC DEVELOPMENT AT
THE UNIVERSITY OF NEW MEXICO**

(A Blended Component Unit of the University of New Mexico)

Financial Statements

June 30, 2021 and 2020

(With Report of Independent Auditors Thereon)

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Table of Contents

	Page
Official Roster (unaudited)	i
Report of Independent Auditors	1
Management’s Discussion and Analysis (unaudited)	3
Basic Financial Statements:	
Statements of Net Position	6
Statements of Revenues, Expenses, and Changes in Net Position	7
Statements of Cash Flows	8
Notes to Financial Statements	9
Required Governmental Reporting:	
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>	24
Summary of Auditor’s Results (as Required by 2.2.2.10 NMAC L(1) (f))	26
Schedule of Findings	27
Schedule of Prior Audit Findings	28
Exit Conference	29

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Official Roster (unaudited)

June 30, 2021

Officers

Ms. Sandra Begay	Chair
Ms. Terri Cole	Vice Chair
Dr. James P. Holloway	Vice Chair
Dr. John H. Stichman	Secretary/Treasurer
Ms. Elizabeth Kuuttila	CEO & Chief Economic Development Officer
Ms. Denise M. Bissell	Assistant Secretary

Committee Chairs

Ms. Sandra Begay	Chair, Executive Committee and Nominating Committee
Dr. John H. Stichman	Chair, Finance and Compensation Committee
Mr. Gregg L. Mayer	Chair, Endowment Fund Committee
Mr. Chuck Wellborn	Chair, Co-Investment Fund Committee

Board Members

Ms. Sandra Begay	Dr. Richard S. Larson
Mr. Joe Christian	Dr. Richard Luarkie
Dr. Christos Christodoulou	Dr. Gregg L. Mayer
Ms. Terri Cole	Dr. Mitzi M. Montoya
Dr. Julie A. Coonrod	Mr. Robert H. Nath
Ms. Teresa Costantinidis	Dr. Eric R. Prossnitz
Dr. Ellen Fisher	Mr. Alex O. Romero
Dr. David H. Foster	Dr. Alton D. Romig, Jr.
Dr. Robert H. Fisher	Ms. Kimberly Sanchez Rael
Mr. David W. Gibson	Dr. John H. Stichman
Mr. Riis Gonzales	Dr. Garnett S. Stokes
Ms. Maria Griego-Raby	Dr. John C. Stormont
Dr. Kelly D. Hammett	Mr. Chuck I. Wellborn
Mr. James P. Holloway	Dr. Douglas Ziedonis
Ms. Elizabeth Kuuttila	



Report of Independent Auditors

The Board of Directors
UNM Rainforest Innovations
and
Mr. Brian S. Colón, Esq.
New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of UNM Rainforest Innovations, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UNM Rainforest Innovations as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2021 on our consideration of UNM Rainforest Innovations' 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 UNM Rainforest Innovations' 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 UNM Rainforest Innovations' internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
September 10, 2021

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Management's Discussion and Analysis (unaudited)

June 30, 2021 and 2020

This management's discussion and analysis (MD&A) of the UNM Rainforest Innovations (formerly known as STC.UNM) (the Corporation) provides an overview of the Corporation's financial performance for the fiscal years ended June 30, 2021, 2020, and 2019.

Overview of the Financial Statements

The statements of net position of the Corporation provide both long-term and short-term information about the Corporation's overall financial status. The statements of revenues, expenses, and changes in net position provide information about the operating revenues and expenses and nonoperating revenues and expenses of the Corporation. The statements of cash flows provide information about the sources and uses of cash by the Corporation.

Condensed Financial Information

	June 30		
	2021	2020	2019
Current assets	\$ 22,549,315	11,167,715	2,890,863
Capital assets, net	35,656	32,879	33,040
Investment in stock	1,750	1,735	1,519
Total assets	<u>\$ 22,586,721</u>	<u>11,202,329</u>	<u>2,925,422</u>
Current liabilities	\$ 7,819,778	3,579,384	1,919,454
Net position			
Investment in capital assets	35,656	32,879	33,040
Unrestricted	14,731,287	7,590,066	972,982
Total liabilities and net position	<u>\$ 22,586,721</u>	<u>11,202,329</u>	<u>2,925,476</u>
Operating revenues	\$ 57,767,707	56,375,187	4,441,927
Operating expenses	<u>52,298,752</u>	<u>50,005,387</u>	<u>4,604,146</u>
Operating income (loss)	<u>5,468,955</u>	<u>6,369,800</u>	<u>(162,219)</u>
Nonoperating revenues	<u>1,675,043</u>	<u>247,177</u>	<u>38,376</u>
Change in net position	7,143,998	6,616,977	(123,843)
Net position, beginning of year	<u>7,622,945</u>	<u>1,005,968</u>	<u>1,129,811</u>
Net position, end of year	<u>\$ 14,766,943</u>	<u>7,622,945</u>	<u>1,005,968</u>

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Management's Discussion and Analysis (unaudited)

June 30, 2021 and 2020

Financial Position

The Corporation's current assets increased by \$11,381,600 as of June 30, 2021 to \$22,549,315 compared to \$11,167,715 as of June 30, 2020; and current assets increased by \$8,276,852 as of June 30, 2020 to \$11,167,715 compared to \$2,890,863 as of June 30, 2019. The increase from fiscal year 2020 to fiscal year 2021 was primarily attributable to several fully-paid license agreements entered into during 2021.

Current liabilities increased by \$4,240,394 as of June 30, 2021 to \$7,819,778 compared to \$3,579,384 as of June 30, 2020; and increased by \$1,659,930 as of June 30, 2020 to \$3,579,384 compared to \$1,919,454 as of June 30, 2019. The change from fiscal year 2020 to fiscal year 2021 is primarily attributable to the increase in the liability due to UNM as of June 30, 2021 associated with several fully-paid license agreements entered into during the year.

Capital Assets

Capital asset purchases during fiscal years 2021, 2020, and 2019 were \$12,373, \$7,850, and \$12,662, respectively, for buildings, software, leasehold improvements, computer equipment, and furniture and had depreciation expense of \$9,596, \$8,011, and \$8,065, respectively.

Comparison of Fiscal 2021 to Fiscal 2020 Results of Operations

Total operating revenues increased by \$1,392,520 from \$56,375,187 in fiscal year 2020 to \$57,767,707 for fiscal year 2021. The majority of the increase is primarily attributable to new fully-paid license agreements executed in fiscal year 2021.

Total operating expenses increased by \$2,293,365 for fiscal year 2021 compared to fiscal year 2020. The increase was primarily attributable to legal expenses incurred related to new fully-paid settlement license agreements entered into during fiscal year 2021.

Comparison of Fiscal 2020 to Fiscal 2019 Results of Operations

Total operating revenues increased by \$51,933,260 from \$4,441,927 in fiscal year 2019 to \$56,375,187 for fiscal year 2020. The majority of the increase is directly attributable to several fully-paid license agreements and a patent monetization agreement. This was offset by a decrease in patent cost reimbursement in fiscal year 2020 compared to fiscal year 2019. Additionally, other revenues increased by \$59,682 in fiscal year 2020 compared to fiscal year 2019 primarily due new events and programs and increases in registration of existing events offered during 2020.

Total operating expenses increased by \$45,401,241 for fiscal year 2020 compared to fiscal year 2019. The increase was primarily attributable with the associated fees and distributions related to the fully-paid license agreements of \$33,835,952, the foreign taxes associated with the fully-paid license agreements of \$9,197,500, incentive compensation associated with the positive results incurred during the year of \$1,794,304, and the patent monetization distributions of \$760,000 in fiscal year 2020.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Management's Discussion and Analysis (unaudited)

June 30, 2021 and 2020

Economic Conditions

The uncertainty of the general economic condition impacts university technology transfer offices such as the Corporation. The stability of the economy will be critical in the venture capital industry, which provides funding for start-up companies that may license university intellectual property.

Contacting the Company's Management

This report is meant to accurately describe the financial condition and position of the Corporation.

If you have any questions about this report or need additional financial information, contact UNM Rainforest Innovations at 101 Broadway Blvd NE, Suite 1100, Albuquerque, New Mexico 87102.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Statements of Net Position

June 30, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash and cash equivalents	\$ 9,148,216	6,864,189
Investments	12,646,362	3,897,683
Accounts receivable, net	754,737	405,843
Total current assets	22,549,315	11,167,715
Capital assets:		
Furniture and equipment	256,336	310,388
Accumulated depreciation	(220,680)	(277,509)
Total capital assets, net	35,656	32,879
Investment in stock	1,750	1,735
Total assets	\$ 22,586,721	11,202,329
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 233,299	247,351
Due to University of New Mexico	4,425,383	427,185
Accrued royalty sharing, net	1,018,038	890,126
Accrued expenses	2,143,058	2,014,722
Total current liabilities	7,819,778	3,579,384
Net position:		
Investment in capital assets	35,656	32,879
Unrestricted	14,731,287	7,590,066
Total net position	14,766,943	7,622,945
Total liabilities and net position	\$ 22,586,721	11,202,329

See accompanying notes to financial statements.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Operational funding from UNM	\$ 794,000	794,000
Patent funding from UNM	952,000	952,000
Economic development funding from UNM	288,000	288,000
Patent cost reimbursement, net	624,287	488,740
Licensing and royalties, net (Notes 3 and 4)	54,521,482	52,341,706
Patent monetization fees (Note 4)	-	1,000,000
Rental income	90,825	128,631
Other	497,113	382,110
	<u>57,767,707</u>	<u>56,375,187</u>
Operating expenses:		
Patent costs incurred	1,594,415	1,466,547
Licensing distributions (Note 3)	12,002,640	12,821,385
Depreciation	9,596	8,011
Foreign tax expense (Note 7)	-	9,197,500
Patent monetization distributions (Note 4)	-	760,000
Economic development initiative	614,249	441,356
General and administrative (Note 3)	38,077,852	25,310,588
	<u>52,298,752</u>	<u>50,005,387</u>
Operating income	<u>5,468,955</u>	<u>6,369,800</u>
Nonoperating revenues:		
Interest income	164,578	34,047
Net increase in fair value of investments	1,510,465	213,130
	<u>1,675,043</u>	<u>247,177</u>
Change in net position	7,143,998	6,616,977
Net position, beginning of year	<u>7,622,945</u>	<u>1,005,968</u>
Net position, end of year	<u>\$ 14,766,943</u>	<u>7,622,945</u>

See accompanying notes to financial statements.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from licensees	\$ 54,168,113	52,846,404
Receipts for patent monetization agreements	-	1,000,000
Receipts for patent funding revenue from UNM	952,000	952,000
Receipts for operational funding revenue from UNM	794,000	794,000
Receipts for patent cost reimbursements	628,762	655,208
Receipts from other	497,113	382,111
Receipts for economic development initiatives funding revenue from UNM	288,000	288,000
Receipt of rental income	90,825	128,631
Receipts for co-investment funding from UNM	189,993	100,000
Payment to start up companies for co-investment funding	(189,993)	(100,000)
Payments associated with the patent monetization agreement	-	(760,000)
Payment for patent costs incurred	(1,594,415)	(1,466,547)
Payments of foreign taxes	-	(9,197,500)
Payment for licensing distribution expense	(7,876,530)	(13,014,527)
Payments to suppliers and employees	(38,577,817)	(23,898,873)
Net cash provided by operating activities	9,370,051	8,708,907
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(12,373)	(7,850)
Net cash used in capital and related financing activities	(12,373)	(7,850)
Cash flows from investing activities:		
Investments purchased	(7,814,729)	(3,384,375)
Investment proceeds	741,093	495,660
Investment in stock	(15)	(216)
Net cash used in investing activities	(7,073,651)	(2,888,931)
Net change in cash and cash equivalents	2,284,027	5,812,126
Cash and cash equivalents, beginning of year	6,864,189	1,052,063
Cash and cash equivalents, end of year	\$ 9,148,216	6,864,189
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 5,468,955	6,369,800
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	9,596	8,011
Bad debt expense	103,324	525,000
Changes in operating assets and liabilities:		
Accounts receivable, net	(452,218)	146,166
Accounts payable	(14,052)	61,448
Due to University of New Mexico	3,998,198	(47,008)
Accrued royalty sharing, net	127,912	(146,134)
Accrued expenses	128,336	1,791,624
Net cash provided by operating activities	\$ 9,370,051	8,708,907

See accompanying notes to financial statements.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

(1) Organization

UNM Rainforest Innovations (the Corporation) is a blended component unit of The University of New Mexico (UNM). The Corporation was organized on April 26, 1993 to facilitate the commercialization of UNM faculty inventions and to manage UNM's Science & Technology Park in Albuquerque, New Mexico. On December 14, 2004, UNM and UNM Rainforest Innovations entered into a revised Memorandum of Agreement (MOA) containing the expectations and performance obligations UNM is seeking from the Corporation. The MOA may be terminated at any time by either party, at which point all property of the Corporation shall be transferred to UNM or other successor organization designated by resolution of the UNM Board of Regents. The Corporation was incorporated under the State of New Mexico's University Research Park and Economic Development Act. As of June 30, 2021, the governing board consisted of 29 members, including 11 members of certain officers and faculty of UNM, the President of the Corporation, and 17 members of the community. The Corporation has no component units.

(2) Summary of Significant Accounting Policies

(a) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

As a blended component unit of UNM, the Corporation prepared its financial statements in accordance with the accounting disclosure requirements under the Governmental Accounting Standards Board (GASB) pronouncements as the Corporation meets the criteria of a governmental not-for-profit. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The significant accounting policies are summarized below.

The Corporation's financial statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recognized as soon as the liability is incurred.

Operating revenues and expenses are those incurred that primarily relate directly to facilitating commercialization of UNM faculty, staff, and student inventions, as well as economic development initiatives and venture development income. All other revenues and expenses are considered nonoperating.

(b) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures during the reporting period. Accordingly, actual results could differ from those estimates.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

(c) ***Cash and Cash Equivalents***

Cash and cash equivalents include deposits and funds invested in short-term money market mutual funds. The Corporation is not subject to statutory or policy restrictions on the types of deposits held.

For purposes of the statements of cash flows, the Corporation considers all cash on hand, cash in banks, and all highly liquid securities with original maturities less than 90 days to be cash equivalents.

(d) ***Accounts Receivable***

Accounts receivable represent the amount earned based on existing terms under license agreements but uncollected on accrued royalties earned from customers.

Accounts receivable are carried at original amount billed less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. During fiscal 2021 and 2020, management wrote-off \$103,324 and \$425,000, respectively, deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. There were no recoveries in fiscal years 2021 or 2020. There was an allowance for doubtful accounts of \$2,198 and \$100,000 as of June 30, 2021 and 2020, respectively.

An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Interest is not charged on past due accounts receivable.

(e) ***Capital Assets***

Capital assets are carried at cost. Depreciation is provided on the straight-line method based on estimated useful lives of three to seven years, except for depreciation of buildings, which have a useful life of 30 years. Capital assets costing over \$1,000 and with a useful life greater than a year are capitalized. Repairs and maintenance expenses are charged to expense as incurred.

(f) ***Patent Costs***

UNM, a related party, provides annual funding for patent costs. The funding revenue is deferred on receipt. As patent costs are incurred, expense is recognized and an equal amount of the deferred revenue is recognized as income.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

(g) Revenue Recognition

Upfront, nonrefundable licensing fees are recognized when earned. These fees are ordinarily earned when a license agreement is signed and the Corporation has no further obligations with respect to the license. Minimum annual royalty and license maintenance fee income is accrued as it is earned, if it is determined that collection is reasonably assured.

Operational and patent cost funding from UNM is recognized when all eligibility requirements have been met. Patent cost reimbursement is recognized when earned.

Economic development funding and other professional service income is on a cost-reimbursement basis and thus revenue is recognized equal to the amount of allowable expenses incurred.

Patent monetization fees are recognized when an agreement is signed and the Corporation has no further obligations with respect to the agreement.

Rental income from operating leases is recognized on a month-to-month basis according to lease terms.

Accounts receivable, net was \$754,737 and \$405,843 as of June 30, 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, the Corporation had bad debt expense related to royalties and licenses of \$98,849 and \$504,698, respectively. For the years ended June 30, 2021 and 2020, the Corporation had \$4,475 and \$20,302 of bad debt expense related to patent cost reimbursement, respectively. The Corporation netted bad debt expense with the corresponding revenue.

(h) Income Taxes

The Corporation has received a determination letter from the Internal Revenue Service (IRS) that it is an organization described in Internal Revenue Code Section 501(c)(3). As such, it would be exempt from federal income tax on income generated from activities related to its exempt function.

The Corporation is taxable on unrelated business taxable income. Under some license agreements, the Corporation will take an equity position in the licensee. If the licensee is a limited liability company, the IRS treats income allocable to interests held by a tax-exempt entity as unrelated business taxable income. The Corporation had no unrelated business taxable income during the years ended June 30, 2021 or 2020.

(i) Accrued Employee Benefits

The Corporation's employees may accumulate paid personal time, which is payable to the employee upon termination or retirement. Personal time costs are recognized as a liability when earned by the employee.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

(j) *Investments*

The investment portfolio is valued based on quoted market values. The portfolio primarily consists of mutual funds. Investments in stock consist of ownership interest in start-up companies and are carried at cost basis.

(k) *Net Position*

Net position is classified as follows:

Invested in capital assets (net of related debt) is intended to reflect the portion of net position that is associated with non-liquid, capital assets less outstanding capital asset-related debt. The Corporation does not have any debt related to its capital assets.

Restricted net position is the net position that has third-party (statutory or granting agency) limitations on its use. There was no restricted net position as of June 30, 2021 and 2020.

Unrestricted net position represents liquid assets available for use.

(l) *Impact of Recently Issued Accounting Standards*

GASB Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance. This statement extends the implementation dates of several existing GASB authoritative guidance, including GASB No. 87 to fiscal years beginning after June 15, 2021.

GASB Statement No. 87 – Leases. This statement defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (e.g., buildings, land, vehicles, equipment) as specified in the contract for a period of time in an exchange or exchange-like transaction. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources (revenues) or outflows of resources (expenses) based on the payment provisions of the contract. A lessee is required to recognize a lease liability, measured at the present value of payments expected to be made during the lease term, and an intangible right-to-use lease asset, measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lessor is required to recognize a lease receivable, measured at the present value of lease payments expected to be received during the lease term, and a deferred inflow of resources, measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. This statement includes an exception for short-term leases (those with a maximum possible term of 12 months or less), contracts that transfer ownership, leases of assets that are investments, and certain regulated leases. The Corporation is currently evaluating the impact GASB Statement No. 87 will have on its financial statements.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

(3) License Agreements

During fiscal years 2021 and 2020, the Corporation entered into several fully-paid license agreements. The fully-paid license agreements grant a non-exclusive, irrevocable, non-transferable, world-wide license under the licensed patents. The Company incurred \$45,131,032 and \$33,835,952 in fiscal years 2021 and 2020, respectively, in associated fees and distributions included in general and administrative and licensing distributions on the statement of revenues, expense, and changes in net position.

Net licensing revenues are subject to distributions, based on mutual agreements and UNM policy, to joint owners of intellectual property, UNM inventors, and certain offices at UNM. As of June 30, 2021 and June 30, 2020, \$4,425,383 and \$427,185, respectively, are owed to UNM for UNM's share of licensing distributions.

(4) Patent Monetization Agreement

On July 12, 2019, the Corporation entered into a Patent Monetization Agreement and related documents with multiple third-parties to fund expenses incurred by or on behalf of the Corporation in pursuing certain patent infringement claims. The terms of the agreements are subject to confidentiality provisions and/or Attorney-Client Privilege. During fiscal year 2021, certain patent settlement claims resulted in three fully-paid license agreements.

(5) Cash, Cash Equivalents, and Investments

	2021	2020
Cash and cash equivalents:		
Cash on deposit at financial institution	\$ 8,840,547	6,824,692
Cash equivalents not considered deposits:		
Money market accounts	307,569	39,397
Petty cash	100	100
Total cash and cash equivalents	\$ 9,148,216	6,864,189
Investments:		
Mutual funds:		
Domestic fixed income	\$ 3,206,189	1,730,910
International fixed income	120,220	60,646
Domestic equity	5,867,004	1,356,556
International equity	3,452,949	749,571
Total investments	\$ 12,646,362	3,897,683

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

(a) Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the entity's deposits may not be returned to it. The Corporation maintains cash and cash equivalents in interest-bearing transaction accounts with financial institutions and, as such, the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC) up to \$250,000. The Corporation does not believe there is any significant credit risk related to their deposits. The Corporation does not require collateral on its cash deposits in excess of \$250,000.

As of June 30, the Corporation's deposits were exposed to custodial credit risk as follows:

The following schedule details the Corporation's deposit accounts at June 30, 2021:

Bank Name/ Account	Account Type	Financial Statement Balance	Outstanding Checks	Bank Balance
Bank of the West:				
Operating	Checking	\$ 8,840,547	213,911	\$ 9,054,458
TIAA:				
Money market account	Money market	307,569	-	<u>307,569</u>
				<u>9,362,027</u>
	Less FDIC insurance			(250,000)
	Less SIPC insurance			<u>(250,000)</u>
	Uninsured and uncollateralized at June 30, 2021			<u>\$ 8,862,027</u>

The following schedule details the Corporation's deposit accounts at June 30, 2020:

Bank Name/ Account	Account Type	Financial Statement Balance	Outstanding Checks	Bank Balance
Bank of the West:				
Operating	Checking	\$ 6,824,692	251,255	\$ 7,075,947
TIAA:				
Money market account	Money market	39,397	-	<u>39,397</u>
				<u>7,115,344</u>
	Less FDIC insurance			(250,000)
	Less SIPC insurance			<u>(39,397)</u>
	Uninsured and uncollateralized at June 30, 2020			<u>\$ 6,825,947</u>

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

(b) *Investment Policy*

Up until March 2020, the Corporation had its funds in the “Aggressive” investment objective option under the “Passive Meet/Beat Market” TIAA Portfolio Advisor Investment Strategy. Due to negative long-term forecasts in the global market, the Corporation changed its investment objective option to “Moderate/Intermediate-Term” under the Passive Meet/Beat Market” TIAA Portfolio Advisor Investment Strategy. TIAA has a general investment account policy developed for the Corporation’s funds. The policy establishes an understanding as to the investment goals, objectives, and management policies for this specific portfolio. The objective of the fund is an emphasis on the total return of the portfolio with some consideration on additional customization options. Investments are primarily in equity securities and other asset classes, with growth as the primary objective. Fixed income securities are utilized for risk control. Real assets are utilized for diversification and complementary strategies may be utilized to improve the return/risk relationship of the portfolio. The risk of tolerance of the Corporation can currently be described as “moderate/intermediate-term”. The performance of the portfolio will be monitored, measured, and reported by TIAA to the Corporation.

On July 31, 2020, the Corporation’s Board of Directors approved a Quasi-Endowment Fund Investment Policy establishing investment objectives, policies, guidelines, and eligible securities for the investment and management of funds held in the Quasi-Endowment Fund. The amended investment policy eliminated the concept of and use of a Strategic Initiatives Fund and authorized the creation of a Spending Account, as described in the policy, for the determination of the amount of funds available for expenditure on the Corporation’s strategic initiatives.

(c) *Interest Rate Risk and Credit Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that the credit quality of investments fluctuates or downgrades from the time of purchase or the risk that an issuer of an investment will not fulfill its obligations. The Corporation’s investments subject to interest rate and credit risk are the fixed income mutual funds. The Corporation’s investment policy limits interest rate risk by limiting the percentage of assets invested in bond funds and by requiring the weighted average duration of its portfolio of bond funds to not exceed the duration of the Barclays Aggregate Bond Index by more than two years. The Corporation’s investment policy limits credit risk by requiring that domestic investment grade bond funds held have a credit rating of BBB or above at purchase, and by limiting the percentage of assets invested in bond funds.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

The Corporation had the following investments and maturities at June 30, 2021 and 2020.

Investment Type	June 30, 2021					
	Fair Value	Weighted Average Investment Maturities (in Years)				
		Less Than 1	1 – 5	6 – 10	More Than 10	Not Available
Fixed income:						
Domestic bond mutual funds	\$ 3,206,189	—	328,657	2,877,532	—	—
International bond mutual funds	120,220	—	—	—	120,220	—
	<u>\$ 3,326,409</u>	<u>—</u>	<u>328,657</u>	<u>2,877,532</u>	<u>120,220</u>	<u>—</u>
Investment Type	June 30, 2020					
	Fair Value	Weighted Average Investment Maturities (in Years)				
		Less Than 1	1 – 5	6 – 10	More Than 10	Not Available
Fixed income:						
Domestic bond mutual funds	\$ 1,730,910	—	111,779	1,619,131	—	—
International bond mutual funds	60,646	—	—	—	—	60,646
	<u>\$ 1,791,556</u>	<u>—</u>	<u>111,779</u>	<u>1,619,131</u>	<u>—</u>	<u>60,646</u>

The following tables provide information on the credit ratings associated with the Corporation's investments in debt securities at June 30, 2021 and 2020.

Investment Type	June 30, 2021									
	Fair Value	AAA	AA	A	BBB	BB	B	Below B	NR	Not Available
Fixed income:										
Domestic bond mutual funds	\$ 3,206,189	111,173	2,396,857	240,004	300,765	—	157,390	—	—	—
International bond mutual funds	120,220	—	—	—	—	—	120,220	—	—	—
	<u>\$ 3,326,409</u>	<u>111,173</u>	<u>2,396,857</u>	<u>240,004</u>	<u>300,765</u>	<u>—</u>	<u>277,610</u>	<u>—</u>	<u>—</u>	<u>—</u>
Investment Type	June 30, 2020									
	Fair Value	AAA	AA	A	BBB	BB	B	Below B	NR	Not Available
Fixed income:										
Domestic bond mutual funds	\$ 1,730,910	—	1,522,777	55,910	55,869	—	96,354	—	—	—
International bond mutual funds	60,646	—	—	—	—	—	60,646	—	—	—
	<u>\$ 1,791,556</u>	<u>—</u>	<u>1,522,777</u>	<u>55,910</u>	<u>55,869</u>	<u>—</u>	<u>157,000</u>	<u>—</u>	<u>—</u>	<u>—</u>

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

(d) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. All foreign investments of the Corporation are in mutual funds, as disclosed elsewhere in this note.

(e) Net Increase in Fair Value of Investments

During the years ended June 30, the Corporation experienced realized gains and unrealized losses on investments held as follows:

	2021	2020
Realized gains	\$ 70,133	26,135
Unrealized gains	1,440,332	186,995
Net increase in fair value of investments	\$ 1,510,465	213,130

Fair Value Measurement

The Corporation categorizes its 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 Corporation considers the reasonableness of the NAV, based on market information, to arrive at the fair value estimates for each investment.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

The Corporation has the following recurring fair value measurements as of June 30, 2021:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Mutual funds:				
Domestic fixed income	\$ 3,206,189	3,206,189	—	—
International fixed income	120,220	120,220	—	—
Domestic equity	5,867,004	5,867,004	—	—
International equity	3,452,949	3,452,949	—	—
Total investments	<u>\$ 12,646,362</u>	<u>12,646,362</u>	<u>—</u>	<u>—</u>

The Corporation has the following recurring fair value measurements as of June 30, 2020:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Mutual funds:				
Domestic fixed income	\$ 1,730,910	1,730,910	—	—
International fixed income	60,646	60,646	—	—
Domestic equity	1,356,556	1,356,556	—	—
International equity	749,571	749,571	—	—
Total investments	<u>\$ 3,897,683</u>	<u>3,897,683</u>	<u>—</u>	<u>—</u>

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

(6) Capital Assets

The Corporation has the following capital assets as of June 30:

		2021			
		Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:					
Furniture and equipment	\$	310,388	12,373	(66,425)	256,336
Accumulated depreciation		(277,509)	(9,596)	66,425	(220,680)
Capital assets, net	\$	32,879	2,777	—	35,656
		2020			
		Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:					
Furniture and equipment	\$	302,538	7,850	—	310,388
Accumulated depreciation		(269,498)	(8,011)	—	(277,509)
Capital assets, net	\$	33,040	(161)	—	32,879

(7) Commitments and Contingencies

(a) Occupancy Agreement

The Corporation entered into an occupancy agreement with UNM for lease of the office facilities, effective August 15, 2017, as amended on February 28, 2021, with an end date of August 31, 2027. Future minimum payments required under the occupancy agreements are as follows:

Year ending June 30, 2022	\$	146,919
Year ending June 30, 2023		146,919
Year ending June 30, 2024		146,919
Year ending June 30, 2025		159,253
Year ending June 30, 2026		161,719
Thereafter		188,673
	\$	950,402

Rent expense in fiscal years 2021 and 2020 was \$204,528 and \$233,332, respectively, which are included in general and administrative expense in the accompanying statement of revenues, expenses, and changes in net position. The Corporation entered into sublease agreement with a third party effective September 1, 2017; however, the sublease was terminated on February 28, 2021. Previously the minimum receipts required under the sublease were \$86,403 each fiscal year. During the year, due to the Corporation's sublease termination, the Corporation and

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

UNM amended the occupancy agreement as follows: the monthly rent decreased to \$12,243 beginning March 1, 2021 through August 31, 2024; and monthly rent will increase to \$13,477 beginning September 1, 2024 through lease termination date of August 31, 2027.

The Corporation also enters into various short-term monthly agreements with venture lab tenants for virtual and physical space. The Corporation recorded \$90,825 and \$128,631 of rental/occupancy income associated with these agreements in fiscal years 2021 and 2020, respectively.

(b) Risk Management

The Corporation is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. The Corporation is insured under the UNM's Risk Management for liability and casualty insurance, and through a private carrier for director and officer liability insurance. There have been no significant reductions in coverage from the prior year and there have been no settlements in any of the past years.

(c) Litigation

In the normal course of its commercialization activities and the protection of its patent portfolio, the Corporation engages in litigation to enforce its contractual rights under existing license agreements and to enforce its patent rights against infringers. During fiscal years 2021 and 2020, the Corporation resolved litigation in several infringement cases. The terms of the agreements related to the resolution of each case are subject to confidentiality restrictions set out in the agreements.

(d) Foreign Taxes

In the normal course of its commercialization activities, the Corporation may pay taxes to foreign jurisdictions on royalty income. In some cases, the Corporation may be entitled to refunds based upon tax treaties between the U.S. Government and the foreign jurisdiction or other law. During the fiscal years ended June 30, 2021 and 2020, the Corporation paid foreign taxes in the amount of \$0 and \$9,197,500, respectively, and is currently seeking a refund of all or a portion of such amount. The Company has not recorded any gain contingency as of June 30, 2021 and June 30, 2020 associated with these taxes.

(e) COVID-19

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the U.S. and global economies and created uncertainty regarding potential impacts to the Company's operations and customer demand. The ongoing pandemic has impacted the Corporation's operations and the operations of the Corporation's start-up companies and UNM as a result of quarantines, and travel and logistics restrictions. While there have been disruptions caused by the pandemic, the Corporation has successfully adapted to using various tools and applications to manage operations remotely and to enhance communications. The Corporation has followed

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

UNM's guidance related to the pandemic and has had limited operations with partial opening of the office facilities. All events and meetings were changed to be held online and in some cases the attendance has increased compared to pre-pandemic in-person gatherings. Despite the challenges, the level of licensing and patent activity remained very strong during the current year. With the newly discovered variant of the novel coronavirus COVID-19 having possible further global implications, there is continued uncertainty regarding the pandemic's duration. The Corporation's management expects the continuing pandemic will have a certain level of ongoing impact on its results of operations, financial position, and liquidity; however, management cannot reasonably estimate the future impact at this time.

(8) Defined Contribution Plan

The Corporation sponsors a defined contribution retirement plan for eligible employees. Employees may contribute up to the maximum allowed by the IRS. In fiscal years 2021 and 2020, the Corporation matched employee contributions below 7.975% commensurately; employee contributions that equaled or exceeded 7.975% were matched up to 12.4% of the employee's base salary. There is no vesting period. The Corporation's contributions were \$132,558 and \$124,518 in fiscal years 2021 and 2020, respectively. Employee contributions were \$90,282 and \$85,001 in fiscal years 2021 and 2020, respectively.

(9) Incentive Compensation Plan

The Corporation has an incentive compensation plan in which the finance and compensation committee of the Corporation's Board of Directors (UNMRI Board) has the discretion to provide a cash and/or equity incentive award based on performance. Cash bonuses awarded to employees were \$1,863,650 and \$1,790,639 in fiscal years 2021 and 2020, respectively. Equity incentive awards are provided to eligible employees in shares of start-up company common or preferred stock. The total shares awarded to employees for various companies during fiscal years 2021 and 2020 were 5,993 and 79,312, respectively.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

Year Ended June 30, 2021

(10) Quasi-Endowment

The Corporation's Board approved, as amended, an internal UNM Rainforest Innovations endowment policy for management of large one-time license-fee related payments received by the Corporation. The endowment policy, as amended, states that if the Corporation's net position balance exceeds \$500,000 then the excess balance may be allocated as follows: 80% to the Corporation's Quasi-Endowment, the interest from which could be used to fund the Corporation's operations; and 20% to the Corporation's Strategic Initiatives Fund to be used for the inventor recognition awards program, the gap fund program, and other strategic initiatives of the Corporation, as determined by the Corporation Board's Executive Committee. Reallocation of balances between the Quasi-Endowment, Strategic Initiatives Fund, and other net position balances may be made at the discretion of the Corporation's Finance Committee. The Corporation's Board designated endowment of \$500,000 is accounted for and included under unrestricted net position. The Corporation Board's Endowment Committee meets on a quarterly basis to closely monitor the endowment fund activities and investment fund portfolio.

(11) Co-Investment Fund

Based on a working relationship with the UNM Foundation, a related party, during fiscal year 2014, the UNM RI Board of Directors approved the UNM RI Policy on Investment from Co-Investment Fund. The UNM Foundation revised its Consolidated Investment Fund Policy (the Policy) to set aside \$1,000,000 for their investment in private startup companies, which were started based on technology transferred and licensed from the Corporation. Under the Policy, any positive returns realized and received by the Co-Investment Fund in the future shall be shared 10% by the Corporation and 90% by the UNM Foundation. The Policy agreement was amended on October 21, 2016 removing the \$1,000,000 threshold.

During fiscal year 2021, the Corporation approved two proposals from two separate start-up companies and provided successful co-investments totaling \$189,993 based on direct pass-through funding from the UNM Foundation to the Corporation per the terms of the policy.

During fiscal year 2020, the Corporation approved one proposal from a start-up company and provided successful co-investments totaling \$100,000 based on direct pass-through funding from the UNM Foundation to the Corporation per the terms of the policy.

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

The Board of Directors
UNM Rainforest Innovations
and
Mr. Brian S. Colón, Esq.
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of UNM Rainforest Innovations, which comprise the statement of net position as of and for the year ended June 30, 2021, and the statements of revenues, expenses, and changes in net position and cash flow for the year then ended, and have issued our report thereon dated September 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UNM Rainforest Innovations' 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 UNM Rainforest Innovations' internal control. Accordingly, we do not express an opinion on the effectiveness of UNM Rainforest Innovations' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UNM Rainforest Innovations' 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*.

Purpose of this Report

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

Mess Adams LLP

Albuquerque, New Mexico
September 10, 2021

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)
Summary of Auditor's Results (as Required by 2.2.2.10 NMAC L(1) (f))
June 30, 2021

Financial Statements

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

Internal control over financial reporting:

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

Compliance and other matters noted? Yes No

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Schedule of Findings

Year Ended June 30, 2021

No matters were reported.

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)
Schedule of Prior Audit Findings
Year Ended June 30, 2021

No prior audit findings

UNM RAINFOREST INNOVATIONS
(A Blended Component Unit of the University of New Mexico)

Exit Conference
Year Ended June 30, 2021

An exit conference was held on September 7, 2021. During this meeting, the contents of this report were discussed with the following individuals:

UNM Rainforest Innovations (a blended component unit of the University of New Mexico)

Elizabeth Kuuttila, CEO and Chief Economic Development Officer

Sandra Begay, Board Chair

Teresa Costantinidis, Board Member

Dr. Douglas Ziedonis, Board Member

Kyung Salazar, CFO

Preston Hendrix, Controller

Moss Adams LLP

Lisa Todd, Partner

Lauren Kistin, Senior Manager

Lauren Casias, Senior

UNM Rainforest Innovations (a blended component unit of the University of New Mexico) is responsible for the contents of the financial statements. Moss Adams LLP assisted with the preparation of the financial statements.

TAB 13

#13



Lobo Energy, Incorporated

January 26, 2022

Ms. Teresa Costantinidis
Senior Vice President for Finance & Administration
The University of New Mexico
Scholes Hall, Room 111 MSC 05-3500
Albuquerque, NM 87131-0001

Dear Senior Vice President Costantinidis :

Lobo Energy, Incorporated requests that the annual meeting of the member be held during the Finance and Facilities Committee meeting on February 08, 2022.

There are two action items for the agenda:

- Approval of the Minutes from the Annual Meeting of the Member held on February 16, 2021
- Approval of the FY 2020-21 audit

Although the Regents' Finance & Facilities Committee has approved the UNM audit, which includes the audit of Lobo Energy, the University Research Park and Economic Development Act requires that the auditor present the corporation's audit to the Board of Regents. We wish to fulfill that obligation. Jason Strauss will present.

Thank you

Sincerely,

A handwritten signature in blue ink that reads "Jason Strauss".

Jason Strauss
President/CEO

c: Lisa Marbury

**Minutes of the Regular Meeting of
The Board of Regents of the University of New Mexico
February 16, 2021; 9:00 AM
Virtual meeting via Zoom; livestreamed for public viewing**

Members Present

Douglas Brown, President
Kim Sanchez Rael, Vice President
Sandra Begay, Secretary/Treasurer
Melissa Henry
Marron Lee
Robert Schwartz

Members Not Present

Rob Doughty

Administration Present

Garnett S. Stokes, President; James Holloway, Provost and EVP for Academic Affairs; Douglas Ziedonis, EVP for Health Sciences Center; Teresa Costantinidis, SVP for Finance and Administration; Loretta Martinez, University Counsel; Assata Zerai, VP for Diversity, Equity and Inclusion; Eliseo 'Cheo' Torres, VP Student Affairs; Dorothy Anderson, VP HR; Kate Becker, CEO, UNM Hospitals; Ava Lovell, Sr. Executive Officer for Finance & Administration, HSC; Duane Arruti, CIO; Eddie Nunez, Athletic Director; Cinnamon Blair, Chief University Marketing and Communications Officer; Barbara Damron, Chief Government Relations Officer; Liz Metzger, University Controller; Terry Babbitt, President's Chief of Staff; and others

Advisors Present

Chad Cooper, President, Alumni Association Board; Kevin Malloy, Retiree Association President; Finnie Coleman, Faculty Senate President; Nancy Shane, Staff Council President; Nikhileshwara 'Nikhil' Reddy Naguru, GPSA President; Muskan 'Mia' Amin, ASUNM President

Presenters

Mike Chicarelli, COO, UNM Hospital; Bonnie White, CFO, UNM Hospital; Bill Shuttleworth, Chair, Department of Neurosciences; Bruce Cherrin, Chief Procurement Officer; Elisha Allen, Dir., IT Academic Technologies; Jon Bocock, Assoc. Dir. IT Academic Technologies; Vahid Staples, Budget Officer, OB&A; Lisa Kuuttilla, Pres. & CEO, UNM Rainforest Innovations, Inc.; Scot Sauder, Deputy University Counsel; Kelly Ward, Dir. Business Operations, Lobo Development Corp.; Jason Strauss, Pres. & CEO, Lobo Energy, Inc.; Robb McLean, Inter. Pres. & CEO, UNM Medical Group, Inc.; Jamie Silva-Steele, Pres. & CEO, SRMC

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Regent President Doug Brown called the meeting to order at 9:01 AM and confirmed a quorum with six members present; Regent Rob Doughty was not in attendance.

LAND ACKNOWLEDGEMENT STATEMENT

Regent Brown read aloud the Land Acknowledgement Statement:

Land Acknowledgement Statement

Founded in 1889, The University of New Mexico sits on the traditional homelands of the Pueblo of Sandia. The original peoples of New Mexico – Pueblo, Navajo, and Apache – since time immemorial, have deep connections to the land and have made

significant contributions to the broader community statewide. We honor the land itself and those who remain stewards of this land throughout the generations and also acknowledge our committed relationship to Indigenous peoples. We gratefully recognize our history.

ADOPTION OF THE AGENDA

Regent Brown asked for a motion to adopt the agenda.

- The motion to adopt the agenda passed unanimously (1st Rael; 2nd Schwartz; roll call vote – all members voted yes).

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION (1ST Begay; 2nd Schwartz; roll call vote - all members voted yes). The meeting closed at 9:04 AM.

- A. Discussion, and where appropriate determination, relative to strategic and long-range business plans or trade secrets of public hospitals permitted by Section 10-15-1H(9), NMSA (1978)
- B. Discussions of bargaining strategy preliminary to collective bargaining and collective bargaining between a policymaking body and an employee bargaining unit, as permitted by Section 10-15-1H(5), NMSA (1978)
- C. Discussions subject to attorney-client privilege pertaining to threatened or pending litigation as permitted by Section 10-15-1H(7), NMSA (1978)
- D. Discussion of “limited personnel matters” as defined in and permitted by Section 10-15-1H(2), NMSA (1978) – regarding: President Stokes’ Goals

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION THAT ONLY THOSE MATTERS DESCRIBED IN THE CLOSED SESSION AGENDA WERE DISCUSSED IN CLOSED SESSION, AND IF NECESSARY, FINAL ACTION WITH REGARD TO CERTAIN MATTERS WILL BE TAKEN IN OPEN SESSION The meeting re-opened at 10:05 AM.

Regent Brown certified that closed session discussions were limited to only those matters described in the closed session agenda. He announced that the Board would take action in open session regarding the personnel matter, approval of President Stokes’ annual goals as negotiated extensively by the Regents. He asked for a motion to approve.

- The motion to approve President Stokes’ goals passed with a unanimous vote in favor (1st Begay; 2nd Schwartz; roll call vote - all members voted yes).

APPROVAL OF MINUTES OF THE DECEMBER 9, 2020 REGULAR MEETING

Regent Brown asked for a motion to approve the minutes of the last meeting.

- The motion to approve the minutes of the December 9, 2020 regular meeting passed unanimously (1st Henry; 2nd Begay; roll call vote - all members voted yes).

PUBLIC COMMENT

Stephen Harrington, UNM Alumnus, expressed concern that UNM is operating and funding an abortion clinic that also receives tax dollars; he requested that the Heroes Work Here sign be removed immediately.

Tara Shaver, public constituent and Bernalillo County resident, expressed an ongoing concern about UNM’s persistence in maintaining its freestanding abortion facility, the Center for Reproductive Health, and the use of taxpayer funds to support it. She asked the Regents to address how to close the clinic as soon as possible.

Samantha Cooney, UNM Graduate Student, spoke in support of United Graduate Workers of UNM union efforts.

Nic Estrada, student and member of UNM LEAF (Leaders for Environmental Action & Foresight), spoke in support of UNM divestment in fossil fuel investments.

Anupam Mitra, UNM Graduate Student and Research Assistant, spoke in support of UNM Graduate Workers Union and its relationship to UNM.

Alex Webb, Associate Professor, School of Architecture and Planning, spoke about the challenges of teaching during the pandemic.

Ana June, Assistant Professor of English, UNM-Valencia, spoke in support of UAUNM negotiations.

Alana Bock, Adjunct Faculty Member, UNM Taos, spoke in support of United Academics in the UNM bargaining process.

Sarah Heyward, Assistant Professor and Fine Arts Coordinator at UNM-Valencia, spoke in support of UAUNM negotiations.

Lucio Lanucara, Adjunct faculty, Department of Political Science and Anderson School of Management, spoke about the importance of continuing support for adjunct faculty to address the difficulties of teaching and developing classes during the Pandemic.

Katie Gutierrez, Doctoral Candidate in Economics, spoke in support of the UNM graduate workers union.

Father Stephen Imbarrato, New Mexico taxpayer/homeowner, spoke about his concerns about the very serious situation of UNM Health Sciences Center being involved in performing abortions from conception to birth, that it is not only on the wrong side of history, but is in the midst of a prolonged legacy that is already seen as a scandal nationwide.

Sofia Jenkins-Nieto, Student majoring in Environmental Science w/ minor in Sustainability Studies and affiliated with UNM LEAF, urged UNM to divest in fossil fuels and invest in clean energy and climate solutions.

Niklas Cole, Student majoring Community and Regional Planning with Minor in Environ. Science and affiliated with UNM LEAF, requested UNM prioritize climate change issues.

COMMENTS FROM REGENTS

Regent Schwartz commented that he appreciated hearing all the public comments and he wanted to direct his comments to what was heard about the UNM Center for Reproductive Health and the Heroes Work Here banner. Regent Schwartz advocated for the civil discussion and debate about what New Mexico policy should be about abortion, and he also emphasized the importance of what the UNM Center for Reproductive Health provides in the way of the many services it offers to the citizens of New Mexico, including family planning, pregnancy counseling, miscarriage care, and birth control options for women. He added that it is part of the regular medical school curriculum and it is involved with other UNM programs such as the family medicine residency program and the maternal child and reproductive health fellowship. Regent Schwartz discussed the vision to empower women and girls in the Southwest through optimal reproductive health, adding that the family planning division is serving that vision despite pretty constant pressure on them to abandon parts of their mission.

Regent Sandra Begay congratulated President Stokes on having her goals approved and said that it is something to be celebrated. Regent Begay remembered the days of the early 2000 era when she was a regent then and noted that it's not always easy to negotiate what goals need to be met and she emphasized that it is one of the foremost roles of a Regent, to work with the President to ensure a mutual understanding and agreement between the President and the Regents and on what's going to happen at the University and for that to be articulated in written goals like the ones approved earlier in the meeting. She added that the negotiations followed a well-organized process and were done in a friendly manner. "So thank you again for a very successful process, I think, as UNM Regents, we've met one of our major goals in 2021." Regent Brown thanked Regent Begay for her comments and for her help in the process as well.

Regent Brown commented on the issue of divesting from fossil fuel investments. He stated that his personal values and those of the University are, "solidly in the corner of trying to move forward aggressively on alternative energy renewable sources as quickly as we can, from our research mission, to our actions in the way we build buildings and every way we try to conserve energy, and move in the direction of weaning ourselves from fossil fuel. Unfortunately, the avenue of divesting investments in our Foundation presents some very formidable hurdles." He talked about fiduciary rules for the prudent investor in managing other people's money with such rules saying one should only be valuing what is the very best investment based on risk and reward and there being no room for various personal values and expressions. Secondly, he said that it is difficult to know where to draw the line on what exactly is related to fossil fuels -- for example, is it just drilling, is it coal, is it transportation? Additionally, many of the major companies are themselves involved in various industries, and energy production may be one of them. Finally, most of the Foundation's investments are in index funds, and those are a mirror of the whole stock market, and "although we may prefer not to invest in tobacco or oil and gas production, they are in there and that's the most efficient and productive way to serve the needs of our Foundation, to produce optimal investments." Regent Brown talked about the sentiments being there and that positive things can be done like encouraging investments and research in renewable energy, but he reiterated that the practicalities of altering the investment rules is extremely challenging.

PRESIDENT'S ADMINISTRATIVE REPORT

President Stokes opened her report with a focus on celebrating successes at UNM and noted several areas to celebrate including, the UNM volunteers who are helping out at The Pit which has been transformed into a mass vaccination site; distinguished Professor Emeritus Carlton Caves who has been awarded the 2020 Micius Quantum Prize; and Stephanie Moore, assistant professor of the OILS program who is now nationally acclaimed for two co-authored articles on teaching during a pandemic. Dr. Stokes talked about the results of a recent faculty survey that asked to what extent the COVID-19 pandemic has negatively affected various aspects of faculty members' work. The results showed that the pandemic has created tremendous challenges but that it hasn't affected everyone uniformly, there are different circumstances for different individuals. She assured the Regents that leadership will put a great deal of attention to the survey responses. Regarding other successes, President Stokes reported that three online programs have ranked among the 100 best in the nation: 1) the online Master's in Engineering, 2) the online Masters' in Nursing, and 3) the online Master's in Education and Human Sciences program. This is the result of the hard work of faculty and it speaks to UNM's flexibility and ability to change to deliver education for a variety of populations. She said a bigger challenge is keeping students engaged, involved and informed and she talked about the commitment to pay special attention to the needs of students, keeping them also informed of the many campus resources available to them. President Stokes talked about successes within UNM athletics and she gave a brief update on Branch Campus highlights. She also announced that Ellen Fisher has been named the new Vice

President for Research. Dr. Fisher is a Professor of Chemistry, coming from Colorado State University where she was also the Assistant Vice President for Strategic Initiatives and the Chief Research Integrity Officer.

President Stokes discussed legislative session and UNM's legislative priorities in the areas of I&G funding, compensation, and the Lottery Scholarship. UNM's government and community relations team is working tirelessly keeping track of the many pieces of legislation of interest. And regarding the Council of University President's, UNM's interests are aligned with those of the other four-year institutions.

The President discussed an important area of focus of the University, that of improving our communities. One of UNM's three Grand Challenges, Substance Use Disorders (SUD), has recently announced the SUD Grand Challenge Graduate Student Scholars Program whereby funding and mentoring will be provided to five graduate student researchers examining the health equity and inequity among historically disadvantaged groups across the state. President Stokes also announced that the Africana Studies program marked its 51st anniversary with the recent 36th annual Black History Month kickoff brunch. Additionally, UNM Health Sciences Center was named as one of five institutions by the Association of American Medical Colleges (AAMC) as the recipient of its Nurturing Experiences for Tomorrow's Community Leaders (NEXT) award. Dr. Stokes brought attention to the recent 2020 Business and Economic Summit, hosted by UNM's Rainforest Innovations. The summit was aimed at encouraging a statewide dialogue about ways to grow the New Mexico economy and innovation ecosystem. She also mentioned that the Bilinski Foundation has generously supported a fellowship program totaling over \$2.2 million since 2013, including a recent gift of \$528K. The Russell J. and Dorothy S. Bilinski Fellowships provide financial support for top doctoral students with demonstrated financial need who are conducting research for or completing their doctoral dissertations in American Studies, English, Foreign Languages & Literature, History, Linguistics, Philosophy and Spanish & Portuguese. President Stokes closed with a brief update on COVID response. Vaccinations are making a difference and COVID hospitalizations continue to see declines. This is something that is tracked every day and she thanked the health system leaders for their tremendous work and the tremendous impact they have made during the pandemic.

Regent Kim Sanchez Rael thanked President Stokes for her report and said it is inspiring to see the progress on the COVID front. She also expressed her excitement about the work the University is doing around the convening of the business and economic summit as it is really important to our community and for the future of New Mexico. She congratulated UNM Rainforest Innovations for the great work.

REGENTS' COMMITTEE REPORTS

APPROVAL OF CONSENT DOCKET

Regent Brown addressed the consent docket, and there being no requests to remove any items for discussion, asked for a motion to approve all items on the docket.

- A. [ASAR]* Approval of Key Managerial Personnel (KMP) Resolution
- B. [ASAR] Approval of Proposed Name Change for ASAR Committee to "Student Success, Teaching and Research Committee" (SSTAR)
- C. [F&F]* Approval of Disposition of Surplus Property for Nov/Dec.2020
- D. [F&F] Approval of 2nd-Qtr Financial Actions Report and Certification through Dec.31, 2020 and 2nd-Qtr Informational Financial Report through Dec.31, 2020
- E. [F&F] Approval of 2nd-Qtr Athletics' Enhanced Fiscal Oversight Program Report and Certification through Dec.31, 2020; and 2nd-Qtr Information on Athletics' Report by Sport through Dec.31, 2020

- F. [F&F] Approval of Project Construction Items:
 - 1. Centennial Engineering Center, 3rd Floor Civil Engineering Computer Lab Expansion
 - 2. Student Union Partial Roof Replacement
- G. [F&F] Approval of Reappointments and Appointments to UNM Rainforest Innovations Board of Directors
- H. [HSCC]* Approval of UNM Hospital Items:
 - 1. Disposition of Assets
 - 2. Medical Equipment Consultant (\$2,347,325)
 - 3. 1209 University Clinic – DOH Licensing (\$1,265,000)
 - 4. 2400 Tucker Clinic – DOH Licensing (\$2,500,000)
 - 5. Crisis Triage (\$1,300,000)
 - 6. Uptown Clinic Lease (\$193,600)
- I. [HSCC] Approval of Appointment of Certain Directors of UNM Medical Group, Inc.
- J. [HSCC] Approval to Renew Appointment of Mary Cotruzzola to the Carrie Tingley Hospital Advisory Board

* [ASAR] Academic/Student Affairs & Research Committee; [A&C] Audit & Compliance Committee; [F&F] Finance & Facilities Committee; [HSCC] Health Sciences Center Committee

- The motion to approve the items on the consent docket passed with a unanimous vote in favor (1st Rael; 2nd Schwartz; roll call vote - all members voted yes).

AUDIT AND COMPLIANCE COMMITTEE

FY21 Renewal of Annual Financial Statement Audit Contract (information item)

Regent Brown clarified that this was listed as an information item because the committee approved the second year of a three-year contract involving KPMG and Moss Adams for financial review. Controller Liz Metzger was available to answer any questions. There were no questions.

HEALTH SCIENCES CENTER COMMITTEE

Approval of New UNM Hospital Tower Items: 1) Phase III New UNM Hospital Tower {\$365 million}, and 2) Resolution Authorizing Filing the Application with HUD for the HUD-Insured Financing for the New Hospital Tower

Regent Rob Schwartz introduced the item and explained that this is not a matter that is controversial, it has been very carefully vetted and the financials are sound, but with the large amount of funding involved (\$365 million), it would be presented to the Regents for approval. He asked Mike Chicarelli, UNM Hospital Chief Operating Officer, to open the presentation. Mr. Chicarelli discussed the scope of the project. The plan is to build a seven level hospital tower which will be about 570,000 gross square feet. He outlined the overall project scope components [**See ATTACHMENT A**]. The full scope includes a 1401 space parking structure that will be located to the north of the New Hospital Tower (NHT), and that work has already started as part of Phase II. Mr. Chicarelli showed some NHT renderings, including a view of the interior finishes that will incorporate colors and features unique to New Mexico. Mr. Chicarelli turned the presentation over to UNMH CFO Bonnie White, to discuss the NHT financing. Ms. White said that the resolution for which they request Regents' approval has to do with the financing of the new tower. The entire project cost is \$616 million which includes the parking garage and the new tower. The patient tower is what would be financed by the mortgage (\$320 million). The other items like the equipment that will go in the bed tower as well as the parking garage are to be funded out of cash from UNM Hospitals. Ms. White clarified that the request is for the mortgage to be insured by HUD and she showed a couple of slides that outlined the financing details [**see ATTACHMENT B**]. Ms. White turned the

presentation over to Deputy University Counsel Scot Sauder to discuss the details of the resolution.

Mr. Sauder explained that in order to process an application for the HUD-insurance commitment, it requires that the governing body of the University authorize its filing and it also requires that the Regents approve the financial feasibility study that was presented to the Board during executive session. He outlined details of the resolution for approval [**see ATTACHMENT C**]. There being no further questions, Regent Schwartz made one motion to approve both items.

- The motion to approve Phase III for the New UNM Hospital Tower and the resolution authorizing filing the application with HUD for HUD-insured financing passed with a unanimous vote in favor (1st Schwartz; 2nd Rael; roll call vote - all members voted yes).

Approval of NIH C06 ISUBI Domenici Hall Expansion

Regent Schwartz introduced the item. He said that since it is a substantial and important development, the committee thought it was worthwhile to present the project to the Regents for approval. Regent Schwartz asked Ava Lovell and Bill Shuttleworth to present the item. Ms. Lovell said this project is the Interdisciplinary Substance Use and Brain Injury (ISUBI) addition to the Pete and Nancy Domenici Hall, currently a brain and behavioral research building. The Pete and Nancy Domenici Hall is located on North Campus, just west of the UNM golf course. The expansion project will be a 16,000 GSF, two-story addition; total project cost is \$10 million - \$4 million to be funded with NIH funds, and \$6 million to be funded with HSC capital funds. Ms. Lovell turned the presentation over to Dr. Shuttleworth, Chair of the Department of Neurosciences in the UNM School of Medicine, to discuss further details and the rationale for the project. Dr. Shuttleworth discussed the importance to New Mexico and its communities of UNM's research in the area of brain injury and how this interdisciplinary center will allow discovery research to be done in the same space as clinical research work. He added that this facility will be the home for the Substance Use Disorder Grand Challenge graduate student research work, and he discussed how researchers from disciplines all across the University will be able to use this facility to great benefit.

Regent Brown thanked the presenters and said that \$10 million is a disturbingly round number, it would be \$625 per square foot. He said he would move approval but with the caveat that a more detailed project cost breakdown would be provided going forward.

Regent Schwartz said the committee reviewed the project and recommends approval. He conveyed on behalf of the committee the genuine excitement about the underlying project in what this will bring to the University and to interdisciplinary activity at UNM.

Regent Kim Sanchez Rael expressed excitement for the project and added that one thing she would ask the management team, as it is building this exciting program, is to keep in mind opportunities for collaboration in public-private partnerships as there is a huge need in this field and for the private sector as well to have access to research capabilities.

- The motion to approve the ISUBI Domenici Hall expansion project passed with a unanimous vote in favor (1st Brown; 2nd Lee; roll call vote - all members voted yes).

FINANCE AND FACILITIES COMMITTEE

Approval of UNM Learning Management System

Regent Begay explained that the committee brought this item forward for presentation because of the large amount to be spent and that it is also a very interesting development to hear about. She asked Chief Procurement Officer Bruce Cherrin to open the presentation.

Mr. Cherrin said this is a replacement of the current learning management system (LMS), Blackboard Learn (branded UNM Learn), which has announced an end-of-life date for its self-hosted offering. After four responses to an RFP that went out last year and in accordance with the criteria established for the procurement, the committee recommends awarding the contract to Instructure Inc., whose product Canvas was consistently rated as the top candidate by both the scoring team and the larger evaluation community. The seven-year total cost will be \$2,498,375.56. UNM's CIO Duane Arruti introduced members from Core IT Services, Alisha Allen and Jon Bocock, to outline details of the collaborative selection process and why Canvas was chosen. There was a brief discussion about negotiations to make training components available within the system for all UNM faculty as part of the implementation package.

Regent Schwartz said he thought this was a wise choice as he had personal experience utilizing the Canvas system and found it really sophisticated and easy to learn.

- The motion to approve the UNM Learning Management System passed with a unanimous vote in favor (1st Begay; 2nd Lee; roll call vote - all members voted yes).

Regent Brown thanked Messrs. Arruti, Bocock and Allen for IT's work over the years that gave UNM a very good head start on converting to the requirements of online learning brought about by the COVID pandemic.

Results of the Advanced Refunding of UNM Series 2014A and 2014C Bonds (information item)

Vahid Staples presented the item. When the bond refunding proposal was brought to the Regents in December, and that part of the process involved the Regents delegating the pricing authority to the President and Senior Vice President for Finance and Administration, and in that process, the terms of delegating that authority provide that the subsequent results of that refunding be provided back to the Regents. The bonds went to market on February 3 and the results of the refunding were very favorable. The bond issue was well received and the market investor demand was extremely strong, and as a result of that the University was able to benefit from even lower interest rates than what was estimated in December. The refunding achieved a total present value savings of 11.23% of the refunded principal amount which was \$64,290,000. The average annual debt service savings will be approximately \$585,083 from FY2022 through FY2035. The total debt service savings through the life of the refunded issue equates to \$8,195,922.

Regent Rael inquired if there were any other refunding opportunities right now. Mr. Staples responded that UNM doesn't have any bonds coming up for the next year or two with which it could do the same, but he added they continue to look for opportunities.

UNM Rainforest Innovations 2020 Annual Report and Audit Report (information item)

Lisa Kuuttilla presented highlights of the annual report. With regard to the audit report, it was an unmodified audit with a clean opinion. The auditors looked at a number of matters because there was a great increase in the amount of income. Ms. Kuuttilla said the auditors did a very thorough job and that she was pleased to report that the result was a clean audit. Regarding technology transfer results, it was a good year; overall, they were over the goal. There were 127 new invention disclosures and 44 agreements for startup companies. Of note, license revenues were over \$52 million, and if combined with other sources of revenue, income was over \$54 million. The increase is largely due to patent litigation settlement. UNM ranks now among the top 15 in the nation in terms of income. Ms. Kuuttilla discussed other notables, including UNM Rainforest Innovation's ranking of 23rd among top universities in the area of start-up creations as well as its ranking in the top 100 universities worldwide with issued patents, this for the sixth year in a row. This award is from the National Academy of Inventors (NAI) and Intellectual Property Owners Association (IPO), and in 2019, UNM was ranked 61.

In terms of innovation impact, a George W. Bush Institute study ranked UNM 27 among US universities and ranked it second among midsize research universities. Ms. Kuuttila discussed the recent Business and Economic Summit that was held in January and hosted by UNM. The summit was built around a study conducted by the New Mexico Chamber of Commerce that centered on how to move the state forward in terms of economic development. The study had a lot of great recommendations and UNM wanted to facilitate discussion of those recommendations among a larger group in the state, including the business community, higher education, government, and other groups. All together there were 260 participants, the largest number ever. Ms. Kuuttila discussed summit activities and outcomes, including continued discussions on how to move forward the new ideas. She also talked about plans for the next summit which will focus on a statewide strategic plan for economic development.

The Regents thanked Ms. Kuuttila for her report; there was some discussion.

VOTE TO RECESS THE BOARD OF REGENTS IN ORDER TO HOLD THE ‘MEETING OF THE MEMBER’ FOR LOBO DEVELOPMENT CORPORATION; LOBO ENERGY, INC.; UNM SANDOVAL REGIONAL MEDICAL CENTER, INCL.; AND UNM MEDICAL GROUP, INC. (1st Lee; 2nd Begay; roll call vote – all members voted yes) The Board of Regents went into recess at 12:19 PM.

MEETING OF THE MEMBER – LOBO DEVELOPMENT CORPORATION (LDC)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:20 PM.

Approval of Minutes and Acceptance of the FY2019-20 Audit

Regent Brown asked if there were any questions for SVP Costantinidis or Kelly Ward regarding the minutes or the audit report. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to approve the Minutes of the December 10, 2019 meeting and the FY 2019-20 Audit passed with a unanimous vote in favor (1st Lee; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Schwartz; 2nd Lee; all Regents voted yes)

The meeting adjourned at 12:21 PM.

MEETING OF THE MEMBER – LOBO ENERGY, INC. (LEI)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:21 PM.

Approval of Minutes and Acceptance of the FY2019-20 Audit

Regent Brown asked if there were any questions for Jason Strauss regarding the minutes or the audit report. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to approve the Minutes of the December 10, 2019 meeting and the FY 2019-20 Audit passed with a unanimous vote in favor (1st Lee; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Schwartz; 2nd Lee; all Regents voted yes)

The meeting adjourned at 12:22 PM.

MEETING OF THE MEMBER – UNM MEDICAL GROUP, INC. (UNMMG)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:22 PM.

Acceptance of the Annual Report and Audited Financials

Regent Brown asked if there were any questions for Robb McLean regarding the annual report or the audited financials. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to accept the annual report and the audited financials passed with a unanimous vote in favor (1st Henry; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Lee; 2nd Schwartz; all Regents voted yes)

The meeting adjourned at 12:23 PM.

MEETING OF THE MEMBER – UNM SANDOVAL REGIONAL MEDICAL CENTER. INC. (SRMC)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:23 PM.

Approval of Minutes and Acceptance of the FY2019-20 Audit

Regent Brown asked if there were any questions for Jamie Silva-Steele regarding the annual report or the audited financials. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to accept the annual report and the audited financials passed with a unanimous vote in favor (1st Begay; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Lee, 2nd Begay; all Regents voted yes)

The meeting adjourned at 12:25 PM.

VOTE TO RECONVENE THE BOARD OF REGENTS (1st Begay; 2nd Lee; roll call vote – all members voted yes) The Board of Regents reconvened at 12:25 PM.

ADVISORS' COMMENTS

Chad Cooper reported on UNM Alumni Association events, highlights, and activities, including Black Alumni Trailblazer Awards; the Alumni Vodcast Community Connector Series; organizing coast-to-coast basketball watch parties; a 2020 Fall Class welcome; the Mirage Magazine fall and spring editions; Lobo Living Room events including a special edition in Honor of Black History Month; and a new website launch at the end of the month.

Kevin Malloy spoke about two initiatives the Retiree Association is focusing on during the legislative session. First, it is supporting senate bill 49 which addresses the long-term health of the ERB, and it is supporting senate bill 303 which is about increasing the ERB board membership.

Finnie Coleman commented on upcoming faculty government elections, and with regards to the divestment issue, he said he appreciated the complexity of the issues and added to anticipate a faculty resolution on the issue.

Nancy Shane spoke about the trifecta of issues that Staff Council is addressing, those being workplace conditions, compensation, and benefits. She also talked about how Staff Council

is celebrating Black History Month and noted some upcoming resolutions to expect from the Council.

Nikhil Naguru spoke about GPSA elections and current work on the Association's constitutional amendments. He also talked about exploring a recommendation to more formally document ideas that student leaders bring to the table.

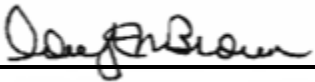
Mia Amin spoke about ASUNM elections along with the legislative session and what ASUNM is focusing on, namely it makes a priority of advocating for the Lottery Scholarship.

ADJOURN

There being no further business, Regent Brown asked for a motion to adjourn: Regent Begay motioned; Regent Rael seconded; all members voted in favor; the meeting adjourned at 12:48 PM.

Approved:

Attest:



Douglas M. Brown, President


Sandra K. Begay (Apr 16, 2021 16:53 PDT)

Sandra K. Begay, Secretary/Treasurer

ATTACHMENT A (Attachment to the Minutes of the Feb.16 2021 Board of Regents Meeting)

The Project Scope

The UNMH New Hospital Tower (NHT) Project includes development of a new 7 level hospital tower comprising approximately 570,000 GSF. The hospital structure includes 5 podium levels with 2 bed floors on top of the podium. The site topography allows for the Emergency Department to be at grade on the west end of the structure and the main Lobby to be at grade on the east end of the structure one level above.

The scope also includes a separate 1401 Space Parking Structure to the north of the new Hospital Tower. A Photovoltaic Array (solar panels) are being included on the garage top floor as a sustainability feature to generate approximately 500kW. New traffic signalization is included for the Yale / Lomas intersection and a temporary signal at University / Tucker is included to facilitate traffic flow during construction phases. The overall project scope components are listed below.

- **96 Inpatient Beds**
Four 24-Bed intensive Care Units
- **Interventional Platform**
*18 Operating Rooms (16 General + 2 Hybrid)
4 Cath Labs (2 Single Plane + 2 Biplane)
6 IR Suites (2 Angio + 2 Angio Hybrid/CT + 2 Neuro)
Perioperative Suite (73 PACU/PreOp/Recovery)*
- **Imaging**
*2 MRI
1 CT
1 RAD Fluoroscopy
2 Ultrasound*
- **Adult Emergency Department**
*2 Trauma + 8 Resuscitation
40 Exam + 2 Triage + 8 Fast Track
10 Behavioral Exam (2 PICLEA)
2 CT + 2 General Radiology*
- **Food Services (Visitors & Staff)**
- **Clinical Laboratory**
- **Blood Bank**
- **Retail Pharmacy**
- **Satellite Pharmacy**
- **Respiratory / Occupational / Physical / Speech**
- **Biomedical Engineering**
- **Occupational Health (Employee Health)**
- **Central Sterile Processing**
- **Education**
- **Modified Logistics Center (Garage + Distributed)**
- **1401 Structured Parking Spaces**
- **Central Utility Plant**
- **PV Array (Garage Top Floor)**
- **Traffic Signal at Lomas / Yale**

Project Costs

ATTACHMENT B (Attachment to the Minutes of the Feb. 16 2021 Board of Regents Meeting)

- **PROJECT FINANCING**
 - UNM Hospital expects to use a combination of Cash Reserves, Capital Appropriations from the State of New Mexico and HUD Insured Debt to fund the New Tower:

	<u>State</u>		<u>HUD-Insured</u>		<u>Total</u>
	<u>Capital Initiatives</u>	<u>Appropriation</u>	<u>Mortgage</u>	<u>Hospital Cash</u>	
Patient Tower ¹	\$ 39,190,909	\$ 30,000,000	\$ 320,000,000	\$ 32,201,365	\$ 421,392,274
Equipment for Patient Tower ²	\$ 63,450,235			\$ 37,998,635	\$ 101,448,870
Parking Garage ²	\$ 93,358,856				\$ 93,358,856
Totals	\$ 196,000,000	\$ 30,000,000	\$ 320,000,000	\$ 70,200,000	\$ 616,200,000

¹ HUD Project
² Non part of HUD Project

THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
RESOLUTION

RATIFYING AND APPROVING THE EXECUTION AND DELIVERY OF THE HUD DOCUMENTS RELATING TO THE REGENTS OF THE UNIVERSITY OF NEW MEXICO'S HUD-INSURED LOAN; AND AUTHORIZING ANY OTHER NECESSARY ACTION TO EFFECT THE DELIVERY OF THE HUD-INSURED LOAN.

WHEREAS, the Regents of the University of New Mexico (the "**University**") is a state educational institution and body corporate under the Constitution and laws of the State of New Mexico with requisite corporate power and authority to operate hospital facilities and to carry on its business as presently being conducted; and

WHEREAS, the Board of Regents (the "**Board**") is constituted and empowered under the Constitution and laws of the State of New Mexico to control and manage the affairs of the University, including the care and preservation of all its property, the erection and construction of all buildings necessary for its use, with the authority to contract and be contracted with; and

WHEREAS, the Board previously approved the development of a project to construct a new hospital tower as a part of the UNM Hospitals (the "**Hospital**") as described more fully in Attachment A to these Resolutions and incorporated herein by reference (collectively, the "**Project**"); and

WHEREAS, the Board has determined it is appropriate for the University and the Hospital to seek a Commitment for Mortgage Insurance (the "**HUD Commitment**") in an amount not to exceed \$320,000,000 (the "**HUD Commitment Amount**"), to finance the Project pursuant to a mortgage loan insurance program administered by the U.S. Department of Housing and Urban Development ("**HUD**") under Section 241, pursuant to Section 242, of Title II of the National Housing Act; and

WHEREAS, in order to obtain this HUD Commitment, the University, by and through the Hospital, must prepare and submit to HUD an application for mortgage insurance, which include previous participation clearance forms, the results of its financial audit for fiscal year ended June 30, 2020, and a financial feasibility study with respect to the Project; and

WHEREAS, the Board of Trustees of the Hospitals has considered the Project and the Hospital's desire seek the HUD Commitment at the HUD Commitment Amount and has voted to recommend the same to the Board; and

WHEREAS, the Board deems it to be in the best interests of the University and the Hospital to (1) have the Chief Executive Officer ("**Hospital CEO**") of the Hospital and/or the Chief Financial Officer ("**Hospital CFO**"), as authorized by Exhibit B-2 to University Administrative Policies and Procedures Manual Policy 2010, execute one or more Previous Participation Certifications ("**HUD Form 2530**") on behalf of the Hospital and all of the principals of the Hospital; and (2) certify that the Hospital CEO's or Hospital CFO's signature on such HUD Form 2530 attests to the University and the Hospital and all principals of the University and the

Hospital having the same previous participation experience, except as may be otherwise indicated by the Hospital CEO or Hospital CFO on the HUD Form 2530;

NOW, THEREFORE, BE IT RESOLVED THAT, the University and the Hospital through the Authorized Officers (as defined below), is authorized to prepare, execute and file with HUD the Section 242/241 HUD Application, all relevant attachments, instruments, certificates, and other documents thereto necessary to secure the HUD Commitment for HUD Commitment Amount for the Project (each, an “**Application Document**” and, collectively, the “**Application Documents**”); and be it

FURTHER RESOLVED, that the Financial Feasibility Study prepared in connection with the Project by M Rosadini Consultants LLC, dated January 26, 2021, as presented, is accepted and approved; and be it

FURTHER, RESOLVED, that HUD’s form of Hospital Regulatory Agreement (HUD-92466-OHF) is accepted and approved and that the Authorized Officers be, and they each hereby are, authorized to execute and deliver said instrument on behalf of the University and the Hospital in connection with the closing of the loan related to the Application Documents; and be it

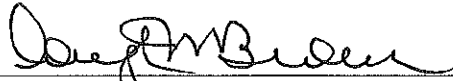
FURTHER RESOLVED, that the University and the Hospital shall have an Authorized Officer, execute one or more HUD Form 2530s on behalf of all of the principals of the University and the Hospital and that the Board hereby certifies that the Hospital CEO or Hospital CFO’s signature on such HUD Form 2530 attests to all principals of the University and the Hospital having the same previous participation experience, except as may be otherwise indicated by the Hospital CEO or of Hospital CFO on the HUD Form 2530; and be it

FURTHER RESOLVED, that the Board designates and authorizes the following: the President, Vice-President and Secretary of the Board of Regents, and the President, Senior Vice President for Finance & Administration, the Executive Vice President for Health Sciences and Chief Executive Officer of the UNM Health System, the HSC Senior Executive Officer for Finance and Administration, the Hospital CEO, and the Hospital CFO (each, an “**Authorized Officer**,” and, collectively, the “**Authorized Officers**”) to do or cause to be done all such acts or things, and to sign and deliver, or cause to be signed and delivered, all documents, instruments, and certificates, in the name and on behalf of the University and the Hospital or otherwise, including the Application Documents, as they deem necessary, advisable or appropriate to effectuate or to carry out the purposes and intent of the foregoing resolutions.

ADOPTED AND APPROVED this 16th day of February, 2021.

THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

[SEAL]

By: 
Douglas M. Brown, Regent President

ATTEST:


By: 
Sandra K. Begay,
Regent Secretary and Treasurer

Exhibit A

Description of the Project

The Project consists of the construction of a seven story, approximately 570,000 s.f. new hospital tower structure that will house:

- 96 new inpatient beds, in four 24-bed intensive care units;
- An interventional platform that includes 18 operating rooms, 4 catheterization labs, 6 interventional radiology suites, and a perioperative area with 73 PACU/preop/recovery beds;
- A diagnostic imaging platform that includes 2 MRIs, 3 CT Scanners, 1 Radiology – Fluoroscopy, 2 General Radiation and 2 Ultrasound Rooms; and,
- An adult emergency department that includes 2 trauma, 8 resuscitation, 40 exam, 2 triage, 8 fast track rooms, 10 behavioral exam (2 rooms for persons under the custody of law enforcement).

Estimated Draw Down Schedule

Total Project Cash and Debt use by year											
	Garage and Tower Capital Asset	Interest During Construction	Total Project	Equity Contribution to Project	Annual Expected Margin (Total UNMH)	Debt draw down	Capital Initiatives Draw Down	Operating Cash Draw down	Total Project Expenditure		
FY20	\$ 11,053,642	\$ -	\$ 11,053,642	\$ 11,053,642	\$ 95,838,745	\$ -	\$ -	\$ 11,053,642	\$ 11,053,642		
FY21	\$ 43,912,567	\$ -	\$ 43,912,567	\$ 43,912,567	\$ 143,179,490	\$ -	\$ 50,000,000	\$ (6,087,433) *	\$ 43,912,567		
FY22	\$ 129,803,767	\$ 1,210,196	\$ 131,013,962	\$ 71,237,816	\$ 71,465,753	\$ 59,776,147	\$ 50,000,000	\$ 21,237,816	\$ 131,013,962		
FY23	\$ 268,093,741	\$ 6,665,455	\$ 274,759,196	\$ 66,167,589	\$ 78,640,038	\$ 208,591,608	\$ 50,000,000	\$ 16,167,589	\$ 274,759,196		
FY24	\$ 110,364,731	\$ 11,324,349	\$ 121,689,080	\$ 70,056,834	\$ 71,410,171	\$ 51,632,246	\$ 46,000,000	\$ 24,056,834	\$ 121,689,080		
FY25	\$ 33,771,553	\$ -	\$ 33,771,553	\$ 33,771,553	\$ 65,914,448	\$ -	\$ -	\$ 33,771,553	\$ 33,771,553		
FY26					\$ 70,783,670	\$ -	\$ -	\$ -	\$ -		
FY27					\$ 78,303,437	\$ -	\$ -	\$ -	\$ -		
Totals	\$ 597,000,000	\$ 19,200,000	\$ 616,200,000	\$ 296,200,000		\$ 320,000,000	\$ 196,000,000	\$ 100,200,000	\$ 616,200,000		
Notes:	* Roll excess cap ini of \$6,087,433 into FY22.										
Closing on HUD backed mortgage is expected July 2021 (FY22)											
New Tower Construction expected to be substantially completed June 2024 (FY24)											
New Tower expected to be placed into operations October 2024 (FY25)											

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Financial Statements

June 30, 2021 and 2020

(With Report of Independent Auditors Thereon)

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Table of Contents

	Page
Official Roster (unaudited)	1
Report of Independent Auditors	2-3
Management's Discussion and Analysis (unaudited)	4-6
Financial Statements:	
Statements of Net Position	7
Statements of Revenues, Expenses, and Changes in Net Position	8
Statements of Cash Flows	9
Notes to Financial Statements	10-17
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>	18-19
Summary of Auditor's Results	20
Schedule of Findings and Response	21
Schedule of Prior Audit Findings	22
Exit Conference	23

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Official Roster (unaudited)

June 30, 2021

OFFICERS

Jason Strauss

Matthew Cherrin

Julie Alberti

Alfred Sena

MEMBERS

Jason Strauss

Kate Becker

Garnett Stokes

Teresa Costantinidis

Robert Gonzalez

Jon Word

Thomas J. Ruiz

Bruno E. Carrara

Marron Lee (thru 12/31/2020)

Jack Fortner (as of 01/01/2021)

Report of Independent Auditors

The Board of Directors
Lobo Energy, Incorporated
and
Mr. Brian S. Colón, Esq.
New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of Lobo Energy, Incorporated (Lobo Energy), a blended component unit of the University of New Mexico, which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise Lobo Energy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lobo Energy as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2021 on our consideration of Lobo Energy'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 Lobo Energy'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 Lobo Energy's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
September 16, 2021

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2021 and 2020

The following discussion and analysis provides an overview of the financial position and activities of Lobo Energy, Incorporated (Lobo Energy) as of and for the fiscal years ended June 30, 2021, 2020, and 2019. 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 financial statements, notes, and this discussion are the responsibility of Lobo Energy's management.

Financial Highlights

- Lobo Energy's change in net position was \$766,639, \$673,206, and \$674,139 for the years ended June 30, 2021, 2020, and 2019, respectively. The change in net position for 2021 was due to a decrease in operating expense caused by a slow-down in operations as a result of COVID-19 restrictions and a decrease in nonoperating interest expense. The change in net position for 2020 was due to an increase in operating expenses that were offset by decreases in nonoperating expenses.
- During fiscal year 2021, Lobo Energy's operating revenue remained the same and operating expenses decreased by \$65,439, resulting in a net operating gain of \$808,645 in fiscal year 2021, compared to a net operating gain of \$743,206 in fiscal year 2020. During fiscal year 2020, Lobo Energy's operating revenue remained the same and operating expenses increased by \$30,602, resulting in a net operating gain of \$743,206 in fiscal year 2020, compared to a net operating gain of \$773,808 in fiscal year 2019.
- Cash increased in fiscal year 2021 by \$102,050 resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2021 of \$885,649. The increase during fiscal year 2021 is primarily due to a slow-down in operations as a result of COVID-19 restrictions. Cash increased in fiscal year 2020 by \$61,892 resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2020 of \$783,599. The increase during fiscal year 2020 is primarily due to the GLHN Architects and Engineers, Inc. Utility Master Plan.

Overview of the Basic Financial Statements

The statements of net position of Lobo Energy provide both long-term and short-term information about Lobo Energy's overall financial position. The statements of revenues, expenses, and changes in net position provide information about the operating revenues and expenses and the nonoperating revenues and expenses of Lobo Energy. The statements of cash flows provide information related to the cash inflows and outflows of Lobo Energy. The notes to the basic financial statements provide more detailed information about amounts reported in the basic financial statements.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2021 and 2020

Financial Information

Lobo Energy's condensed financial information as of and for the fiscal years ended June 30, 2021, 2020, and 2019 are provided in the following table:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current assets	\$ 895,825	\$ 793,487	\$ 732,723
Capital assets	7,433,941	7,858,737	8,292,488
Total assets	<u>\$ 8,329,766</u>	<u>\$ 8,652,224</u>	<u>\$ 9,025,211</u>
Current liabilities	\$ 1,184,440	\$ 1,153,082	\$ 1,108,014
Long-term liabilities	94,714	1,215,169	2,306,430
Net position	7,050,612	6,283,973	5,610,767
Total liabilities and net position	<u>\$ 8,329,766</u>	<u>\$ 8,652,224</u>	<u>\$ 9,025,211</u>
Operating revenue	\$ 2,171,065	\$ 2,171,065	\$ 2,171,065
Operating expenses	1,362,420	1,427,859	1,397,257
Operating income	<u>808,645</u>	<u>743,206</u>	<u>773,808</u>
Nonoperating revenue	5,799	6,241	4,264
Nonoperating expenses	47,805	76,241	103,933
Change in net position	<u>766,639</u>	<u>673,206</u>	<u>674,139</u>
Net position, beginning of year	6,283,973	5,610,767	4,936,628
Net position, end of year	<u>\$ 7,050,612</u>	<u>\$ 6,283,973</u>	<u>\$ 5,610,767</u>

Statements of Net Position

As of June 30, 2021, 2020, and 2019, Lobo Energy has cash in the amount of \$885,649, \$783,599, and \$721,707, respectively, of which \$380,239, \$309,075, and \$297,765, respectively, is held by Lobo Energy's fiscal agent, UNM, and \$505,410, \$474,524, and \$423,942, respectively, is held in an operating bank account at a financial institution.

As of June 30, 2021, 2020, and 2019, net assets are held as equity in the form of unrestricted net position of \$831,840, \$731,666, and \$687,535, respectively. Additionally, at June 30, 2021, 2020, and 2019, Lobo Energy has \$6,218,772, \$5,552,307, and \$4,923,232, shown as net investment in capital assets.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2021 and 2020

Capital Assets and Debt Administration

Lobo Energy's investment in capital assets as of June 30, 2021, 2020, and 2019 was \$7,433,941, \$7,858,737, and \$8,292,488, respectively. This investment in capital assets includes a co-generation project in construction and internally generated software. Additional information concerning Lobo Energy's capital assets may be found in Note 5 in notes to the financial statements.

At the end of the current fiscal year, Lobo Energy had total debt outstanding of \$1,215,169. This debt was incurred when Lobo Energy borrowed \$10,000,000 during fiscal year (FY) 2012–13 for the purchase of the co-generation project described above. Additional information concerning Lobo Energy's long-term debt may be found in Note 5 to the financial statements.

Statements of Revenues, Expenses, and Changes in Net Position

Revenues – Under the current Management Services Agreement (MSA), total operating revenue earned during each fiscal years 2021 and 2020 for utility project management services and other project management services was \$2,171,065, and includes \$480,000 in both fiscal years for utilities management services. Other management services for each fiscal year 2021 and 2020 was \$1,691,065.

Expenses – Total operating expenses decreased by \$65,439 during fiscal year 2021 is primarily due to not having the GLHN Utility Master Plan project. During fiscal year 2020, total operating expenses attributable to the GLHN Utility Master Plan project was \$30,602.

Contacting Lobo Energy's Financial Management

This report is meant to describe the financial condition and position of Lobo Energy.

If you have questions about this report or need additional financial information, contact:

Lobo Energy, Incorporated
800 Bradbury Drive SE, Suite 216
Albuquerque, New Mexico 87106-4310
(505) 272-7118

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Statements of Net Position

June 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash on deposit with fiscal agent	\$ 380,239	\$ 309,075
Cash on deposit with BBVA Compass Bank	505,410	474,524
Accounts receivable	10,176	9,888
Total current assets	895,825	793,487
Capital assets:		
Property, plant, and equipment	11,284,927	11,284,927
Less accumulated depreciation	(3,850,986)	(3,426,190)
Net capital assets	7,433,941	7,858,737
Total assets	\$ 8,329,766	\$ 8,652,224
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ -	\$ 1,164
Accrued expenses	63,985	60,657
Current portion of long-term debt	1,120,455	1,091,261
Total current liabilities	1,184,440	1,153,082
Long-term debt, excluding current installments	94,714	1,215,169
Total liabilities	1,279,154	2,368,251
Net position:		
Net investment in capital assets	6,218,772	5,552,307
Unrestricted	831,840	731,666
Total net position	7,050,612	6,283,973
Total liabilities and net position	\$ 8,329,766	\$ 8,652,224

See accompanying notes to financial statements.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Utilities management services	\$ 480,000	\$ 480,000
Other management services	1,691,065	1,691,065
Total operating revenues	<u>2,171,065</u>	<u>2,171,065</u>
Operating expenses:		
Administrative expenses	225,143	230,839
Depreciation expenses	424,796	433,751
Project expenses	712,481	763,269
Total operating expenses	<u>1,362,420</u>	<u>1,427,859</u>
Operating income	808,645	743,206
Nonoperating revenue:		
Interest income	5,799	6,241
Nonoperating expenses:		
Interest expense	<u>(47,805)</u>	<u>(76,241)</u>
Change in net position	766,639	673,206
Net position, beginning of year	<u>6,283,973</u>	<u>5,610,767</u>
Net position, end of year	<u>\$ 7,050,612</u>	<u>\$ 6,283,973</u>

See accompanying notes to financial statements.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Statements of Cash Flows

For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	\$ 2,170,777	\$ 2,171,065
Payments to other suppliers of goods or services	(385,210)	(426,021)
Payments to employees for services	(550,250)	(550,326)
Net cash provided by operating activities	1,235,317	1,194,718
 Cash flow from investing activities:		
Interest earned	5,799	6,241
Net cash provided by investing activities	5,799	6,241
 Cash flow from capital financing activities:		
Payments of long-term debt	(1,091,261)	(1,062,826)
Interest expense	(47,805)	(76,241)
Net cash used in financing activities	(1,139,066)	(1,139,067)
Net increase in cash and cash equivalents	102,050	61,892
Cash and cash equivalents, beginning of year	783,599	721,707
Cash and cash equivalents, end of year	\$ 885,649	\$ 783,599
 Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 808,645	\$ 743,206
Depreciation expense	424,796	433,751
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in prepaid expenses	-	1,128
Change in accounts receivable	(288)	-
Change in accounts payable	(1,164)	1,158
Change in accrued expenses	3,328	15,475
Net cash provided by operating activities	\$ 1,235,317	\$ 1,194,718

See accompanying notes to financial statements.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2021 and 2020

(1) Description of Business

Lobo Energy, Incorporated (Lobo Energy) (a blended component unit of the University of New Mexico) is owned, controlled, and was established by the University of New Mexico's (UNM) Board of Regents.

Lobo Energy was incorporated in the State of New Mexico on July 15, 1998. It was organized under the amended State of New Mexico's University Research Park Act. The name of the Act has since been changed to the University Research Park and Economic Development Act.

Lobo Energy was established to provide UNM with services outlined in an Interim Services Agreement (ISA) that included procuring electricity and natural gas for UNM, installing an energy metering and management system, and developing a Master Utility Business Plan (Plan) for the upgrade and improvement of the utility infrastructure. Lobo Energy completed the installation of a metering and monitoring system and developed and integrated energy procurement methods into UNM's procurement processes. Lobo Energy's board of directors approved the Plan in June 2000. UNM implemented the Plan and financed and constructed the projects contemplated in the Plan.

In developing the plan, Lobo Energy employed several consultants to assist in assessing the utility infrastructure needs, defining a technical solution, and determining the financial parameters of that solution. The combined efforts resulted in a comprehensive plan that identified many utility improvement projects, their construction costs, and the financial impacts upon the utility services. The utility systems included in the plan were renewed through a series of construction projects over a period of several years.

Lobo Energy conducted its business under the terms of a November 2000–2005 Management Services Agreement (MSA) that replaced the original ISA. Under the MSA, with respect to existing and any and all new utility systems and equipment, UNM continued to own, finance, operate, maintain, and in all respects control the utility equipment and systems. Lobo Energy provided project management services and transition management services for the duration of the project. The utility upgrade project was completed during 2006.

Lobo Energy currently provides services to UNM under the terms of a revised MSA, which is effective November 2020–2025 (Note 3). The agreement continues for consecutive one-year periods after its expiration or until such time as it is terminated. UNM may terminate the MSA thirty-days after written notice to Lobo Energy. UNM has not notified Lobo Energy that it intends to exercise this right. Upon termination of this agreement all rights and privileges granted, assigned, or shared between Lobo Energy and UNM shall terminate. Upon termination of the agreement, all property of Lobo Energy shall transfer to UNM subject to the prior rights, if any, of any creditors of Lobo Energy.

UNM requested that Lobo Energy implement an energy conservation program on the campus during fiscal year 2008. Lobo Energy entered into a contract with Energy Education, Inc. (EEI), a corporation that specializes in energy conservation (EEI is now known as Cenergistic). Lobo Energy hired six energy conservation specialists (ECSs). Contract payments began after the first six months the contract was in effect. The ongoing program continues to be very effective. UNM has experienced a dramatic decrease in its energy consumption, as well as a reduction in the size of its carbon footprint, since the onset of the project. The four-year contract with EEI expired on September 30, 2012. The energy conservation project continues on campus.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2021 and 2020

During fiscal years 2008 and 2009, energy-conservation programs were started on UNM's Valencia, Gallup, Los Alamos, and Taos campuses. The program on each of those campuses is administered by an employee who was already employed on each campus. The programs are ongoing during fiscal years 2020 and 2021.

During fiscal year 2013, at the request of UNM, Lobo Energy began providing technical support for the smart-grid, renewable-energy project owned by Shimizu NA on the Mesa del Sol campus. Lobo Energy is compensated by Shimizu for its participation in this project. Lobo Energy's contract with Shimizu expired on March 31, 2014. The solar unit was given to UNM's Engineering Department by Shimizu and the maintenance is provided by UNM Physical Plant personnel.

(2) Summary of Significant Accounting Policies and Practices

(a) Basis of Accounting and Presentation

As a proprietary fund, Lobo Energy's financial statements are reported using a flow of economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred. Operating revenues and expenses are those incurred that relate directly to energy and project management services. All other revenues and expenses are considered nonoperating.

The accompanying financial statements include only the accounts of Lobo Energy, which has no component units.

(b) Net Position

For accounting and reporting purposes, Lobo Energy reports its net position in the following net asset categories as applicable:

- Net investment in capital assets – capital assets, net of accumulated depreciation and debt incurred to finance the capital asset acquisition.
- Unrestricted – net position that is not subject to externally imposed constraints.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statements dates and the reported amounts of revenues and expenses during these reporting periods. Due to uncertainties inherent in the estimation process, actual results could differ from those estimates.

(d) Cash on Deposit

For purposes of the statement of cash, Lobo Energy considers cash to be cash deposits and amounts held by its fiscal agent.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2021 and 2020

(e) Revenue Recognition

Lobo Energy provides two types of project management services: utilities management services and other management services (see Note 3). Revenue is recognized for each type of service based on the terms of the MSA.

(f) Accounts Receivable

Accounts receivable balances represent amounts due from an affiliated entity (UNM) for services performed under the MSA. All amounts are considered collectible and therefore no allowance for doubtful accounts has been recorded.

(g) Capital Assets

Capital assets are stated at cost. Lobo Energy's policy is to capitalize all disbursements for equipment, software, and furnishings in excess of a \$5,000 per unit price. Items with a cost of less than \$5,000 are expensed in the year of acquisition. Donated equipment is recorded at fair market value at the date of donation. Repairs and maintenance expenses are charged to operations when incurred and major improvements and replacements are capitalized.

(h) Compensated Absences

Under Lobo Energy's internal policy terminating employees are not entitled to unused sick leave except for amounts unused exceeding a balance of 600 hours. If a terminating employee's balance exceeds 600 hours the employee can request that the amounts in excess of 600 be paid out to the employee upon termination at 50% of their pay rate. Lobo Energy does accrue for annual leave at a maximum of 252 hours per employee, which is payable to each employee upon termination. Lobo Energy recorded \$63,985 and \$60,624 of annual leave as accrued expenses at June 30, 2021 and 2020, respectively.

(i) Income Taxes

Lobo Energy is exempt from federal income tax on income related to its exempt purposes under Section 501(a) of the Internal Revenue Code (Code) as an organization described in Section 501(c)(3) of the Code.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2021 and 2020

(j) Impact of Recently Issued Accounting Standards

GASB Statement 87 – *Leases*. This Statement defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (e.g., buildings, land, vehicles, equipment) as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources (revenues) or outflows of resources (expenses) based on the payment provisions of the contract. A lessee is required to recognize a lease liability, measured at the present value of payments expected to be made during the lease term, and an intangible right-to-use lease asset, measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lessor is required to recognize a lease receivable, measured at the present value of lease payments expected to be received during the lease term, and a deferred inflow of resources, measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. This Statement includes an exception for short-term leases (those with a maximum possible term of 12 months or less), contracts that transfer ownership, leases of assets that are investments, and certain regulated leases. In light of the COVID-19 pandemic, GASB issued Statement 95, which postpones the effective date of GASB Statement 87 by 18 months. Therefore, GASB Statement 87 is effective for periods beginning after June 15, 2021 (fiscal year 2022), and earlier application is encouraged. Lobo Energy is currently evaluating the impact GASB Statement 87 will have on its financial statements.

(3) Project Management Services under The Revised Management Services Agreement

(a) Utilities Management Services

Lobo Energy may provide assistance to UNM, as requested, for the management and supervision of its contracts that provide for the:

- a. Planning, design, engineering, contracting, energy conservation, and commissioning services for assigned projects.
- b. Procurement of equipment and services in the course of implementing the projects.
- c. Management of UNM's energy procurement strategies.
- d. Recommendations for obtaining cost-effective energy commodities and services from energy suppliers.
- e. Management of UNM's energy-related regulatory issues.
- f. Recommendations for appropriate actions and strategies in response to regulatory opportunities or events.
- g. Administrative tools capable of providing utility operational budgeting, capital project budgeting, major maintenance budgeting, cash flow tracking, and energy savings tracking.
- h. Assistance with developing the energy and administrative capabilities described in items a through g above.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2021 and 2020

(b) Other Management Services

- a. Commercial development planning services.
- b. Additional infrastructure development plans.
- c. Other planning services as assigned.

Under the revised MSA, as of November 1, 2020, UNM pays Lobo Energy a mutually agreed-upon monthly fee for the duration of each project.

Under the terms of the revised MSA, effective November 1, 2020, UNM compensates Lobo Energy for these services at the rate of \$40,000 per month related to utility project management and \$46,000 per month related to energy conservation projects, over a five-year period. Additionally, UNM compensates Lobo Energy an additional \$94,922 per month to cover the debt service related to the second cogeneration unit, until the debt service is fulfilled.

(4) Cash

Lobo Energy's cash balances include cash on deposit with its fiscal agent and an operating account. Lobo Energy has no statutory or policy requirements; however, it has a policy to deposit funds only in FDIC-insured accounts. UNM serves as the fiscal agent for Lobo Energy through which Lobo Energy participates in a pooled bank account maintained by UNM. At June 30, 2021 and 2020, Lobo Energy had a book and bank balance in that pooled account of \$380,239 and \$309,075, respectively. As fiscal agent, UNM requires the financial institution holding these pooled funds to maintain minimum collateral amounts. Interest is allocated monthly to Lobo Energy's account based on its balance in the pooled bank account at the end of the preceding month. At June 30, 2021 and 2020, Lobo Energy realized a gain of \$5,799 and \$6,241, respectively, via year-end adjustments to the interest account by UNM.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. At June 30, 2021 and 2020, the bank balance in Lobo Energy's separate checking account was \$505,410 and \$491,483, respectively, and the book balance was \$505,410 and \$474,524, respectively. At June 30, 2021 and 2020, the checking account balance was in excess of amounts insured by the FDIC by \$255,410 and \$241,483, respectively.

(5) Capital Assets and Long-Term Debt

(a) Co-generation Unit

In July 2012, Lobo Energy entered into a \$10,000,000 commitment to finance the construction of a new co-generation unit to be installed on the UNM main campus in Ford Utilities Center. The Master Equipment Lease/Purchase Agreement with Banc of America Leasing and Capital, LLC (Banc of America) was entered into and is to be repaid over a period of 10 years. Monthly payments in the amount of \$94,922 commenced on August 25, 2012. The final lease payment is anticipated to be made on July 25, 2022.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2021 and 2020

(b) Depreciation

Lobo Energy depreciates the co-generation unit using the straight-line method based upon a useful life of 25 years. Lobo Energy estimates useful life based upon internal information and similar assets at UNM. The unit was placed into service and Lobo Energy began depreciating the asset in January 2014. Lobo Energy estimates useful life of software using the straight-line method over a useful life of 5 years. Lobo Energy has recorded \$3,808,554 and \$3,383,758 of accumulated depreciation as of the years ended June 30, 2021 and 2020, respectively.

	<u>Balance at June 30, 2020</u>	<u>Additions</u>	<u>Retirements/ disposals</u>	<u>Balance at June 30, 2021</u>
Plant in service	\$ 10,619,916	\$ -	\$ -	\$ 10,619,916
Internally generated software	665,011	-	-	665,011
Accumulated depreciation	<u>(3,426,190)</u>	<u>(424,796)</u>	<u>-</u>	<u>(3,850,986)</u>
Net property, plant, and equipment	<u>\$ 7,858,737</u>	<u>\$ (424,796)</u>	<u>\$ -</u>	<u>\$ 7,433,941</u>
	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Retirements/ disposals</u>	<u>Balance at June 30, 2020</u>
Plant in service	\$ 10,619,916	\$ -	\$ -	\$ 10,619,916
Internally generated software	665,011	-	-	665,011
Accumulated depreciation	<u>(2,992,439)</u>	<u>(433,751)</u>	<u>-</u>	<u>(3,426,190)</u>
Net property, plant, and equipment	<u>\$ 8,292,488</u>	<u>\$ (433,751)</u>	<u>\$ -</u>	<u>\$ 7,858,737</u>

(c) Lease Obligations

Payments are due monthly to Banc of America and the lease payments include explicit interest rate of 2.64% and matures on July 25, 2022. The outstanding principal balance at June 30, 2021 and 2020 was \$1,215,169 and \$2,306,430, respectively. The following is a summary of lease liability transactions, including the current portion:

	<u>Balance at July 1</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at June 30</u>	<u>Due within one year</u>
Lease liability, FY 2020	\$ 3,369,256	\$ -	\$ (1,062,826)	\$ 2,306,430	\$ 1,091,261
Lease liability, FY 2021	\$ 2,306,430	\$ -	\$ (1,091,261)	\$ 1,215,169	\$ 1,120,455

At June 30, 2021, minimum future lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2022	\$ 1,120,455	\$ 18,609	\$ 1,139,064
2023	94,714	209	94,923
	<u>\$ 1,215,169</u>	<u>\$ 18,818</u>	<u>\$ 1,233,987</u>

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2021 and 2020

(6) Defined-Contribution Plan

Lobo Energy entered into, and administers, a 403(b) defined-contribution plan effective February 1, 2000 and amended January 1, 2009 and May 1, 2020. As a defined-contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan may be amended by a board of directors' resolution. All employees of Lobo Energy are eligible to participate and are considered to be immediately vested. The plan allows for variable employee contributions up to the Internal Revenue Service maximum allowed amount. Lobo Energy contributed a 100% match up to 6% of each participating employee's gross salary per compensation period through April 2020. Effective May 1, 2020, Lobo Energy contributes a 100% of compensation, provided that the participant's elective deferrals do not exceed that percentage of the participant's compensation determined by reference to, and in the same percentage designated as the Employer Rate published by the State of New Mexico Educational Retirement Board. The Employer Rate was 14.15% as published by State of New Mexico Educational Retirement Board. Contributions to the plan for the fiscal years ended June 30, 2021 and 2020 were \$117,879 and \$72,199, respectively, which consisted of \$58,940 and \$37,600 contributed by employees and \$58,939 and \$34,599 contributed by Lobo Energy, respectively.

(7) Related-Party Transactions

Effective December 1, 1998, UNM and Lobo Energy entered into a Memorandum of Agreement (MOA) containing the expectations and performance obligations that UNM was seeking from Lobo Energy at that time. The MOA articulates UNM's and Lobo Energy's mutual obligations in planning, developing, and implementing the utility facilities and services required by UNM. Pursuant to the MOA, UNM provides to Lobo Energy, at no cost to Lobo Energy, facilities support and general business office and associated workspace. The MOA also establishes UNM as the fiscal agent for Lobo Energy, with UNM providing cash and investment management activities for Lobo Energy, at no cost to Lobo Energy. The MOA may be terminated by UNM and, upon termination, all property of Lobo Energy will be transferred to UNM or other successor organizations designated by a resolution of UNM's Board of Regents.

In FY 2014, Lobo Energy paid a total of \$365,077 to Facility Facts, Inc., a company owned by an employee of Lobo Energy, for a 10% common stock interest in order to help get the company established in order to market and sell the Facility Facts software internally generated by Lobo Energy. There were no additional payments made in FY 2020 or FY 2021. Lobo Energy accounts for its investment in Facility Facts, Inc. using the equity method of investment. The investment was considered fully impaired in 2015, therefore not reported in the statements of net position as of June 30, 2021 and 2020.

Pursuant to the licensing agreement made with Facility Facts Inc., Lobo Energy retains the patent rights, permanent royalty-free rights to use the Facility Facts software, and will receive royalties representing 50% of gross receipts of sublicenses granted during each calendar year for the life of the filed patents. Lobo Energy recorded no royalties as of June 30, 2021 and June 30, 2020.

Lobo Energy is a member of New Mexico Industrial Energy Consumers (NMIEC), which advocates high quality of energy service at fair, just and reasonable prices for its members and all classes of customers. Jason Strauss, President and CEO of Lobo Energy is an officer of NMIEC. Lobo Energy paid dues of \$48,735 and \$29,082 for the fiscal year ended June 30, 2021 and 2020, respectively.

Lobo Energy did not purchase goods or services of companies that board members are employed by during the fiscal years ended June 30, 2021 and 2020.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2021 and 2020

(8) Risk Management

Lobo Energy, through UNM, participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability, auto liability, 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 UNM from its operating budget. UNM's exposure is limited to \$2,500 per any first party incurred property loss, with the exception of theft, which has a \$5,000 deductible.

(9) Uncertainty due to COVID-19 Pandemic

During 2020, an outbreak of a novel coronavirus (COVID-19) occurred in the United States, along with various other countries globally. On March 11, 2020, the World Health Organization assessed the novel coronavirus outbreak and characterized it as a pandemic. Subsequent to the declaration of a pandemic, a variety of federal, state, and local governments have taken actions in response to the pandemic, which have ranged by jurisdiction, but are resulting in a variety of negative economic consequences, the scope of which are not currently known or quantifiable. The duration and intensity of the impact of the coronavirus and resulting impact to Lobo Energy is unknown.

(10) Subsequent Events

Subsequent events are evaluated by management through the date the accompanying financial statements are available to be issued, which is September 16, 2021.

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

The Board of Directors
Lobo Energy, Incorporated
and
Mr. Brian S. Colón, Esq.,
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lobo Energy, Incorporated (Lobo Energy), a blended component unit of the University of New Mexico, which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lobo Energy'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 Lobo Energy's internal control. Accordingly, we do not express an opinion on the effectiveness of Lobo Energy's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lobo Energy'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*.

Purpose of this Report

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

Mess Adams LLP

Albuquerque, New Mexico
September 16, 2021

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)
Summary of Auditor's Results
Year Ended June 30, 2021

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Compliance and other matters noted? Yes No

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)
Schedule of Findings and Response
Year Ended June 30, 2021

No matters were reported.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)
Schedule of Prior Audit Findings
Year Ended June 30, 2021

No matters were reported.

LOBO ENERGY, INCORPORATED
(A Blended Component Unit of the University of New Mexico)

Exit Conference

Year Ended June 30, 2021

An exit conference was held on September 14, 2021. During this meeting, the contents of this report were discussed with the following individuals:

Lobo Energy, Incorporated

Jason Strauss President/CEO, LEI; Member of Board of Directors, LEI
Julie Alberti Chief Financial Officer

Moss Adams LLP

Lisa Todd Partner
Sujan Bhandari Senior Manager

Lobo Energy is responsible for the contents of the financial statements. Moss Adams LLP assisted with the preparation of the financial statements.

TAB 14

#14



February 1, 2022

Regent Doug Brown, Chair
Regents of the University of New Mexico
The University of New Mexico
Albuquerque NM 87131-0001

Dear Regent Brown:

Lobo Development Corporation requests that the Annual Meeting of the Member be held during the Board of Regents meeting on February 15, 2022. There are two action items to be presented.

- A. Approval of the Summarized Minutes of the February 16, 2021 Meeting
- B. Acceptance of the FY 2020-21 Audit

Please feel free to contact me or Keelie Garcia if you have any questions.

Sincerely,

Teresa Costantinidis
CEO, Lobo Development Corporation

In terms of innovation impact, a George W. Bush Institute study ranked UNM 27 among US universities and ranked it second among midsize research universities. Ms. Kuuttila discussed the recent Business and Economic Summit that was held in January and hosted by UNM. The summit was built around a study conducted by the New Mexico Chamber of Commerce that centered on how to move the state forward in terms of economic development. The study had a lot of great recommendations and UNM wanted to facilitate discussion of those recommendations among a larger group in the state, including the business community, higher education, government, and other groups. All together there were 260 participants, the largest number ever. Ms. Kuuttila discussed summit activities and outcomes, including continued discussions on how to move forward the new ideas. She also talked about plans for the next summit which will focus on a statewide strategic plan for economic development.

The Regents thanked Ms. Kuuttila for her report; there was some discussion.

VOTE TO RECESS THE BOARD OF REGENTS IN ORDER TO HOLD THE 'MEETING OF THE MEMBER' FOR LOBO DEVELOPMENT CORPORATION; LOBO ENERGY, INC.; UNM SANDOVAL REGIONAL MEDICAL CENTER, INCL.; AND UNM MEDICAL GROUP, INC. (1st Lee; 2nd Begay; roll call vote – all members voted yes) The Board of Regents went into recess at 12:19 PM.

MEETING OF THE MEMBER – LOBO DEVELOPMENT CORPORATION (LDC)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:20 PM.

Approval of Minutes and Acceptance of the FY2019-20 Audit

Regent Brown asked if there were any questions for SVP Costantinidis or Kelly Ward regarding the minutes or the audit report. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to approve the Minutes of the December 10, 2019 meeting and the FY 2019-20 Audit passed with a unanimous vote in favor (1st Lee; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Schwartz; 2nd Lee; all Regents voted yes)

The meeting adjourned at 12:21 PM.

MEETING OF THE MEMBER – LOBO ENERGY, INC. (LEI)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:21 PM.

Approval of Minutes and Acceptance of the FY2019-20 Audit

Regent Brown asked if there were any questions for Jason Strauss regarding the minutes or the audit report. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to approve the Minutes of the December 10, 2019 meeting and the FY 2019-20 Audit passed with a unanimous vote in favor (1st Lee; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Schwartz; 2nd Lee; all Regents voted yes)

The meeting adjourned at 12:22 PM.



REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS

LOBO DEVELOPMENT CORPORATION
(A Blended Component Unit of the University of New Mexico)

June 30, 2021 and 2020

Table of Contents

	PAGE
Official Roster (unaudited)	1
Report of Independent Auditors	2–3
Management’s Discussion and Analysis (unaudited)	4–7
Financial Statements	
Statements of Net Position	8
Statements of Revenues, Expenses, and Changes in Net Position	9
Statements of Cash Flows	10
Notes to Financial Statements	11–18
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>	19–20
Other Information	
Summary of Auditor’s Results (As Required by 2.2.2.10 NMAC L(1) (f))	21
Schedule of Findings and Responses	22
Summary Schedule of Prior Audit Findings	23
Exit Conference	24

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Official Roster (unaudited)
June 30, 2021

OFFICERS

Teresa Costantinidis

Thomas Neale

Angela Hernandez

MEMBERS

Stephen Ciepiela

Louis Abruzzo

Teresa Costantinidis

Maria Griego-Raby

Angela Hernandez

Eddie Nunez

William Payne

Kim Sanchez Rael

Eric M. Siegel

Garnett Stokes, Ph.D.

Doug Ziedonis

Report of Independent Auditors

The Board of Directors
Lobo Development Corporation
and Mr. Brian Colón, Esq., New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of Lobo Development Corporation (Lobo Development), a component unit of the University of New Mexico, which comprise the statements of the net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise Lobo Development's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lobo Development Corporation as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2021 on our consideration of Lobo Development'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 Lobo Development'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 Lobo Development's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
September 15, 2021

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2021

The following discussion and analysis provides an overview of the financial position and activities of Lobo Development Corporation (Lobo Development) as of and for the fiscal years ended June 30, 2021, 2020, and 2019. 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 financial statements, notes, and this discussion are the responsibility of Lobo Development's management.

Financial Highlights

Cash increased in 2021 by \$502,233, resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2021 of \$3,875,978. The increase during fiscal year 2021 is primarily due to an increase in reimbursement revenue. Cash decreased in 2020 by \$2,144,972, resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2020 of \$3,373,745. The decrease during fiscal year 2020 is primarily due to a loan disbursement, decrease in interest income, and increased project expenses. Interest earned during fiscal year 2021 decreased \$40,406 from \$82,423 to \$42,017, due to a decrease in earnings on cash being held by the University of New Mexico (UNM), Lobo Development's fiscal agent.

Lobo Development's net position decreased \$122,732 during the year, from \$7,110,644 in 2020 to \$6,987,912 in fiscal year 2021. During fiscal year 2020, Lobo Development's net position increased \$521,339, from \$6,589,305 in 2019 to \$7,110,644 in fiscal year 2020.

During fiscal year 2021, operating revenue decreased by \$274,430 and operating expenses increased by \$514,803, resulting in a decrease in net operating income of \$789,233. During fiscal year 2020, operating revenue increased by \$111,233 and operating expenses decreased by \$108,088, resulting in an increase in net operating income of \$219,321.

Overview of the Basic Financial Statements

The statements of net position of Lobo Development provide both long-term and short-term information about Lobo Development's overall financial position. The statements of revenues, expenses, and changes in net position provide information about the operating revenues and expenses and the non-operating revenues and expenses of Lobo Development. The statements of cash flows provide information related to the cash inflows and outflows of Lobo Development. The notes to the basic financial statements provide more detailed information about amounts reported in the basic financial statements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2021

Financial Information

Lobo Development's condensed financial information as of and for the fiscal years ended June 30, 2021, 2020, and 2019 are provided in the following table:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current assets	\$ 3,878,684	\$ 3,483,926	\$ 5,528,194
Net capital assets	16,841,263	16,877,113	15,941,759
Other noncurrent assets	-	883,331	-
	<u>\$ 20,719,947</u>	<u>\$ 21,244,370</u>	<u>\$ 21,469,953</u>
Current liabilities	\$ 681,787	\$ 528,258	\$ 775,514
Noncurrent liabilities	13,050,248	13,605,468	14,105,134
	<u>13,732,035</u>	<u>14,133,726</u>	<u>14,880,648</u>
Net investment in capital assets	3,273,004	2,772,967	1,356,108
Unrestricted	3,714,908	4,337,677	5,233,197
	<u>6,987,912</u>	<u>7,110,644</u>	<u>6,589,305</u>
	<u>\$ 20,719,947</u>	<u>\$ 21,244,370</u>	<u>\$ 21,469,953</u>
Operating revenue	\$ 2,109,656	\$ 2,415,216	\$ 2,308,983
Operating expenses	1,271,460	756,657	864,745
	838,196	1,658,559	1,444,238
Nonoperating revenue	143,847	82,423	85,014
Nonoperating expenses	1,104,775	1,219,643	1,238,595
	(122,732)	521,339	290,657
Net position, beginning of year	7,110,644	6,589,305	6,298,648
Net position, end of year	<u>\$ 6,987,912</u>	<u>\$ 7,110,644</u>	<u>\$ 6,589,305</u>

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2021

Statements of Net Position

Assets – As of June 30, 2021 and 2020, Lobo Development has cash in the amount of \$3,875,978 and \$3,373,745, respectively, of which \$3,624,859 and \$3,121,469, respectively, is held by UNM, and \$251,119 and \$252,276, respectively, is held in an operating bank account at a financial institution. Cash increased primarily due to an increase in reimbursement revenue.

Liabilities and Net Position – Lobo Development's net position at June 30, 2021, 2020, and 2019 was allocated between unrestricted and net investment in capital assets.

Statements of Revenues, Expenses, and Changes in Net Position

Revenues – During the fiscal year ended June 30, 2021, Lobo Development generated operating revenue in the amount of \$2,140,786, which included lease payments from four buildings, and two student housing buildings. During the fiscal year ended June 30, 2020, Lobo Development generated operating revenue in the amount of \$2,415,216, which included lease payments from three buildings, and two student housing buildings. Nonoperating revenue amounted to \$112,717 and \$82,423 during the fiscal years ended June 30, 2021 and 2020, respectively. For 2021, other income was the result of interest income earned from UNM of \$47,159, and a transfer in from Innovate ABQ, Inc. of \$68,558. For 2020, other income was the result of interest earned from UNM.

Expenses – Total operating expenses increased \$514,803 during the fiscal year ended June 30, 2021 due to an increase in administrative and project expenses. Total operating expenses decreased \$108,088 during the fiscal year ended June 30, 2020 due to a decrease in administrative and project expenses.

UNM is the fiscal agent of Lobo Development. UNM holds the majority of Lobo Development's cash and invests the holdings in a commingled account with UNM's other investments. The pro rata interest earnings are credited to Lobo Development's account monthly and losses are charged at the end of the fiscal year. Lobo Development transfers funds to its checking account as needed.

Capital Assets and Debt Administration

Lobo Development's investment in capital assets as of June 30, 2021 amounts to \$3,273,004 (net of accumulated depreciation and debt incurred to finance). This investment in capital assets includes two buildings purchased during fiscal year 2013 and one building purchased in fiscal year 2017. Lobo Development's construction in process (CIP) asset balance is \$2,181,836. This includes several in-process projects, such as a new bioscience lab near UNM's Lobo Rainforest Building, a new research facility on UNM's South Campus, a property development under a Tax Increment Development District, a commercial site along Gibson Boulevard, and a charter school expansion on UNM's South Campus. Additional information concerning Lobo Development's capital assets may be found in Note 4 in the notes to the financial statements.

At the end of the current fiscal year, Lobo Development had total debt outstanding of \$13,568,259. This debt was incurred during fiscal year 2013 for the purchase of the two buildings noted above and during fiscal year 2017 for the purchase of one building a noted above. Additional information concerning Lobo Development's long-term debt may be found in Note 5 in the notes to the financial statements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2021

Factors Impacting Future Periods

Lobo Development is currently working on forming a Tax Incremental Development District (TIDD) with the City of Albuquerque to fund public infrastructure.

Lobo Development is currently involved in the commercial development of vacant UNM property and has been negotiating with developers. Once a firm commitment is received, work will begin on building the infrastructure to support the retail outlets on UNM property. It is not known when this expansion of business will transpire.

Anticipated revenue sources for 2021 include campus student housing ground rent, commercial development ground rent, and real estate income.

Contacting Lobo Development's Financial Management

This report is meant to describe the financial condition and position of Lobo Development.

If you have questions about this report or need additional financial information, contact:

Lobo Development Corporation
801 University Boulevard SE, Suite 207
Albuquerque, New Mexico 87106-4345

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Statements of Net Position

	June 30,	
	2021	2020
ASSETS		
CURRENT ASSETS		
Cash on deposit with fiscal agent	\$ 3,624,859	\$ 3,121,469
Cash on deposit with bank	251,119	252,276
Accounts receivable	-	18,750
Note receivable, current	-	87,937
Prepaid insurance	2,706	3,494
Total current assets	3,878,684	3,483,926
CAPITAL ASSETS		
Buildings	18,310,085	18,310,085
Construction in progress	2,181,837	1,748,198
Less accumulated depreciation	(3,650,659)	(3,181,170)
Net capital assets	16,841,263	16,877,113
NOTE RECEIVABLE, NET OF CURRENT	-	883,331
TOTAL ASSETS	\$ 20,719,947	\$ 21,244,370
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 157,015	\$ 22,819
Accrued expenses	6,761	6,761
Current portion of long-term debt	518,011	498,678
Total current liabilities	681,787	528,258
NONCURRENT LIABILITIES		
Long-term debt, net of current	13,050,248	13,605,468
Total noncurrent liabilities	13,050,248	13,605,468
NET POSITION		
Net investment in capital assets	3,273,004	2,772,967
Unrestricted	3,714,908	4,337,677
Total net position	6,987,912	7,110,644
TOTAL LIABILITIES AND NET POSITION	\$ 20,719,947	\$ 21,244,370

See accompanying notes to these financial statements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	2021	2020
OPERATING REVENUES		
Rental revenue	\$ 1,428,262	\$ 1,344,244
Project revenue	348,098	1,050,972
Reimbursement revenue, net	333,296	20,000
	<u>2,109,656</u>	<u>2,415,216</u>
OPERATING EXPENSES		
Depreciation	469,489	469,490
Administrative expenses	702,046	287,167
Project expenses	99,925	-
	<u>1,271,460</u>	<u>756,657</u>
Operating income	<u>838,196</u>	<u>1,658,559</u>
NONOPERATING REVENUES		
Interest income	47,159	82,423
Transfers in from Innovate ABQ	96,688	-
	<u>143,847</u>	<u>82,423</u>
NONOPERATING EXPENSES		
Interest expense	454,775	444,643
Distributions to UNM	650,000	600,000
Distributions to UNM-Athletics	-	175,000
	<u>1,104,775</u>	<u>1,219,643</u>
Change in net position	(122,732)	521,339
NET POSITION, beginning of year	<u>7,110,644</u>	<u>6,589,305</u>
NET POSITION, end of year	<u>\$ 6,987,912</u>	<u>\$ 7,110,644</u>

See accompanying notes to these financial statements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Statements of Cash Flows

	Years Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments received from fiscal agent	\$ 681,394	\$ 2,395,216
Payments received from contractors	1,428,262	7,500
Payments to suppliers of goods or services	(410,145)	(148,420)
Payments to UNM	-	(269,143)
Payments to employees for services	(256,842)	(135,288)
Net cash provided by operating activities	<u>1,442,669</u>	<u>1,849,865</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Distributions to UNM	(650,000)	(600,000)
Distributions to UNM-Athletics	-	(175,000)
Transfers in from Innovate ABQ	115,438	-
Net cash used in noncapital financing activities	<u>(534,562)</u>	<u>(775,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction of capital assets	(433,639)	(1,404,844)
Debt repayment to fiscal agent principal	(535,887)	(481,505)
Debt repayment to fiscal agent interest	(454,775)	(444,643)
Net cash used in capital and related financing activities	<u>(1,424,301)</u>	<u>(2,330,992)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on deposits with fiscal agent	47,159	82,423
Note receivable issued to fiscal agent	-	(1,000,000)
Principal repayment from fiscal agent	971,268	28,732
Net cash provided by (used in) investing activities	<u>1,018,427</u>	<u>(888,845)</u>
Net increase (decrease) in cash and cash equivalents	502,233	(2,144,972)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,373,745</u>	<u>5,518,717</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,875,978</u>	<u>\$ 3,373,745</u>
Reconciliation of cash to the statement of net position		
Cash on deposit with fiscal agent	\$ 3,624,859	\$ 3,121,469
Cash on deposit with the bank	251,119	252,276
Cash on statement of cash flows	<u>\$ 3,875,978</u>	<u>\$ 3,373,745</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 838,196	\$ 1,658,559
Depreciation expense	469,489	469,490
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in accounts receivable	-	(12,500)
Change in prepaid insurance	788	(267)
Change in accounts payable	134,196	13,989
Change in accrued expenses	-	(10,263)
Change in due to UNM	-	(269,143)
Net cash provided by operating activities	<u>\$ 1,442,669</u>	<u>\$ 1,849,865</u>

See accompanying notes to these financial statements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1 – Description of Business

Lobo Development Corporation (Lobo Development), a blended component unit of The University of New Mexico (UNM), is owned, controlled, and was established by UNM's Board of Regents (UNM Regents).

Lobo Development was incorporated in the State of New Mexico on October 4, 2007. It was organized under the amended State of New Mexico's University Research Park Act. The name of the Act has since been changed to the University Research Park and Economic Development Act.

Lobo Development was established to benefit the UNM Regents by relieving the University of New Mexico from the responsibilities to acquire, own, manage, and develop certain real estate in a commercially reasonable manner and to maximize the University's return from these assets; by contributing all of the corporation's net revenues to the University for the support of the teaching, research, and service mission of the University; and by creating learning opportunities for students in this development activity. The activities of the corporation shall include the acquisition, development, disposition, and rental of real estate for the benefit of the University.

Under the Memorandum of Agreement (MOA) between the UNM Regents and Lobo Development signed in the first quarter of fiscal year 2009, Lobo Development may plan, direct, and coordinate its business activities in accordance with a mutually agreed-upon development proposal and development agreement between Lobo Development and UNM. Lobo Development operations will be funded by an administrative fee assigned to approved projects. If Lobo Development revenues are more than sufficient to meet its anticipated financial obligations based on a mutually approved annual budget, it is the intent of the parties that excess revenue shall be distributed back to UNM. For the years ended June 30, 2021 and 2020, \$650,000 and \$775,000 was distributed back to UNM, respectively.

Primary activities performed by Lobo Development during the year ended June 30, 2021 focused on efforts to establish a bioscience lab near the Lobo Rainforest Building, marketing of commercial sites along Gibson Boulevard, and the establishment of a Tax Increment Development District in partnership with the City of Albuquerque.

Lobo Development provides services only to UNM. Lobo Development does not have any component units.

Note 2 – Summary of Significant Accounting Policies and Practices

Basis of Accounting and Presentation

As a proprietary fund, Lobo Development's financial statements are reported using a flow of economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred. Operating revenues and expenses are those incurred that relate directly to project management services. All other revenues and expenses are considered non-operating.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies and Practices (continued)

The accompanying financial statements include only the accounts of Lobo Development, which has no component units.

Net Position

For accounting and reporting purposes, Lobo Development reports its net position in the following categories as applicable:

- Net investment in capital assets – capital assets net of accumulated depreciation and debt incurred to finance the capital asset acquisition.
- Unrestricted – net position that is not subject to externally imposed constraints.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the financial statements dates and the reported amounts of revenues and expenses during these reporting periods. Due to uncertainties inherent in the estimation process, actual results could differ from those estimates.

Cash and Cash Equivalents

Lobo Development considers all highly liquid investments with a maturity of three months or less when purchase to be cash equivalents. For purposes of the statement of cash flows, Lobo Development considers cash and cash equivalents to be cash deposits and amounts held by its fiscal agent.

Revenue Recognition

Lobo Development recognizes operating revenue for services earned under the terms of the MOA.

Lobo Development's revenue for the fiscal year ended 2021 originated from the following sources: (1) Student Housing project/ACC Component I, (2) Reimbursement Revenue, (3) Rent from four occupancy leases. Lobo Development's revenue for the fiscal year ended 2020 originated from the following sources: (1) Student Housing project/ACC Component I, (2) Student Housing project/ACC Component II, (3) Reimbursement Revenue, (4) Rent from three occupancy leases. All revenue from these sources is originally paid to UNM and UNM determines which revenue streams are allocated to Lobo Development.

Income Taxes

Lobo Development is exempt from federal income tax on income related to its exempt purposes under Section 501(a) of the Internal Revenue Code (Code) as an organization described in Section 501(c)(3) of the Code.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies and Practices (continued)

Capital Assets

Capital assets are recorded at original cost, or fair value if donated. Per Section 12-6-10 NMSA 1978, Lobo Development follows UNM's capitalization policy for moveable equipment includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. 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 39 years for buildings.

Cash

Lobo Development's cash balances include cash on deposit with fiscal agent and an operating account. Lobo Development has no statutory policy requirements related to cash deposits. UNM serves as the fiscal agent for Lobo Development through which Lobo Development participates in a pooled bank account maintained by UNM. At June 30, 2021 and 2020, Lobo Development had a balance in that pooled account of \$3,624,859 and \$3,121,469, respectively. As fiscal agent, UNM requires the financial institution holding these pooled funds to maintain minimum collateral amounts. Interest is allocated monthly to Lobo Development's account based on its balance in the pooled bank account at the end of the preceding month.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. At June 30, 2021, the bank balance and the book balance in Lobo Development's separate checking account with Compass Bank were \$252,617 and \$251,119, respectively. At June 30, 2020, the bank balance and the book balance in Lobo Development's separate checking account with Compass Bank were \$252,680 and \$252,276, respectively. The Federal Deposit Insurance Corporation (FDIC) will insure balances up to \$250,000. The majority of the book balance was insured by the FDIC for 2021 and 2020.

Reclassifications

We have reclassified certain prior year amounts in the financial statements to conform to the current-year presentation.

Note 3 – Related-Party Transactions

Effective August 12, 2008, UNM and Lobo Development entered into a MOA containing the expectations and performance obligations that UNM is seeking from Lobo Development.

Pursuant to the MOA, UNM provides to Lobo Development, at no cost to Lobo Development, facilities support and general business office and associated workspace. Under the agreement, UNM holds cash earned by Lobo Development, at no cost to Lobo Development. UNM transferred \$379,228 and \$1,050,972 to Lobo Development for the years ended June 30, 2021 and 2020, respectively. This amount is included in project revenue.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 3 – Related-Party Transactions (continued)

The MOA may be terminated by UNM, effective upon written notice to Lobo Development. Upon termination, all property of Lobo Development shall be transferred to UNM or other successor organization designated by resolution of the UNM Regents.

On April 1, 2013, Lobo Development executed a Promissory Note with UNM to finance a capital assets purchase made in fiscal year 2013. The Note was originally executed for \$27,800,000 at 3.00% interest per annum with a maturity date of May 1, 2020. A Loan Revision Agreement was executed on January 1, 2016 to reduce the principal balance to \$15,211,543 with no change in interest rate or maturity date. In August 2019, the loan expiration was extended to May 1, 2027 (see Note 5).

On December 21, 2016, Lobo Development executed a Promissory Note with the University of New Mexico Foundation, Inc. (UNM Foundation) to provide funds to finalize the purchase of a building. The Note was originally executed for \$1,000,000 at 3.75% interest per annum, with a maturity date of December 21, 2026 (see Note 5).

On April 1, 2016, Lobo Development entered into a MOA with Innovate ABQ, Inc. (Innovate), a component unit of the University of New Mexico, wherein Lobo Development provides bookkeeping and operations management services to Innovate. Net revenue received under this MOA was \$0 and \$20,000 for the fiscal years ended June 30, 2021 and 2020, respectively. Effective December 30, 2020, Innovate was dissolved and its assets and liabilities were acquired by UNM. Under a Management Authorization Agreement, Lobo Development is authorized to issue invoices, pay remaining obligations, and perform close out activities related to Innovate ABQ's assets and liabilities. Innovate ABQ's remaining cash of \$84,308 was transferred to Lobo Development. For the year ended June 30, 2021, expenses totaling \$365,003 were incurred on behalf of Innovate and are included in project and administrative expenses.

On May 29, 2015, Lobo Development entered into a MOA with the University of New Mexico Athletics Department (Athletics), wherein Lobo Development will allocate annually to Athletics half of the "Lobo Village" ground lease income received from UNM. For the fiscal year ended June 30, 2021, Lobo Development distributed \$0 of "Lobo Village" ground lease income to Athletics. For the fiscal year ended June 30, 2020, Lobo Development distributed \$175,000 of "Lobo Village" ground lease income to Athletics.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 3 – Related-Party Transactions (continued)

Lobo Development receives rental revenue from UNM and Athletics under four occupancy lease agreements. For the fiscal year ended June 30, 2021, rental revenue received from UNM was \$1,375,022, rental revenue received from Athletics was \$104,710, and rental revenue received from others of \$2,938, for total rental revenue of \$1,482,670. For the fiscal year ended June 30, 2020, rental revenue received from UNM was \$1,235,899 and rental revenue received from Athletics was \$108,345, for total rental revenue of \$1,344,244. Future rents due are as follows:

<u>Fiscal Years Ended June 30:</u>	<u>1312 Basehart</u>	<u>933 Bradbury</u>	<u>AIMS</u>	<u>Baseball Clubhouse</u>
2022	\$ 396,458	\$ 822,499	\$ 101,657	\$ 102,423
2023	396,458	822,499	101,657	102,423
2024	396,458	822,499	101,657	102,423
2025	396,458	822,499	101,657	102,423
2026	396,458	822,499	101,657	102,423
2027-2030	<u>1,486,719</u>	<u>3,084,370</u>	<u>914,913</u>	<u>51,211</u>
	<u>\$ 3,469,009</u>	<u>\$ 7,196,865</u>	<u>\$ 1,423,198</u>	<u>\$ 563,326</u>

Lobo Development did not purchase goods and services from companies that board members are employed by during fiscal years ended June 30, 2021 and 2020.

During fiscal year 2020, Lobo Development entered into a Research Park Corporation Funds Transfer Agreement with UNM. The agreement was for Lobo Development to transfer \$1,000,000 to UNM for the purpose of funding improvements to the UNM Advanced Materials Laboratory. The note receivable was to be repaid over a period of 10 years at an interest rate of 3.00% per annum. Upon mutual agreement of both parties, the note was fully repaid in July 2020.

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance at June 30, 2020</u>	<u>Additions/ Completions</u>	<u>Retirements/ Disposals</u>	<u>Balance at June 30, 2021</u>
Capital assets				
Non depreciable				
Construction in progress	\$ 1,748,198	\$ 433,639	\$ -	\$ 2,181,837
Depreciable				
Buildings	18,310,085	-	-	18,310,085
Accumulated depreciation	<u>(3,181,170)</u>	<u>(469,489)</u>	<u>-</u>	<u>(3,650,659)</u>
Net capital assets	<u>\$ 16,877,113</u>	<u>\$ (35,850)</u>	<u>\$ -</u>	<u>\$ 16,841,263</u>

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 4 – Capital Assets (continued)

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance at June 30, 2019</u>	<u>Additions/ Completions</u>	<u>Retirements/ Disposals</u>	<u>Balance at June 30, 2020</u>
Capital assets				
Non depreciable				
Construction in progress	\$ 343,354	\$ 1,404,844	\$ -	\$ 1,748,198
Depreciable				
Buildings	18,310,085	-	-	18,310,085
Accumulated depreciation	<u>(2,711,680)</u>	<u>(469,490)</u>	<u>-</u>	<u>(3,181,170)</u>
Net capital assets	<u>\$ 15,941,759</u>	<u>\$ 935,354</u>	<u>\$ -</u>	<u>\$ 16,877,113</u>

Note 5 – Long-Term Debt

A promissory note payable to UNM was issued to finance the capital assets purchase made in fiscal year 2013. A Loan Revision Agreement was issued January 1, 2016 to reduce the principal due to a transfer of one of the three buildings. Principal and interest payments are due monthly on the first day of each month. This note bears interest at 3.00% and as of year-end and is set to mature on May 1, 2027.

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 21, 2021, the annual interest rate decreased from 5.5% to 3.25%. This note matures December 21, 2026.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 5 – Long-Term Debt (continued)

Notes payable activity consists of the following:

	Year Ended June 30, 2021				
	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Note payable to UNM	\$ 13,506,793	\$ -	\$ (453,749)	\$ 13,053,044	\$ 431,043
Note payable to UNM Foundation	597,353	-	(82,138)	515,215	86,968
	\$ 14,104,146	\$ -	\$ (535,887)	\$ 13,568,259	\$ 518,011
	Year Ended June 30, 2020				
	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Note payable to UNM	\$ 13,912,764	\$ -	\$ (405,971)	\$ 13,506,793	\$ 418,320
Note payable to UNM Foundation	672,887	-	(75,534)	597,353	80,358
	\$ 14,585,651	\$ -	\$ (481,505)	\$ 14,104,146	\$ 498,678

Minimum future payments under the promissory notes as of June 30, 2021 are as follows:

Fiscal Years Ending June 30:	Principal	Interest	Total
2022	\$ 518,011	\$ 369,495	\$ 887,506
2023	533,989	355,052	889,041
2024	550,461	369,763	920,224
2025	567,443	352,782	920,225
2026	584,949	335,276	920,225
2027	10,813,406	474,592	11,287,998
	\$ 13,568,259	\$ 2,256,960	\$ 15,825,219

Note 6 – Risk Management

Lobo Development, through UNM, participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability at Lobo Development's expense. Workers' compensation insurance and property insurance are provided by private companies at Lobo Development's expense. 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 UNM from its operating budget. UNM's exposure is limited to \$1,000 per any first party incurred property loss, with the exception of theft, which has a \$5,000 deductible.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 7 – Defined-Contribution Plan

Lobo Development entered into a 403(b) defined-contribution plan effective January 1, 2013. As a defined-contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan may be amended by a board of directors' resolution. The plan is available to all employees of Lobo Development, beginning the first day of the plan year quarter coincident with or next following the date the employee first performs their first day of service and are considered to be immediately vested. The plan allows for variable employee contributions up to the Internal Revenue Service maximum allowed amount. Principal Financial Group administers the plan, and Lobo Development contributes the sum of (a) a 6.00% match for employees that contribute to the plan and (b) a discretionary contribution as determined by Lobo Development for employees who do not contribute to the plan. Contributions to the plan for the fiscal years ended June 30, 2021 and 2020 were \$21,858 and \$9,654, respectively, which consisted of \$10,929 and \$4,827 contributed by employees and \$10,929 and \$4,827 contributed by Lobo Development, respectively.

Note 8 – Subsequent Events

Subsequent events are evaluated by management through the date the accompanying financial statements are available to be issued, which is September 15, 2021.

Note 9 – COVID-19

During the fiscal year, the outbreak of a novel coronavirus (COVID-19) pandemic, continued to impact the United States of America, along with various other countries globally. A variety of federal, state, and local governments have taken actions in response to the pandemic, which have ranged by jurisdiction, but are resulting in a variety of negative economic consequences, the scope of which are not currently known or quantifiable. The duration and intensity of the impact of the coronavirus and resulting impact to the organization is unknown.

Lobo Development experienced a decrease in rental revenue from student housing. Lobo Development's Central Campus property generated \$593,261 in revenue in 2020, reduced to \$348,098 in 2021. South Campus property generated \$457,711 in revenue in 2020, and \$0 in 2021.

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

The Board of Directors
Lobo Development Corporation
and Mr. Brian Colón, Esq., New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lobo Development Corporation (Lobo Development), a component of the University of New Mexico, which comprise of the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lobo Development'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 Lobo Development's internal control. Accordingly, we do not express an opinion on the effectiveness of Lobo Development's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lobo Development'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*.

Purpose of this Report

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

Mess Adams LLP

Albuquerque, New Mexico

September 15, 2021

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Summary of Auditor's Results (As Required by 2.2.2.10 NMAC L(1) (f))
June 30, 2021

Financial Statements

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

Internal control over financial reporting:

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

Compliance and other matters noted? Yes No

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Schedule of Findings and Responses
June 30, 2021

Current Year Findings

No matters were reported.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Summary Schedule of Prior Audit Findings
June 30, 2021

Prior Year Findings

No matters were reported.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Exit Conference
June 30, 2021

An exit conference was held on September 15, 2021. During this meeting, the contents of this report were discussed with the following individuals:

Lobo Development Corporation

Rick Siegel	Secretary/Treasurer
Keelie Garcia	Administrative Operations Manager
Kelly Ward	Director of Business Development
Teresa Constantinidis	Senior VP for Finance and Administration, UNM

Moss Adams LLP

Lisa Todd	Partner
Lauren Kistin	Senior Manager
Koen Alberts	Senior

Lobo Development Corporation is responsible for the contents of the financial statements.
Moss Adams LLP assisted with the preparation of the financial statements.

TAB 15

#15

UNM Regents' Student-Run Portfolio

2021 Report

Director: Dr. Reilly S. White

Assistant Dean of Teaching and Learning

Associate Professor of Finance

Anderson School of Management, University of New Mexico

Prepared for the Finance & Facilities Committee, February 8, 2022

UNM Regents' Student-Run Portfolio 2021 Report

2021 Performance

During 2021, economic recovery rebounded and GDP growth reached the highest level in 40 years following the 2020 recession. While US equities led performance, foreign holdings (3% of the portfolio) languished as China's clampdown on its technology sector adversely affected equities. Strong growth in retail and technology sectors occurred, and the portfolio added almost 19% during 2021. Disbursements to UNM totaled \$156,758.37, with an additional \$25,000 to support FI Department resources and \$50,858 in unclaimed fees held by the portfolio.

2022 Outlook

Inflation surged towards the end of 2021, reaching annualized values of 6.8% in November. Supply chain disruptions and surging wage growth are likely to continue through 2022, while the Federal Reserve is expected to slowly increase the discount rate. Overall economic growth is expected to remain fairly strong (around 4.0%), with easing commodity and supply chain issues, a continuation of a tight labor market in some sectors, and gradually easing inflation.

2021 in Numbers

BALANCE (1/3/22)
\$5,058,928.00

HIGH (12/27/21)
\$5,051,415.63

LOW (1/4/21)
\$4,243,868.82

UNM DISBURSEMENTS
\$156,758.37

TOTAL (SINCE 2011)
\$1,403,863.40

PERFORMANCE
+23.5%

Investment Advisory Council (IAC)

• • •

Jen Cole, CFA
Frank DeSantis, CFA
Saxon Knight, CFA
Alex Motola, CFA
Lee Munson, CFA
Anna Murphy, CFA
Joni Pierce, CFA
Chris Ryon, CFA
Keith Sabol, CFA
Rick Salmon, CFA

Alternates:

Kanan Mammadli
Samuel Snelling

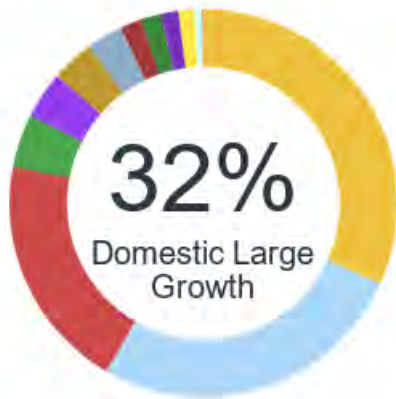
Course Instructors

Sonny Gokhale, CFA
Dr. Subramanian Iyer
Dr. Reilly White

Courses

MGMT 472 - Securities Analysis
MGMT 479 - Applied Investment Analysis
MGMT 572 - Securities Analysis
MGMT 579 - Applied Investment Analysis

Portfolio Allocations



Equities

27%	Domestic Large Blend	32%	Domestic Large Growth
20%	Domestic Large Value	4%	Domestic Mid Blend
4%	Domestic Mid Growth	4%	Domestic Mid Value
1%	Domestic Small Blend	2%	Domestic Small Growth
<1%	Domestic Small Value	2%	Emerging Markets
<1%	Equities	1%	International Developed Markets

Fixed Income

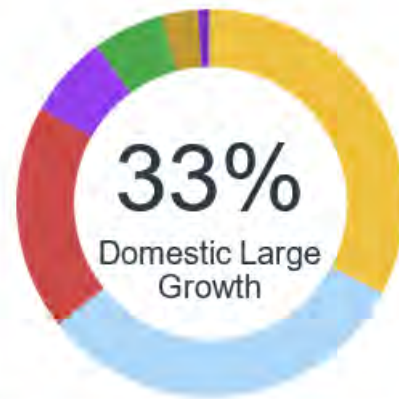
0% Fixed Income

Cash

3% Cash

Alternative

0% Alternative



Equities

32%	Domestic Large Blend	33%	Domestic Large Growth
19%	Domestic Large Value	7%	Domestic Mid Blend
3%	Domestic Mid Growth	6%	Domestic Mid Value
0%	Domestic Small Blend	0%	Domestic Small Growth
0%	Domestic Small Value	<1%	Emerging Markets
0%	Equities	<1%	International Developed Markets

Fixed Income

0% Fixed Income

Cash

<1% Cash

Alternative

0% Alternative

Holdings (Top 10)

XLF	9.45%	Financial Select Sector SPDR Fund Fund - Specialty-Financial
XLV	7.05%	Health Care Select Sector SPDR Fund Fund - Specialty-Health
XLY	7.03%	Consumer Discretionary Select Sector SPDR Fund Consumer Services
XLK	6.94%	Technology Select Sector SPDR Fund Fund - Specialty-Technology
MSFT	4.67%	MICROSOFT CORP Tech Giants
XLP	4.63%	Consumer Staples Select Sector SPDR Fund Fund - Large Blend
XBI	3.33%	SPDR SP Biotech ETF Fund - Specialty-Health
AMZN	3.15%	AMAZON.COM INC Specialty Retail, Other
AAPL	3.15%	Apple Inc. Tech Giants
GOOGL	3.05%	Google Inc. Tech Giants - Communications

Holdings

SPY	50.00%	SPDR SP 500 ETF Trust Fund - US Index
VFINX	50.00%	Vanguard 500 Index Fund Investor Shares Fund - Large Blend

Risk Statistics

The information here explores other measures of risk. Please see disclosures for a glossary and explanation of calculations.

IAC Holdings (\$4.94M)

HL Equity Benchmark

Historical Calcs Timeframe: December 14, 2018 to December 15, 2021

Risk Stats		
Stress Test Risk	-46%	-42%
Correlation Risk	0.57	1.00
Beta (3yr)	0.96	1.00
Performance Stats		
Total Return*	78.85%	90.37%
Annualized Return*	21.34%	23.89%
Max Drawdown	-30.42%	-31.75%
Volatility	20.05%	20.80%
Portfolio Stats		
Yield	1.17%	1.14%
Sharpe Ratio	1.05	1.13
Sortino Ratio	1.14	1.23
Expenses		
Expense Ratio	0.07%	0.12%
Fee %	N/A	N/A

Stress Test Summary

Portfolio 1: IAC Holdings (\$4.94M)

Portfolio 2: Equity Benchmark



SP Valuation

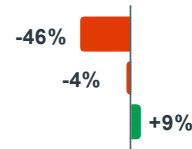
What impact would a shift in the S&P 500 cyclically adjusted PE ratio have on the economy?

21 CAPE - Pandemic Lows

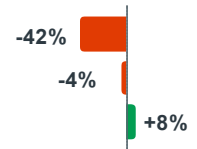
35 CAPE - Steady

44 CAPE - All-time Highs

Portfolio 1



Portfolio 2



Past Crashes

This scenario looks at historical crashes, and asks - what if this past crash happened today?

March 2020 COVID19 Crash

Portfolio 1



Portfolio 2

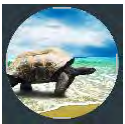
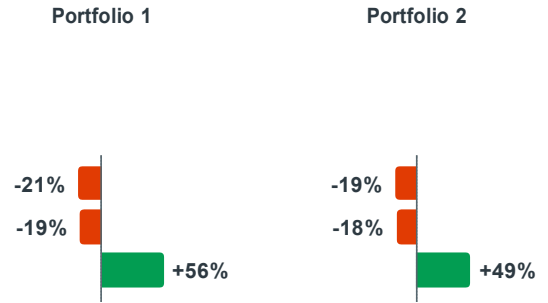




Past Inflation

This scenario looks at historical inflationary periods and examines what might happen if the economy saw similar inflation today.

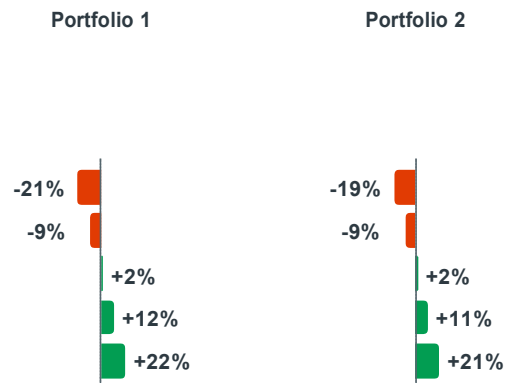
- Commodity Price Surge - 2008
- Stagflation
- Volcker's War on Inflation - 80s



Baseline

This scenario examines the impact of straightforward moves in economic indicators.

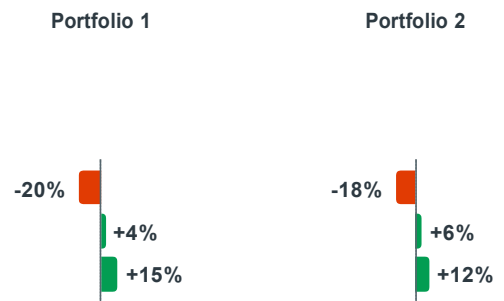
- SP 500 Down 20%
- SP 500 Down 10%
- Treasury rates up 100bp
- SP 500 Up 10%
- SP 500 Up 20%



COVID Endgame

What if the pandemic lingers, but Fed and Govt stimulus policy grinds to a halt?

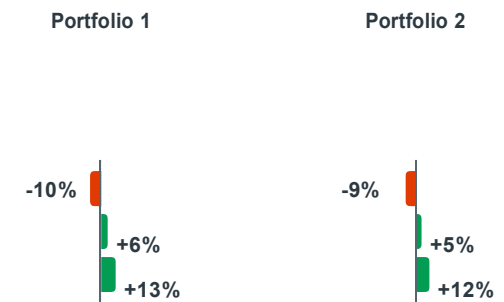
- Goodbye Govt Money
- Focus Shifts to Booming Economy
- Omicron Ends Pandemic



Inflation

How will Fed easy money policies and the rebound from the recession impact inflation trends?

- Permanent Step-up
- Peak CPI in Rearview
- Earnings Outpace CPI



Equity Style Analysis

IAC Holdings (Analytical Use Only) (\$4.94M) ●

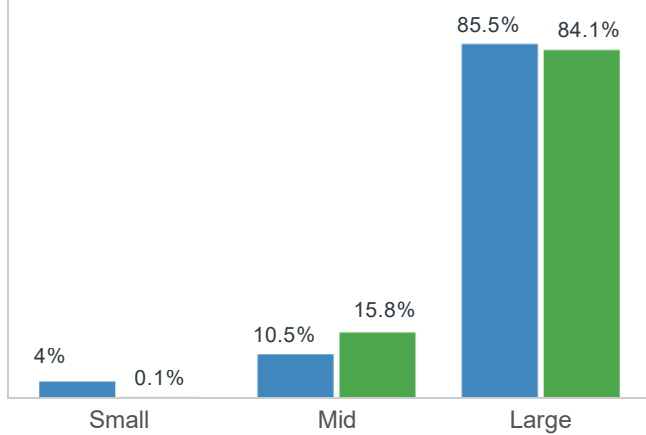
HL Equity Benchmark ●

	Value	Blend	Growth
Large	20	28	35
Mid	5	4	4
Small	1	1	2

	Value	Blend	Growth
Large	19	32	33
Mid	6	7	3
Small	0	0	0

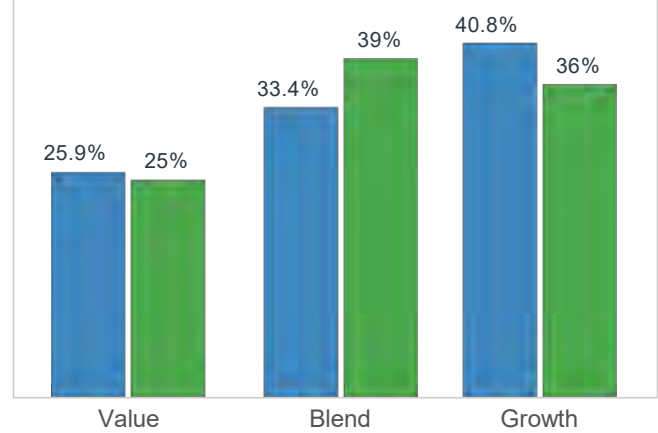
Market Cap Analysis

Market Cap Analysis



Style Analysis

Style Analysis

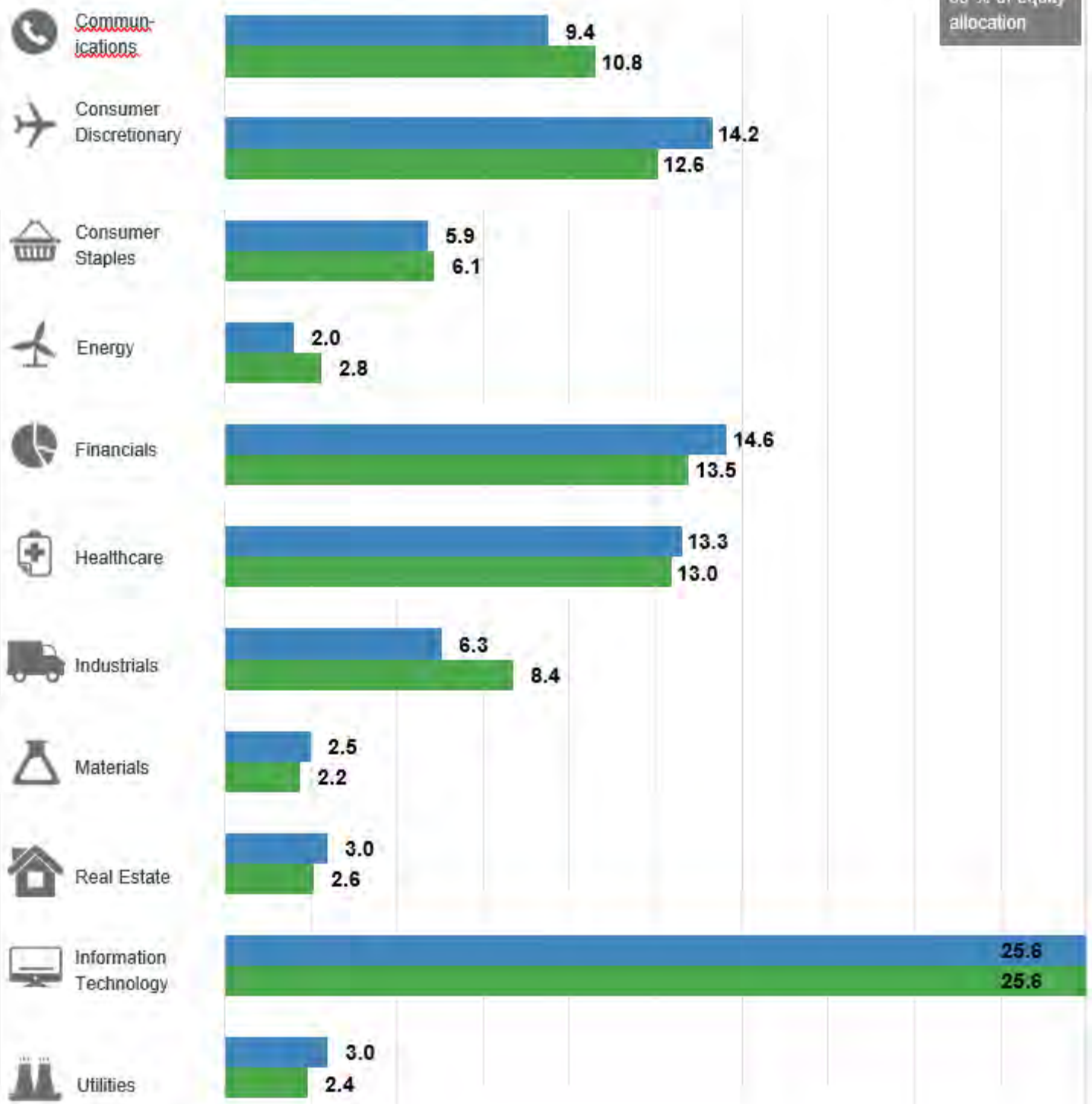


Equity Sector Analysis

IAC Holdings (Analytical Use Only) (\$4.94M)

HL Equity Benchmark

as % of equity allocation



Expense Summary - Expense Detail

Portfolio 1: IAC Holdings (Analytical Use Only) (\$4.94M)

Portfolio 2: HL Equity Benchmark

	%	\$	%	\$
Exp. Ratio	0.07%	\$3,479	0.12%	\$5,676
AUM Fee	N/A	\$0	N/A	\$0
Total Fees	0.07%	\$3,479	0.12%	\$5,676

Portfolio 1 (\$4.94M*)




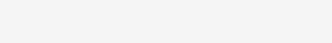


Portfolio 2 (\$4.94M*)




*For comparison purposes, both portfolios are depicted as having the same total value.

Expense Detail

IAC Holdings (Analytical Use Only) (\$4.94M)

Symbol	Name / Category	Expense Ratio	Cost		Category Fee Range
XLF	Financial Select Sector SPDR Fund Fund - Specialty-Financial	0.13	\$606	0.08	 4.50
XBI	SPDR SP Biotech ETF Fund - Specialty-Health	0.35	\$576	0.08	 2.33
XLV	Health Care Select Sector SPDR Fund Fund - Specialty-Health	0.13	\$452	0.08	 2.33
XLY	Consumer Discretionary Select Sector SPDR Fund Consumer Services	0.13	\$451	0.13	 0.13
XLK	Technology Select Sector SPDR Fund Fund - Specialty-Technology	0.13	\$445	0.08	 2.21
XLP	Consumer Staples Select Sector SPDR Fund Fund - Large Blend	0.13	\$297	0.00	 2.29
XLU	Utilities Select Sector SPDR Fund Fund - Specialty-Utilities	0.13	\$137	0.08	 2.09
XLB	Materials Select Sector SPDR Fund Fund - Specialty-Natural Res	0.13	\$134	0.08	 2.87
ICLN	iShares Global Clean Energy ETF Fund - Specialty-Utilities	0.41	\$109	0.08	 2.09
XLRE	The Real Estate Select Sector SPDR Fund Fund - Specialty-Real Estate	0.13	\$88	0.07	 2.39
XLE	Energy Select Sector SPDR Fund Fund - Specialty-Energy	0.13	\$82	0.08	 3.00
XLC	Communication Services Select Sector SPDR Fund Fund - Specialty-Communications	0.13	\$59	0.08	 2.45
XLI	Industrial Select Sector SPDR Fund Fund - Large Blend	0.13	\$42	0.00	 2.29

The following positions do not charge any fees: **FCASH, AAPL, ADBE, AMT, AMZN, ANTM, BA, BABA, BKNG, BMY, CMCSA, CRM, CVX, DIS, FB, FCX, FIS, FISV, FTNT, GD, GILD, GOOGL, HII, HON, HST, HXL, INTC, INTU, JNJ, JPM, LAZ, LHX, LMT, MA, MCD, MCK, MSFT, MU, NEE, NVDA, PANW, PEP, PFE, PPG, PYPL, QCOM, ROST, SAP, SPG, SQ, T, TCEHY, TGT, ULTA, UNP, V, VZ**

VFINX	Vanguard 500 Index Fund Investor Shares Fund - Large Blend	0.14	\$3,455	0.00	 2.29
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Historical Returns - Holdings

Annualized Returns for IAC Holdings (Analytical Use Only) (\$4.94M)

Symbol	Name	Expense Ratio	Yield	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception		
									Ann. Return	Volatility	Drawdown
ICLN	iShares Global Clean Energy ETF	0.41	0.72	-22.5%	-12.6%	37.1%	24.9%	12.7%	-4.3%	34.2%	-86.1%
									Jun-24-2008		
XBI	SPDR SP Biotech ETF	0.35	0.17	-19.4%	-22.4%	13.9%	13.0%	18.9%	13.2%	28.8%	-47.8%
									Jan-31-2006		
XLB	Materials Select Sector SPDR Fund	0.13	1.55	23.0%	25.5%	22.1%	13.8%	12.8%	8.9%	23.4%	-59.0%
									Dec-18-1998		
XLC	Communication Services Select Sector SPDR Fund	0.13	0.65	14.6%	15.1%	21.8%			14.1%	20.7%	-29.4%
									Jun-18-2018		
XLE	Energy Select Sector SPDR Fund	0.13	3.85	50.4%	42.8%	1.9%	-1.9%	1.7%	6.3%	26.6%	-68.9%
									Dec-18-1998		
XLF	Financial Select Sector SPDR Fund	0.13	1.45	33.9%	38.7%	19.7%	12.7%	16.5%	6.2%	28.2%	-82.7%
									Dec-18-1998		
XLI	Industrial Select Sector SPDR Fund	0.13	1.20	18.8%	18.9%	18.0%	12.7%	14.5%	8.7%	21.5%	-61.6%
									Dec-18-1998		
XLK	Technology Select Sector SPDR Fund	0.13	0.63	34.5%	38.2%	40.7%	30.4%	23.3%	8.9%	24.1%	-81.4%
									Dec-18-1998		
XLP	Consumer Staples Select Sector SPDR Fund	0.13	2.41	14.7%	16.0%	14.8%	10.8%	12.1%	7.1%	14.4%	-34.6%
									Dec-18-1998		
XLRE	The Real Estate Select Sector SPDR Fund	0.13	2.20	37.8%	39.3%	17.7%	14.0%		12.0%	22.0%	-35.2%
									Oct-07-2015		
XLU	Utilities Select Sector SPDR Fund	0.13	2.97	15.4%	15.6%	11.1%	11.5%	11.1%	7.5%	18.3%	-48.4%
									Dec-18-1998		
XLV	Health Care Select Sector SPDR Fund	0.13	1.34	23.0%	25.1%	17.9%	16.6%	17.1%	8.9%	17.7%	-37.9%
									Jan-08-1999		
XLY	Consumer Discretionary Select Sector SPDR Fund	0.13	0.45	25.6%	27.6%	26.6%	20.6%	19.7%	10.7%	21.8%	-58.4%
									Dec-18-1998		
AAPL	Apple Inc.	N/A	0.51	35.6%	40.7%	64.4%	45.6%	31.4%	21.8%	43.0%	-81.1%
									Dec-07-1981		
ADBE	ADOBE SYSTEMS INCORPORATED	N/A	0.00	26.0%	30.6%	39.9%	43.1%	37.3%	26.4%	45.4%	-78.9%
									Aug-11-1986		
AMT	AMER TOWER CP	N/A	1.87	24.0%	28.9%	20.3%	23.3%	18.7%	13.1%	55.7%	-98.6%
									Feb-23-1998		
AMZN	AMAZON.COM INC	N/A	0.00	6.4%	9.5%	29.6%	35.4%	34.3%	36.2%	57.4%	-94.4%
									May-12-1997		
ANTM	Anthem, Inc.	N/A	1.01	39.4%	42.9%	18.5%	26.8%	23.1%	17.2%	30.9%	-66.4%
									Oct-29-2001		
BA	BOEING CO	N/A	0.00	-8.7%	-14.8%	-14.2%	6.5%	12.9%	13.0%	34.5%	-77.9%
									Nov-09-1981		

Annualized Returns for IAC Holdings (Analytical Use Only) (\$4.94M)

Symbol	Name	Expense Ratio	Yield	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception		
									Ann. Return	Volatility	Drawdown
BABA	Alibaba Group Holding Limited	N/A	0.00	-47.4%	-52.0%	-6.3%	6.6%		3.7%	35.3%	-63.9%
									Sep-19-2014		
BKNG	Booking Holdings Inc.	N/A	0.00	-4.4%	1.5%	5.6%	7.2%	16.9%	6.7%	64.6%	-99.2%
									Mar-29-1999		
BMJ	BRISTOL MYERS SQIBB	N/A	3.15	-1.8%	-1.9%	7.9%	3.3%	8.9%	11.4%	25.0%	-70.0%
									Nov-09-1981		
CMCSA	COMCAST CORP	N/A	2.05	-6.8%	-5.2%	11.9%	8.6%	17.4%	15.4%	34.5%	-66.7%
									Aug-31-1981		
CRM	SALESFORCE.COM INC	N/A	0.00	16.9%	18.1%	23.8%	29.9%	25.5%	27.0%	41.1%	-69.5%
									Jun-21-2004		
CVX	CHEVRON CORP	N/A	4.64	44.0%	36.1%	5.5%	4.3%	5.7%	16.0%	25.8%	-51.4%
									Dec-14-1981		
DIS	WALT DISNEY-DISNEY C	N/A	0.00	-17.7%	-14.3%	10.4%	8.3%	16.8%	14.2%	28.3%	-65.8%
									Nov-09-1981		
FB	Facebook, Inc.	N/A	0.00	22.2%	21.1%	32.3%	22.6%		25.4%	35.5%	-52.8%
									May-18-2012		
FCX	FREEMPORT MCMORAN B	N/A	0.78	44.1%	54.3%	53.5%	21.5%	2.3%	6.3%	49.8%	-91.9%
									Jul-10-1995		
FIS	FIDELITY NAT INF SVC	N/A	1.44	-23.6%	-25.5%	1.8%	7.9%	17.3%	21.5%	87.5%	-56.1%
									Jun-18-2001		
FISV	FISERV INC	N/A	0.00	-8.5%	-9.1%	11.0%	14.2%	22.0%	18.3%	30.2%	-50.9%
									Sep-22-1986		
FTNT	Fortinet Inc.	N/A	0.00	126.7%	155.5%	66.4%	62.2%	31.4%	35.9%	38.0%	-49.8%
									Nov-18-2009		
GD	GEN DYNAMICS CP	N/A	2.31	42.2%	36.9%	9.7%	5.8%	15.2%	14.4%	27.3%	-73.9%
									Nov-09-1981		
GILD	GILEAD SCIENCES INC	N/A	3.93	26.2%	23.7%	6.6%	2.2%	16.3%	17.5%	45.8%	-66.3%
									Jan-20-1992		
GOOGL	Google Inc.	N/A	0.00	67.1%	66.3%	40.6%	29.1%	25.2%	25.9%	29.8%	-63.3%
									Aug-16-2004		
HII	Huntington Ingalls Industries	N/A	2.50	13.7%	10.1%	0.6%	2.8%	21.4%	17.7%	27.4%	-48.3%
									Mar-22-2011		
HON	HONEYWELL INTL INC	N/A	1.87	0.3%	-0.4%	17.7%	15.8%	17.9%	11.8%	28.6%	-68.6%
									Dec-07-1981		
HST	HOST HOTELS & RESORT	N/A	0.00	8.1%	9.0%	-1.6%	-0.7%	4.6%	9.7%	74.8%	-86.1%
									Nov-16-1981		
HXL	HEXCEL CP DELAWARE	N/A	0.00	1.6%	-2.8%	-5.1%	-0.2%	8.4%	3.6%	50.9%	-96.1%
									Nov-02-1981		
INTC	INTEL CORP	N/A	2.73	4.3%	2.6%	4.5%	9.4%	11.3%	15.3%	37.8%	-81.4%
									Nov-09-1981		
INTU	INTUIT INC	N/A	0.43	71.2%	80.4%	48.6%	41.7%	30.1%	21.5%	43.4%	-74.5%
									Mar-08-1993		

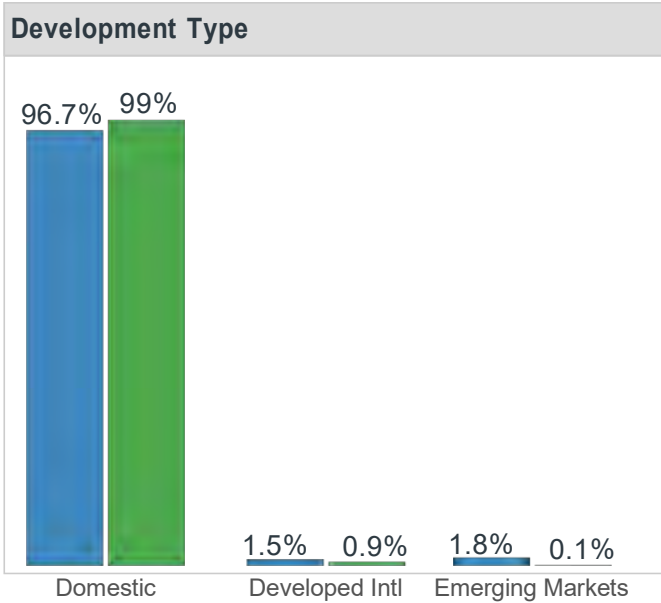
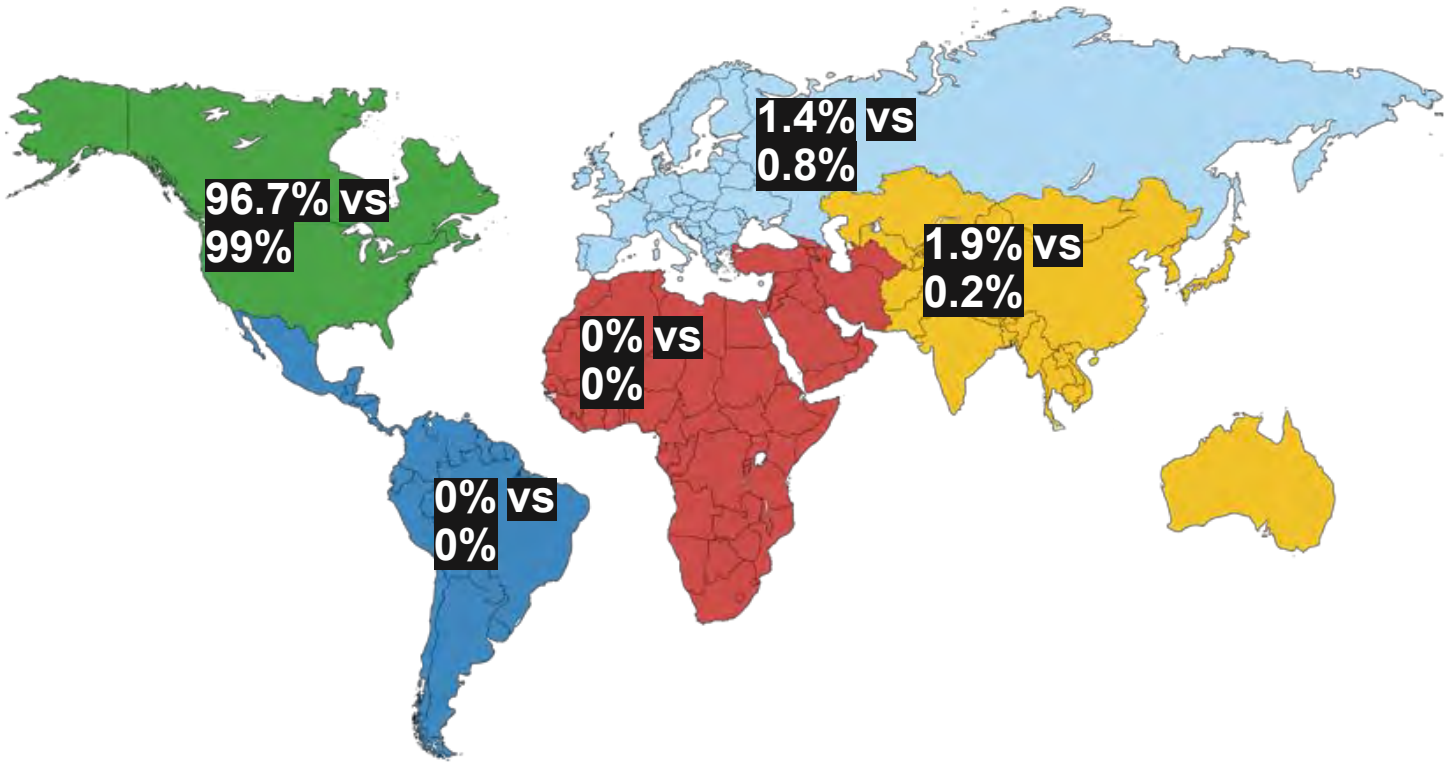
Symbol	Name	Expense Ratio	Yield	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception		
									Ann. Return	Volatility	Drawdown
JNJ	JOHNSON AND JOHNS DC	N/A	2.70	10.9%	15.9%	11.5%	10.9%	13.4%	14.0%	21.6%	-41.2%
									Dec-07-1981		
JPM	JP MORGAN CHASE CO	N/A	2.49	27.4%	34.6%	19.9%	16.2%	20.7%	11.7%	35.5%	-72.0%
									Nov-02-1981		
LAZ	LAZARD LTD	N/A	4.35	6.1%	9.3%	10.8%	6.1%	11.5%	7.0%	39.7%	-60.5%
									May-02-2005		
LHX	L3Harris Technologies, Inc.	N/A	1.92	14.9%	15.3%	14.7%	17.2%	22.8%	10.9%	32.3%	-64.9%
									Dec-28-1981		
LMT	LOCKHEED MARTIN CP	N/A	3.25	-0.0%	-0.8%	9.1%	9.4%	19.8%	14.2%	26.4%	-69.9%
									Dec-07-1981		
MA	MASTERCARD INC	N/A	0.56	-2.5%	4.3%	21.6%	27.8%	26.2%	32.8%	32.1%	-59.3%
									May-22-2006		
MCD	MCDONALDS CP	N/A	1.95	25.4%	25.2%	15.5%	19.4%	13.5%	15.6%	22.5%	-72.7%
									Oct-12-1981		
MCK	MCKESSON CORP	N/A	0.81	34.5%	35.2%	27.0%	11.4%	12.6%	11.3%	33.0%	-82.6%
									Nov-07-1994		
MSFT	MICROSOFT CORP	N/A	0.76	51.4%	57.3%	48.1%	41.8%	32.0%	27.0%	31.9%	-68.7%
									Mar-10-1986		
MU	MICRON TECHNOLOGY	N/A	0.00	14.1%	17.3%	35.8%	33.4%	31.5%	11.6%	61.1%	-98.1%
									May-28-1984		
NEE	NextEra Energy, Inc.	N/A	1.67	21.1%	24.7%	29.1%	28.6%	24.4%	15.3%	19.7%	-46.9%
									Nov-02-1981		
NVDA	NVIDIA CORP	N/A	0.06	133.5%	128.1%	102.8%	65.7%	58.2%	33.9%	62.3%	-88.3%
									Jan-18-1999		
PANW	Palo Alto Networks, Inc.	N/A	0.00	52.0%	70.2%	43.1%	33.1%		27.9%	37.1%	-44.9%
									Jul-20-2012		
PEP	PEPSICO INC	N/A	2.50	17.6%	20.4%	17.5%	13.3%	13.3%	14.6%	22.2%	-37.9%
									Dec-14-1981		
PFE	PFIZER INC	N/A	2.61	56.8%	49.1%	14.4%	16.6%	14.8%	13.8%	26.0%	-66.6%
									Dec-14-1981		
PPG	PPG Industries, Inc.	N/A	1.42	16.2%	16.3%	20.1%	13.3%	17.1%	14.0%	27.3%	-61.1%
									Nov-02-1981		
PYPL	PayPal Holdings, Inc.	N/A	0.00	-18.6%	-14.0%	30.4%	37.0%		29.1%	31.9%	-40.4%
									Jul-06-2015		
QCOM	QUALCOMM INCORPORATED	N/A	1.53	26.1%	29.4%	52.4%	26.5%	16.8%	23.0%	48.4%	-85.5%
									Dec-09-1991		
ROST	ROSS STORES INC	N/A	1.04	-11.0%	-3.3%	11.8%	10.9%	17.7%	18.1%	42.4%	-81.4%
									Aug-05-1985		
SAP	SAP AKTIENGESELL ADS	N/A	1.64	5.8%	12.0%	12.0%	11.5%	10.8%	10.6%	38.2%	-87.6%
									Sep-18-1995		
SPG	SIMON PPTY GRP INC	N/A	4.34	86.2%	79.8%	-0.7%	1.7%	7.1%	13.4%	33.5%	-75.6%
									Dec-13-1993		

Symbol	Name	Expense Ratio	Yield	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception		
									Ann. Return	Volatility	Drawdown
SQ	Square, Inc.	N/A	0.00	-20.1%	-21.0%	40.8%	65.1%		53.1%	57.5%	-61.5%
											Nov-19-2015
T	AT&T INC	N/A	8.77	-15.5%	-20.6%	-3.0%	-5.9%	3.3%	13.4%	24.5%	-63.4%
											Nov-21-1983
TCEHY	Tencent Holdings Ltd.	N/A	0.36	-19.6%	-21.0%	13.8%	19.8%	31.4%	24.2%	31.0%	-45.6%
											Jan-05-2010
TGT	TARGET CP	N/A	1.52	35.9%	40.0%	55.4%	28.7%	19.6%	16.4%	30.4%	-62.6%
											Dec-14-1981
ULTA	Ulta Salon, Cosmetics & Fragrance, Inc.	N/A	0.00	37.4%	47.5%	16.9%	9.0%	19.6%	20.1%	48.0%	-86.4%
											Oct-25-2007
UNP	UNION PACIFIC	N/A	1.72	20.4%	25.1%	22.4%	21.2%	19.9%	13.4%	26.8%	-57.8%
											Nov-02-1981
V	VISA INC	N/A	0.70	-2.3%	2.5%	17.0%	22.5%	25.3%	22.6%	26.0%	-48.5%
											Mar-19-2008
VZ	VERIZON COMMUN	N/A	5.06	-10.1%	-12.7%	0.2%	4.0%	7.5%	10.2%	22.2%	-54.1%
											Nov-21-1983
Total				19.9%	21.8%	21.3%	17.1%	15.9%	16.1%	19.5%	-30.4%

Annualized Returns for HL Equity Benchmark

Symbol	Name	Expense Ratio	Yield	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception		
									Ann. Return	Volatility	Drawdown
VFINX	Vanguard 500 Index Fund Investor Shares	0.14	1.12	27.0%	29.1%	23.8%	17.8%	16.6%	11.6%	16.5%	-54.7%
											Sep-03-1976
SPY	SPDR SP 500 ETF Trust	0.09	1.15	27.1%	29.1%	23.9%	17.8%	16.7%	10.6%	17.3%	-54.6%
											Jan-22-1993
Total				27.9%	29.9%	23.9%	17.8%	16.3%	10.6%	17.2%	-54.7%

The values here are calculated from each investment's reported data and price history. Past performance is not indicative of future results. Investing always involves risk and you may incur a profit or loss. No investment strategy can guarantee success. Please refer to the disclosure page for more information on these calculations.



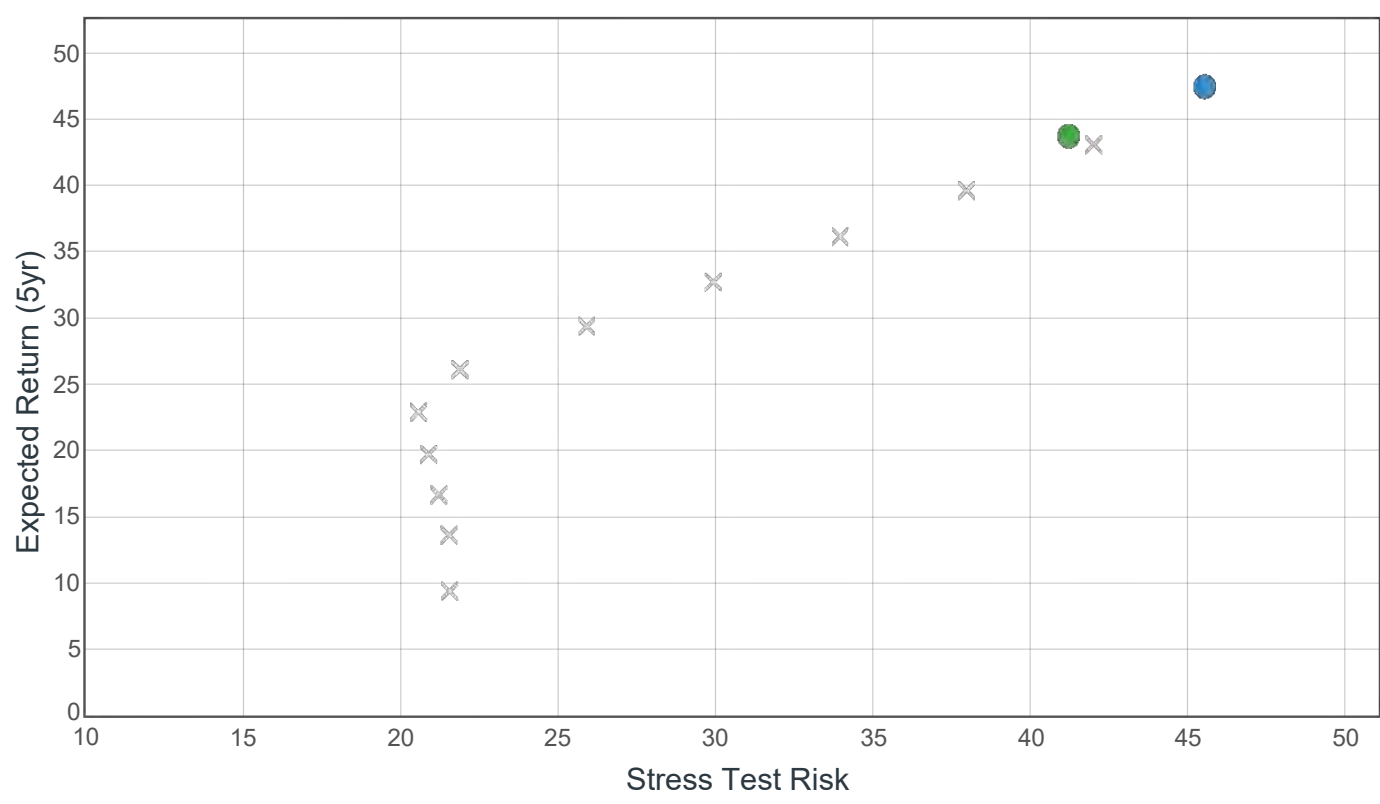
Holdings By Region

Region	IAC	Equity
● North America	96.7%	99%
● Latin America	0%	0%
● Europe	1.4%	0.8%
● Asia Pacific	1.9%	0.2%
● Middle East + Africa	0%	0%

● IAC ● Equity

Portfolio 2: HL Equity Benchmark ●

IAC ●



Portfolios	Expected Return (5yr)	Stress Test Risk	Standard Deviation	Max Drawdown
Portfolio 1	48%	-46%	20.05%	-30.42%
Portfolio 2	44%	-42%	20.8%	-31.75%
Equity	44%	-42%	20.8%	-31.75%
90/10	40%	-38%	18.9%	-29.27%
80/20	37%	-34%	17.03%	-26.68%
70/30	33%	-30%	15.17%	-24.01%
60/40	30%	-26%	13.35%	-21.29%
50/50	27%	-22%	11.58%	-18.5%
40/60	24%	-20%	9.88%	-15.64%
30/70	20%	-21%	8.3%	-12.72%
20/80	17%	-21%	6.92%	-9.93%
10/90	14%	-21%	5.89%	-8.29%
Bond	10%	-21%	4.86%	-5.94%

IAC Holdings (Analytical Use Only)

HL Equity Benchmark



5 Most Correlated

Correlation	Symbol	Correlation To
0.95	JPM-JP MORGAN CHASE CO	XLF-Financial Select Sector SPDR Fund
0.94	MA-MASTERCARD INC	V-VISA INC
0.92	HON-HONEYWELL INTL INC	XLI-Industrial Select Sector SPDR Fund
0.91	CVX-CHEVRON CORP	XLE-Energy Select Sector SPDR Fund
0.91	XLF-Financial Select Sector SPDR Fund	XLI-Industrial Select Sector SPDR Fund

5 Most Correlated

Correlation	Symbol	Correlation To
1	SPY-SPDR SP 500 ETF Trust	VFINX-Vanguard 500 Index Fund Investor Shares

5 Least Correlated

Correlation	Symbol	Correlation To
-0.07	GILD-GILEAD SCIENCES INC	SQ-Square, Inc.
-0.05	GILD-GILEAD SCIENCES INC	SPG-SIMON PPTY GRP INC
-0.02	GILD-GILEAD SCIENCES INC	PYPL-PayPal Holdings, Inc.
-0.02	GILD-GILEAD SCIENCES INC	HST-HOST HOTELS & RESORT
-0.01	GILD-GILEAD SCIENCES INC	QCOM-QUALCOMM INCORPORATED

5 Least Correlated

Correlation	Symbol	Correlation To
1	SPY-SPDR SP 500 ETF Trust	VFINX-Vanguard 500 Index Fund Investor Shares

TAB 16

#16



Winter 2022 Regents' Budget Update

PREPARED BY
THE OFFICE OF PLANNING, BUDGET, AND ANALYSIS

Presentation Overview

- » Purpose of the budget update
- » UNM FY 23 Budget Development Timeline
- » Budget Planning at UNM-Old Process
- » Budget Planning at UNM-New Process
- » Highlights from the Fall 2021 UNM Consolidated and Core Financial Plans
- » FY 23 **Preliminary DRAFT** Core Financial Plan
 - State Funding outlook
 - Enrollment
 - Mandatory Student Fees
 - Strategic Investments
 - Compensation
 - Tuition

Purpose of the Budget Update

- » Update Regents on our progress toward multi-year budgeting
- » Share a FY 23 **Preliminary DRAFT** of Core Financial Plan
- » Allow the Regents time to review budget information and proposals
- » Allow administration time to answer questions and follow-up on requests

Fiscal Year 2022-23 Budget Development and Workplan Timeline

Date	Event
02/17	NM Legislative Session Ends
02/25	Budget Leadership Team presents 2022-23 tuition, fees and compensation plan to President Stokes
03/08	President's 2022-23 tuition, fees, and compensation plan presented to Board of Regents Finance and Facilities (F&F) subcommittee
03/09	Governor's veto deadline

Date	Event
03/22	President's 2022-23 tuition, fees and compensation plan presented to full Board of Regents
04/22	Budgets complete in Budget Planner
05/03	2022-23 Budget and FY22 Budget Adjustment Request (BAR) presented to F&F
05/10	2022-23 Budget and FY22 BAR presented to Board of Regents

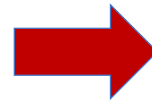
Budget Planning at UNM

Old Process

Year to Year Budgeting

May or may not have a link to the strategic plan

Regents given information late in the process and may not have time to review information



New Process

1. Multi-Year Budgeting/Forecasting

2. Link the budget and priorities to the UNM 2040 Strategic Plan

3. Provide more information to the Regents about the process

1. Multi-Year Budgeting/Forecasting



Workday Adaptive
Planning went live
September 2021

- ✓ Fall 2021-Produced 10-year UNM consolidated financial plan-presented to various constituent groups. See Appendix I.
- ✓ Fall 2021-Produced 10-year Core financial plan-presented to the Budget Leadership Team. See Appendix II.
- ✓ Future plan: add more workday modules such as: enrollment, capital and workforce planning

2. Link the budget and priorities to the UNM 2040 Strategic Plan

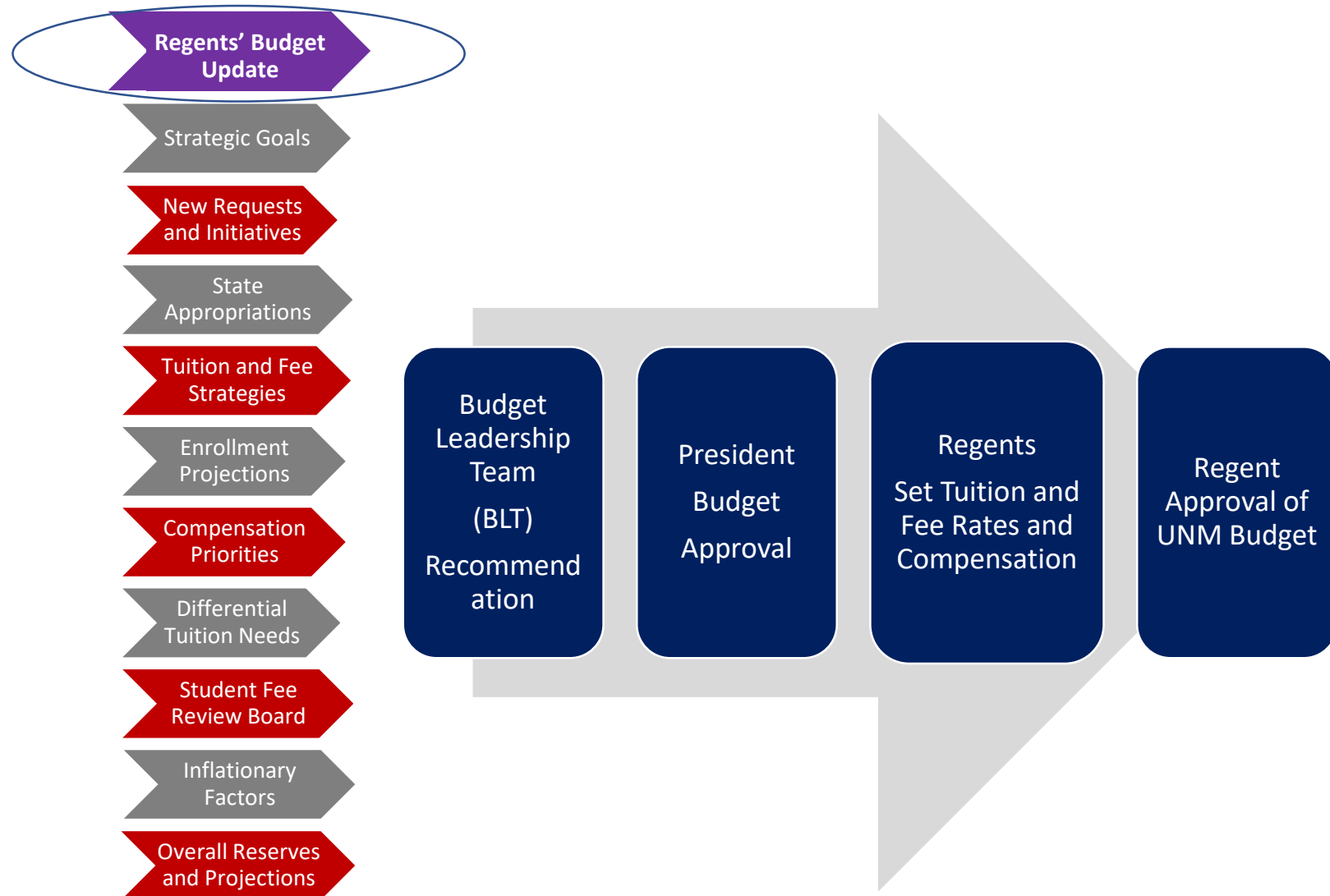


DRAFT UNM 2040 Goals

- ✓ **Goal Four-Sustainability**
 - Objective 4-Build a culture of multi-year budgeting and benchmarking and ensure that all our business and academic processes are effective and efficient, with an eye toward productivity, delivery of excellent value, taking advantage of economies of scale, and management of cost.

- ✓ **Goal Five-One University**
 - Objective 3- Integrate administrative systems and processes to provide coordinated, efficient and high quality services.

3. Provide more information to the Regents about the process



Highlights from the UNM 10 Year Consolidated and Core Financial Plan

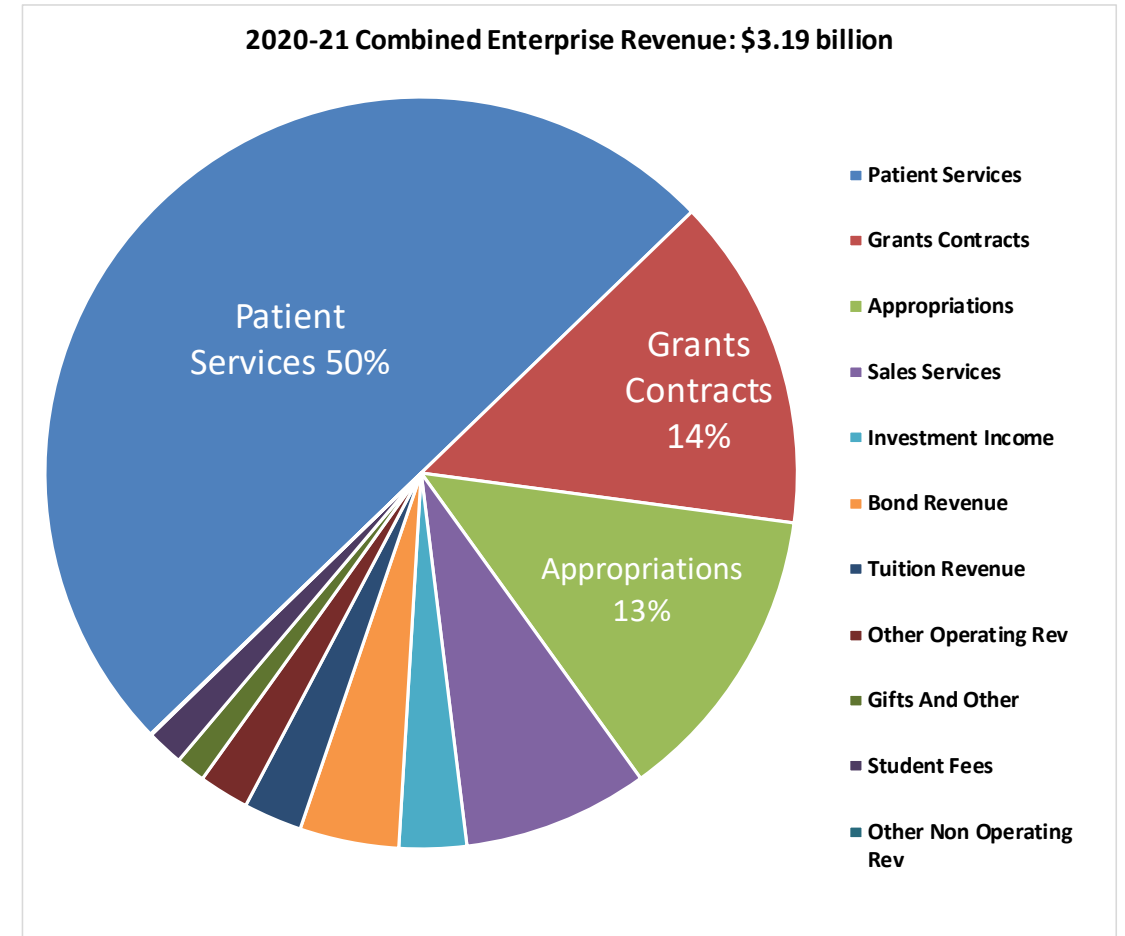
Fall 2021



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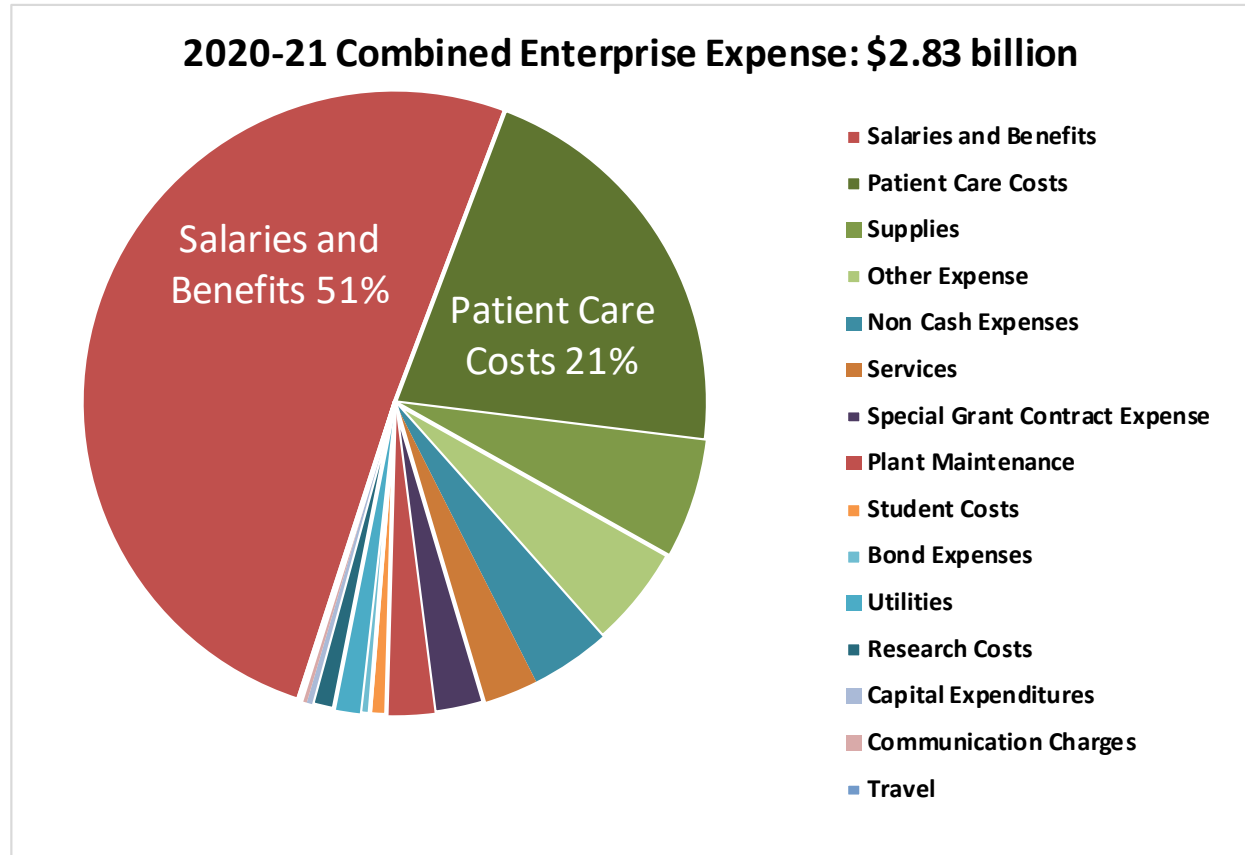
Patient care and sponsored activity represent more than 60% of our revenue

Sources	FY2021 (\$M)	Share
Patient Services	\$ 1,595	50%
Grants Contracts	458	14%
Appropriations	414	13%
Sales Services	254	8%
Bond Revenue	136	4%
Tuition and Fees	130	4%
Investment Income	92	3%
Other Operating Revenue	69	2%
Gifts And Other	41	1%
Other Non Operating Rev	2	<1%
	\$ 3,191	100%



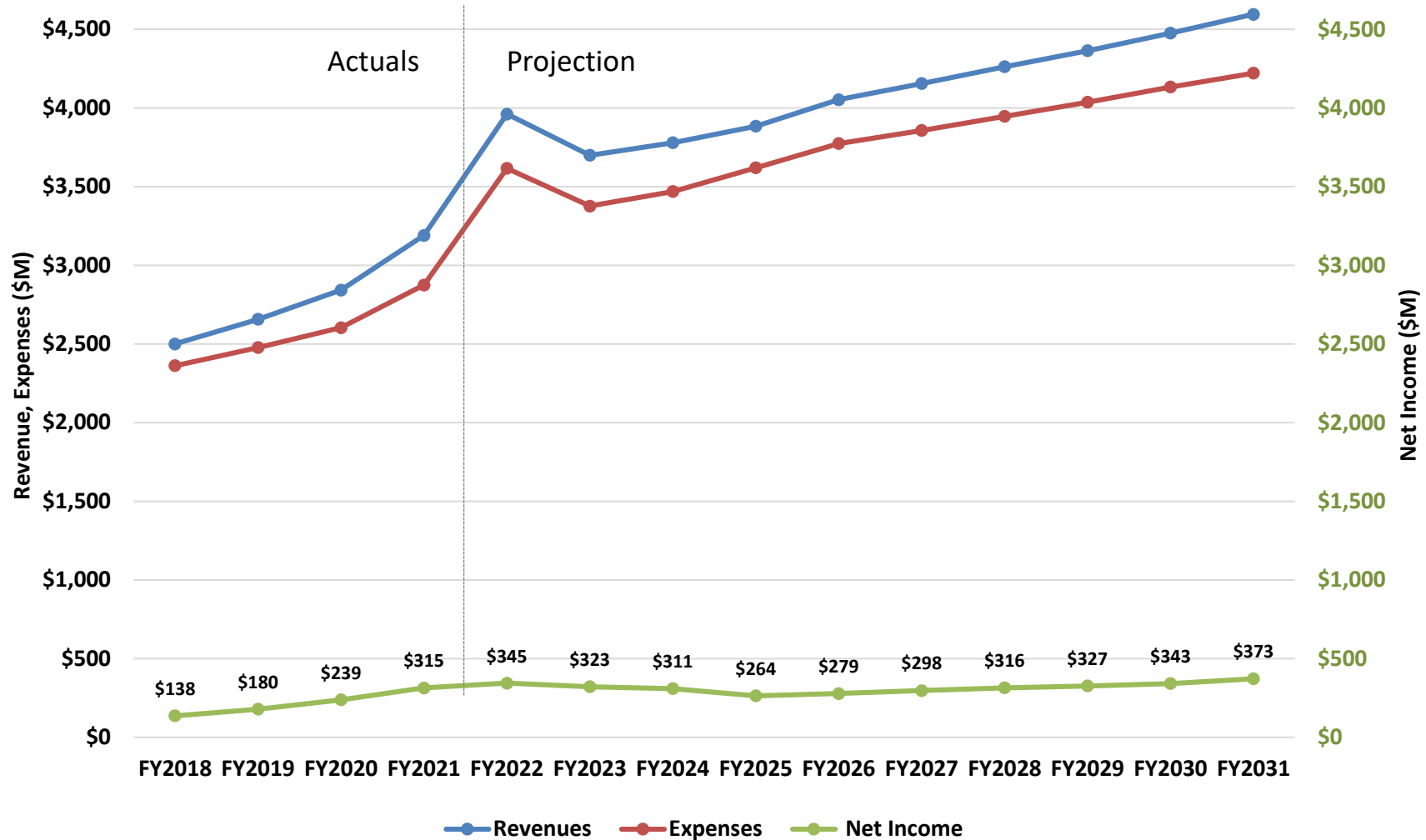
Personnel-related costs drive 51% of our combined enterprise expenses

Uses	2020-21 (\$M)	Share
Salaries and Benefits	\$ 1,431	51%
Patient Care Costs	604	21%
Supplies	176	6%
Other Expense	151	5%
Non Cash Expenses	117	4%
Services	81	3%
Special Grant Contract Expense	73	3%
Plant Maintenance	70	2%
Student Costs	24	1%
Bond Expenses	14	1%
Utilities	38	1%
Research Costs	32	1%
Capital Expenditures	8	0%
Communication Charges	8	0%
Travel	5	0%
	\$ 2,835	



Expenses presented net of extraordinary items

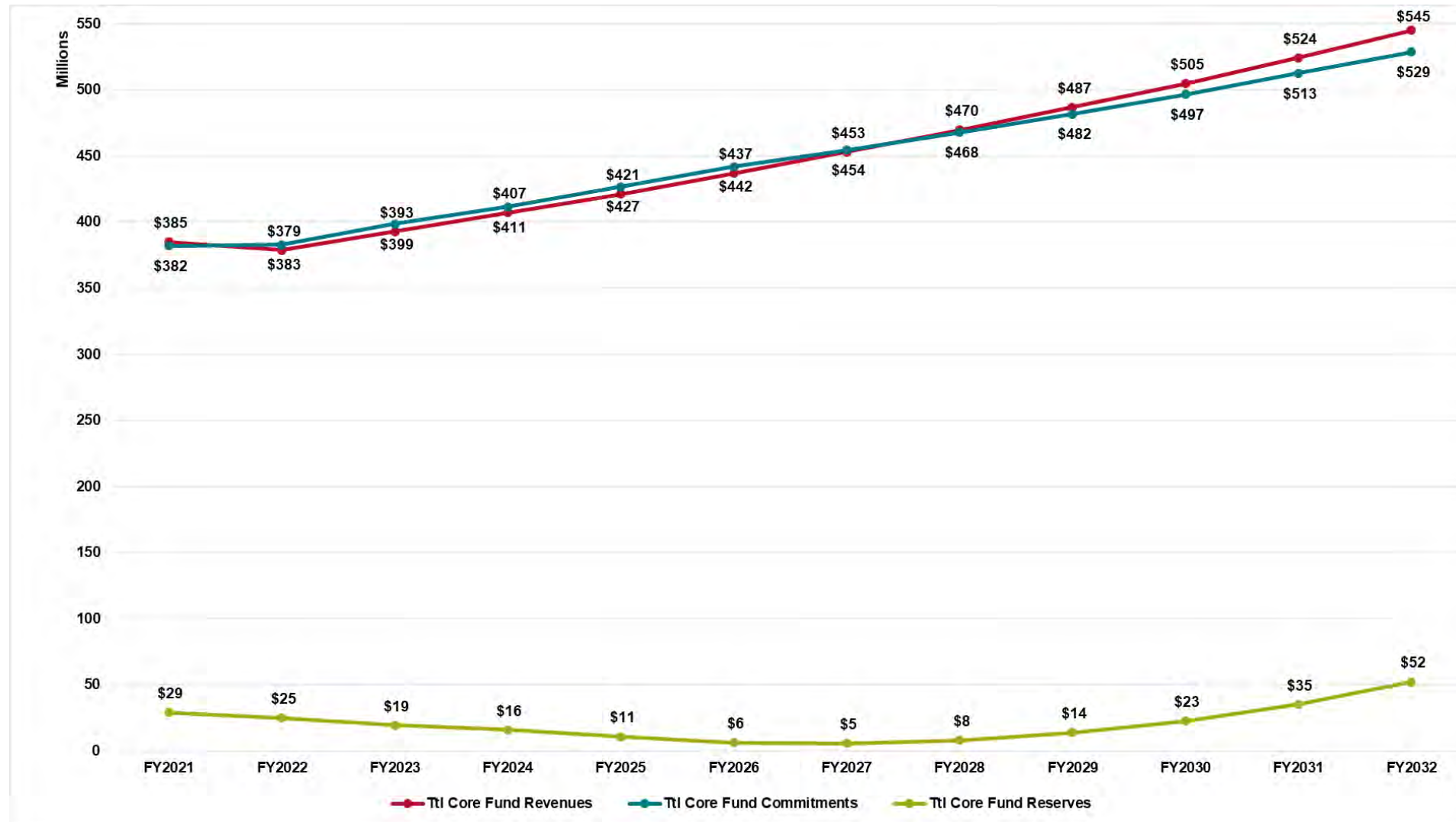
UNM projections reflect a combined positive net income for all years of the forecast period FY22 – FY31



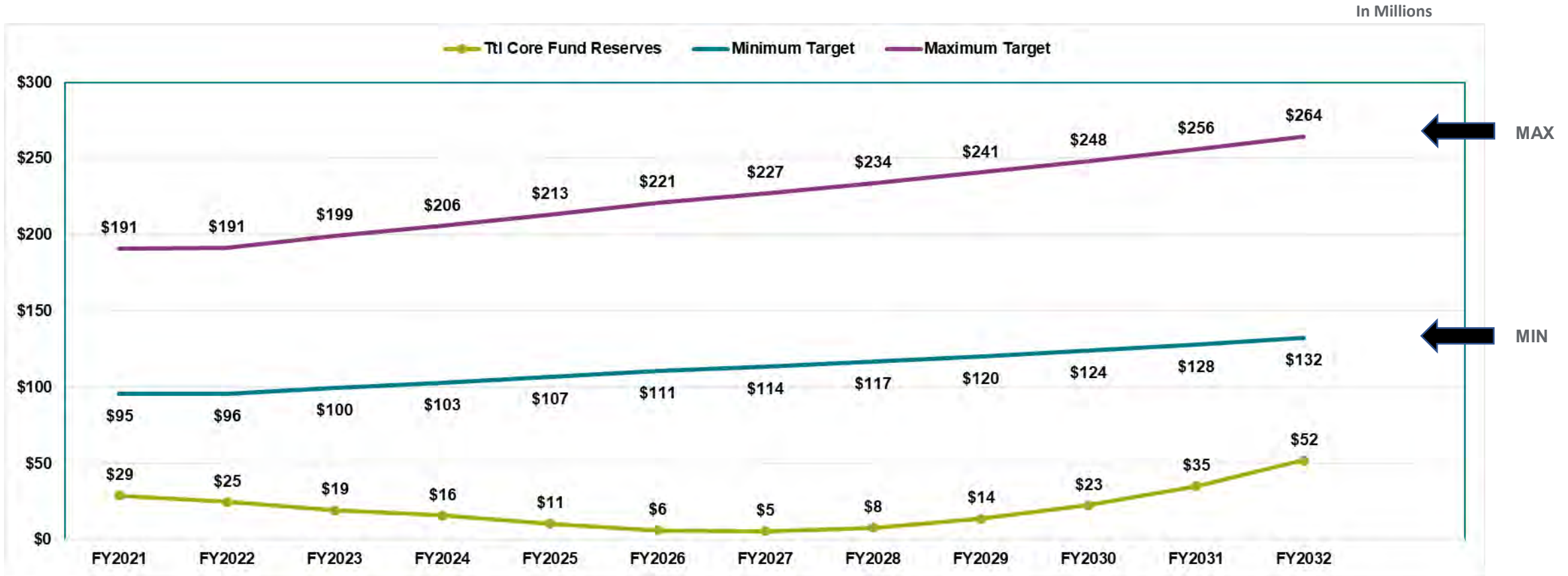
Revenues presented net of intra-university activities (allocations, transfers, reserves); expenses presented net of extraordinary items

Dollars in millions

Based upon projected revenues and allocations, the Core Fund ending reserve in 2031-32 is estimated to be \$52M



The Core Fund Reserve stays below Minimum and Maximum Targets



- The minimum target is 3 months and maximum target is 6 months of annual expenditures.
- Reserves are necessary to cover potential reductions in state appropriations and enrollments.
- Reserves also help stabilize operations and cushion the effects of financial downturns.

FY 23 Preliminary Draft Core Financial Plan

Winter 2022



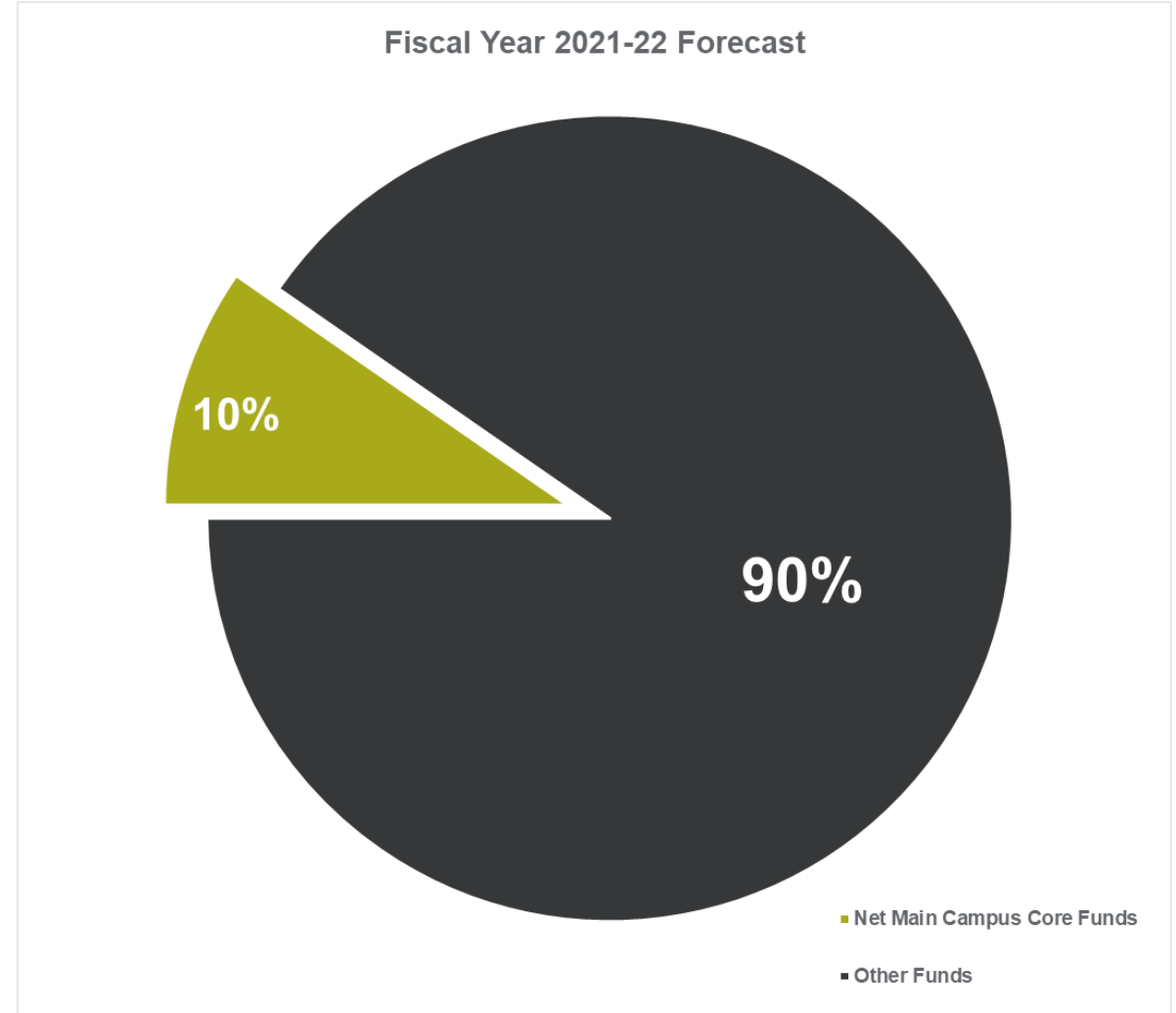
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What are Core Funds?

- New term recently for UNM
- It refers to the institutional “pooled” revenue sources such as, but not limited to, state appropriations, tuition, fees, facilities and administration (F&A) and other **discretionary** revenues that fund the core academic and research mission of the University.

FY 2021-22 Enterprise Forecast Total Revenues Sources \$3.96 Billion

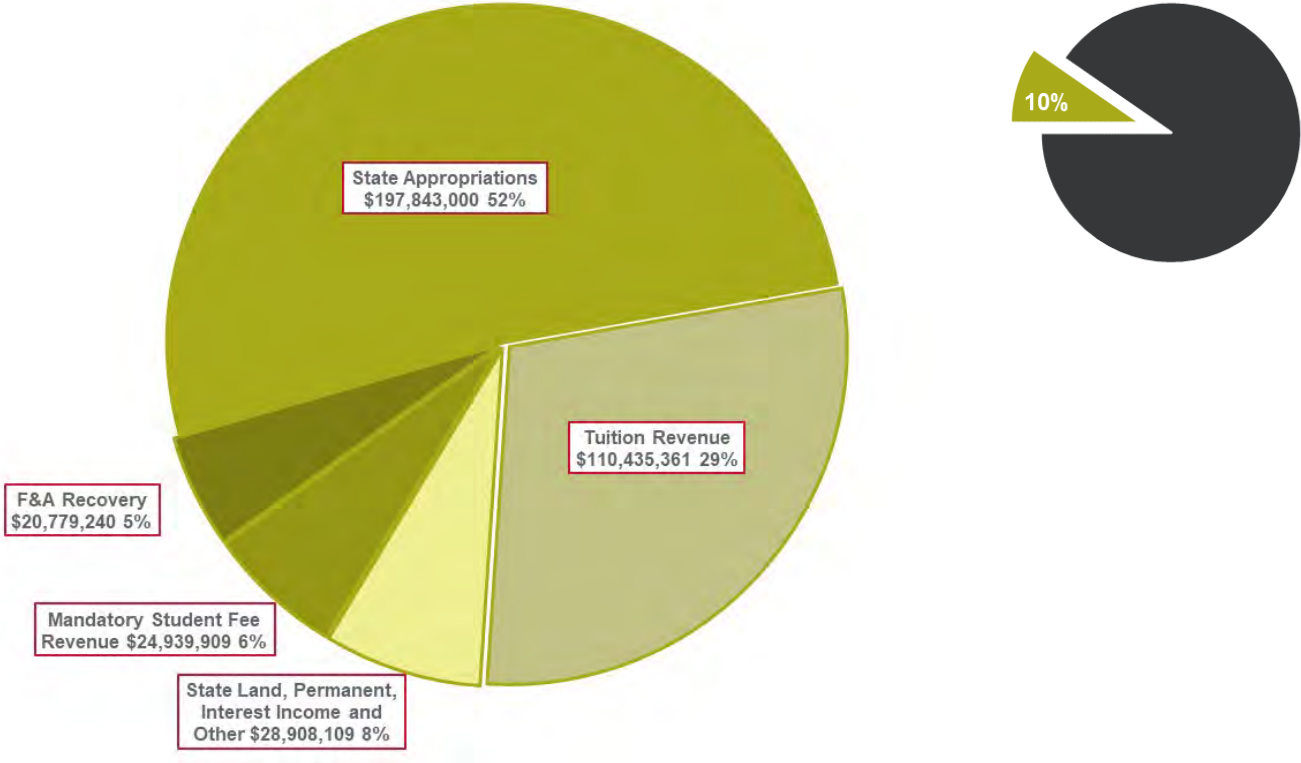
- Main Campus Core Funds: \$382.9M
 - State Appropriations
 - Tuition and Fees
 - F and A Recovery
 - Investment Income
- Other Funds: \$3.58 Billion
 - Patient Revenues
 - Contract and Grants
 - External Sales
 - Private Gifts
 - Investment Income



FY 2021-22 Forecast- Main Campus Core Fund Revenue Sources \$382.9 million

State Appropriations and Tuition and Fee Revenues comprise 87% of all FY22 Main Campus Core Fund Revenue Sources

State Appropriations	\$197,843,000
Tuition Revenue	\$110,435,361
State Land, Permanent, Interest Income and Other	\$28,908,109
Mandatory Student Fee Revenue	\$24,939,909
F&A Recovery	\$20,779,240
Total Revenues	\$382,905,618



Management of the Core Funds is governed by several key strategic principles

- 1. Protect the critical core missions** of providing education, creating new knowledge and developing creative works, providing public service, and delivering patient care, so that we may achieve our fundamental missions both now and into the long-term future.
- 2. Be mindful** of the ways in which our choices and the exogenous influences to which we are subject might exacerbate inequality, and make decisions to protect our most vulnerable students, staff, and faculty, so that we will continue to ensure social mobility for our students and live into our fundamental UNM values.
- 3. Ensure that we can attract great students** at both the graduate and undergraduate levels, and provide the services and supports necessary for their success, both because their learning and success is a key part of our mission and because their enrollment is a key source of the revenue and state support that allows us to deliver on that mission.
- 4. Make decisions that enhance our ability to engage** in cutting edge and applied research, scholarship, and creative production, and which enhance our opportunities to generate the external resources on which this work often rests, so that we can continue now and for the long-run to create the intellectual foundation for our educational and service enterprise, and generate the new ideas that society requires.
- 5. Continue to ensure compliance and safety**, so that the UNM environment will be one in which our community can work, learn, and grow without fear or unacceptable risk.
- 6. Continue long-range, all-enterprise, all funds budget planning**, so that we can ensure the long-term future and impact of UNM and decrease volatility in our resource base.

Budget Priorities and Workplan

Budget Leadership Team's (BLT) goal is to ensure we have sufficient:

Investment in
Compensation

Faculty
Startup
Funding

Reserve
Balance

Investment in
Facilities

BLT Tuition and Fee Committee's goal is to have a proposal to ensure we have:

Affordability for
All New
Mexicans

Strong Graduation
and Retention
Rates

A Simpler Rate
Structure

Competitive Rates
that Keep in Line
with Inflation

FY23 LEGISLATIVE PRIORITIES

Legislative Priorities

GENERAL OBLIGATION BOND PROJECTS:

- College of Fine Arts Center for Collaborative Arts & Technology **\$65,000,000**
- Children's Psychiatric Center **\$40,000,000**

INSTRUCTION & GENERAL FUNDING:

- Provide for 10% funding increase to restore FY21 cuts
- Also provide base adjustment for nationwide inflation now affecting group and liability insurance and additional utility costs

WORKFORCE PIPELINE:

- Support expansion of high-impact programs in PreK-12 teacher education, nursing and other health professions

COMPENSATION:

- Support additional compensation increase of at least 7% for recruitment and retention of quality faculty and staff to protect and enhance state competitiveness within the current U.S. inflationary environment

LOTTERY SCHOLARSHIP:

- Support students' efforts to bring more stability to the Lottery Scholarship Fund

 — **25,000+** —
Fall 2021 enrollment across all campuses

6,000+ —  —
Degrees & certificates awarded in academic year '20-'21

\$110,000,000+ —
In scholarships & grants awarded in academic year '20-'21

 — **250+** —
Degree & certificate programs available including
95+ baccalaureate programs
85+ master's programs
40+ doctoral programs
5 professional practice doctoral programs



Priority Capital Outlay Projects

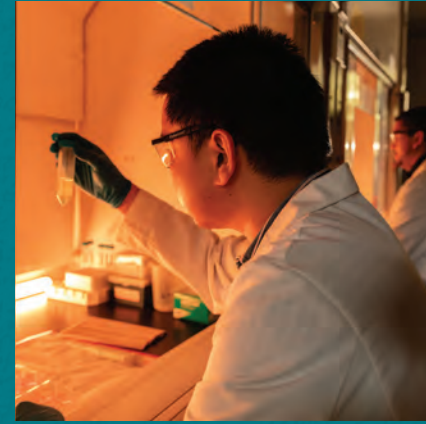
GENERAL OBLIGATION BOND REQUESTS

College of Fine Arts Center for Collaborative Arts & Technology	\$65,000,000
Children's Psychiatric Center	\$40,000,000
UNM-Gallup Gurley Hall Student Experience Project	\$6,000,000
UNM-Los Alamos Open Space Design and Upgrade	\$2,250,000
UNM-Taos Fred Peralta Hall - Career Tech Renovation and Addition	\$3,900,000
UNM-Valencia Learning Resource Center Re-roof and Solar Panel	\$900,000

Priority Capital Outlay Projects Cont'd

SEVERANCE TAX BOND REQUESTS

Main Campus Lab Safety Improvements	\$4,500,000
Main Campus Technology Infrastructure Upgrades	\$3,695,000
HSC Interprofessional Healthcare Simulation Center (IHSC) Expansion Project	\$4,000,000
HSC Shared Research Equipment for HSC Research Centers	\$910,000
UNM-Los Alamos Campus-wide Infrastructure Renovations	\$1,358,000



LEVEL 1



New Mexico's only Level 1 Trauma Center



NEW MEXICO'S ONLY
**ACADEMIC
HEALTH CENTER**

900,000+

Patient visits a year to UNM hospitals and clinics

Research & Public Service Projects

“As New Mexico’s flagship university and the state’s only Research 1 institution, The University of New Mexico is proud to serve and promote the well-being of our citizens. We serve our communities through transformative, cutting-edge research, academic excellence, and a world-class academic health center that stands on the frontlines of defense in response to a wide spectrum of crises. Together, we’re leading the state in its coordinated COVID-19 response, serving the underserved, and providing a great education that unlocks boundless possibilities for our students, and all New Mexicans.”

**Garnett S. Stokes, President
The University of New Mexico**

NEW PROGRAM REQUESTS

Increase Health Personnel for Underserved Communities	\$163,400
Communities to Careers for Health Professionals	\$300,000
Hungry for Success	\$184,900
Institute for American Indian Education	\$251,553
Reclaiming Languages	\$77,134
Preparing High Quality Teachers During COVID-19 and Beyond.....	\$271,353

EXPANSION PROGRAM REQUESTS

African American Student Success	\$65,000
Athletics	\$2,000,000
Center for Native American Health	\$73,000
Chicana & Chicano Studies	\$350,000
Comprehensive Movement Disorders Center	\$485,531
Educational Television	\$100,000
El Centro de la Raza	\$398,200
Graduate Medical Education	\$294,500
Building Outstanding STEAM-H Students	\$83,200
Native American Studies	\$67,600
NM Poison & Drug Information Center	\$305,300
NM Office of the Medical Investigator	\$1,723,000
NM Office of the Medical Investigator Grief Services Program	\$64,500
Project ECHO	\$4,000,000

Legislative Finance Committee (LFC)

- » UNM State Appropriation Increase \$12.9M or 3.8% (excluding compensation)

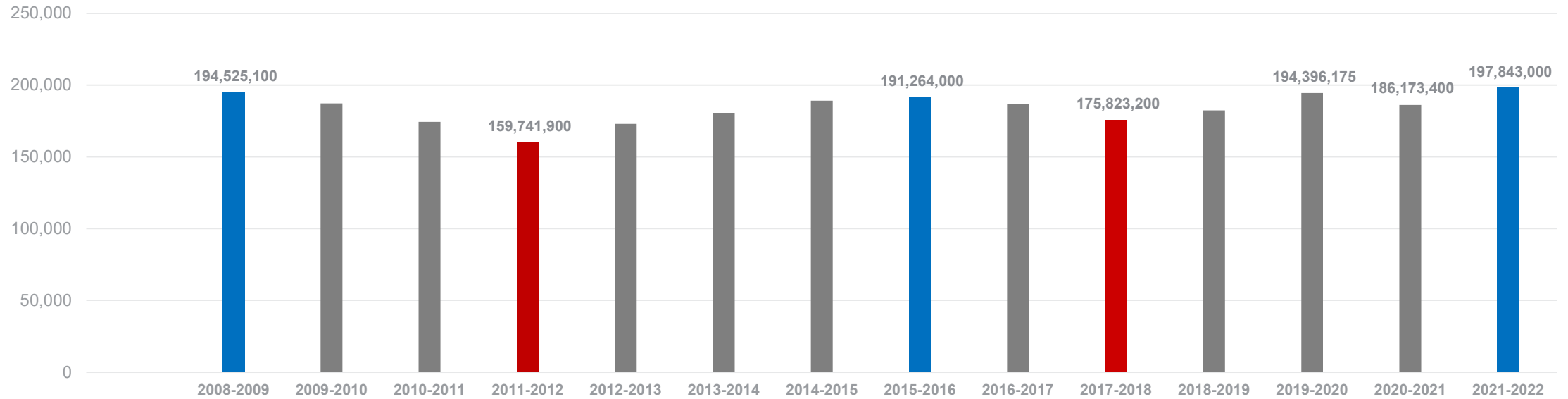
- » Core Fund I&G formula Increase at \$5.9M or 3%.
 - There is contingent language that HED will withhold 1% or \$2.4M of the I&G base as a result of declining enrollment until an enrollment plan is submitted.

- » The LFC Recommendation provides for a 3% salary increase in the last quarter of FY22 and an additional 4% in FY23. The compounding effect of separating the two raise amounts results in an overall 7.12% increase. Funded at 70%.

- » In addition, the LFC recommendation includes funding to increase minimum wage to \$13.50.

- » ERB Employer Contribution Increase: Total of 2% in FY23. Last year, SB42 increased the employer contribution by 1% in FY23. Could be funded between 70% and 100%.

Core Fund State Appropriation History



Fall 2022 Enrollment

Enrollment Management is projecting a 2% increase in undergraduate and graduate enrollment.

Mandatory Student Fees

The Student Fee Review Board recommended to the Budget Leadership Team a 1% fee increase. The Budget Leadership Team voted to recommend the fee increase.

FY 23 Core Fund Strategic Investments



Total Requests \$37.2M

Our plans are driven by the DRAFT UNM 2040 Goals such as:

- ✓ Goal 1-Advance New Mexico
- ✓ Goal 2-Student Experience and Educational Innovation
- ✓ Goal 3- Inclusive Excellence
- ✓ **Goal 4-Sustainability**

Details in Appendix III



Category	Fiscal Year 2022 Budget	Fiscal Year 2022 Projected Actuals	Fiscal Year 2023 Scenario	FY22 % Change from Original	FY23 % Change from FY22 Proj
State Appropriations (LFC Rec)	197,843,000	197,843,000	221,481,781	0.0%	11.9%
Tuition Revenue	115,973,247	110,435,361	110,435,361	-4.8%	0.0%
Other/Net Transfers Out	(16,089,989)	(16,089,989)	(15,089,990)	0.0%	-6.2%
Total I&G Revenues	297,726,258	292,188,372	316,827,152	-1.9%	8.4%
Mandatory Student Fees	25,392,526	24,939,909	25,151,875	-1.8%	0.8%
Total Revenues	323,118,784	317,128,281	341,979,027	-1.9%	7.8%
Base Allocation	294,934,739	294,934,739	294,934,739	0.0%	0.0%
Funding Requests	-	-	14,608,992	N/A	N/A
Must Fund Increases	-	-	6,333,999	N/A	N/A
Additional Recommendation	-	-	-	N/A	N/A
Compensation (estimated)	-	-	16,265,998	N/A	N/A
Total I&G Expense	294,934,739	294,934,739	332,143,728	0.0%	12.6%
Mandatory Student Fee Allocations	25,392,526	25,392,526	25,416,858	0.0%	0.1%
Total Expense	320,327,265	320,327,265	357,560,586	0.0%	11.6%
Projected Surplus (Deficit)	2,791,519	(3,198,984)	-15,581,558		
I&G Surplus (Deficit)	2,791,519	(2,746,367)	(15,316,575)		
MSF Surplus (Deficit)	0	(452,617)	(264,983)		
Total Surplus (Deficit)	2,791,519	(3,198,984)	(15,581,558)		

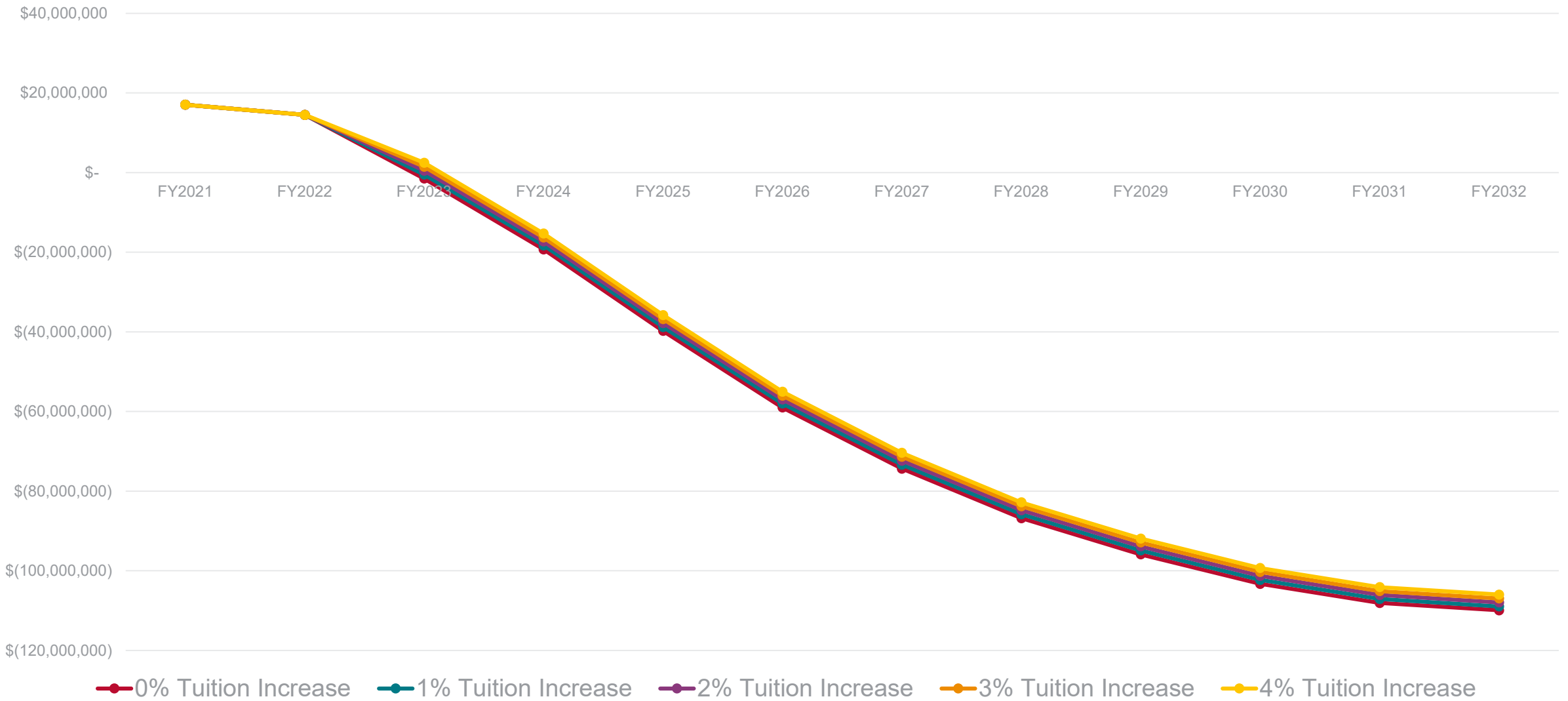
This Scenario shows 0% tuition increase. As a result, a significant deficit occurs.

Tuition

- The Tuition and Fee Committee proposal includes three scenarios that generate between \$4.8M to \$5.5M in Tuition Revenues.
- A 1% Base Tuition increase generates approximately \$994K.

Impact on I&G Core Reserve

0%, 1%, 2%, 3%, and 4% Tuition Increase



Next Steps and Timeline

- Will begin finalizing the core financial plan after we know the funding from the state on 2/17
- 2/25-The Budget Leadership Team will present its budget recommendation to President Stokes
- 3/8-The President's Budget Recommendation for tuition, fees, and compensation will be presented to BOR Finance and Facilities
- 3/22-The President's Budget Recommendation for tuition, fees, and compensation will be presented to Board of Regents

Questions?

Appendix I-UNM 10 Year Financial Plan

Fall 2021



OFFICE OF THE
SENIOR VICE PRESIDENT FOR
FINANCE & ADMINISTRATION

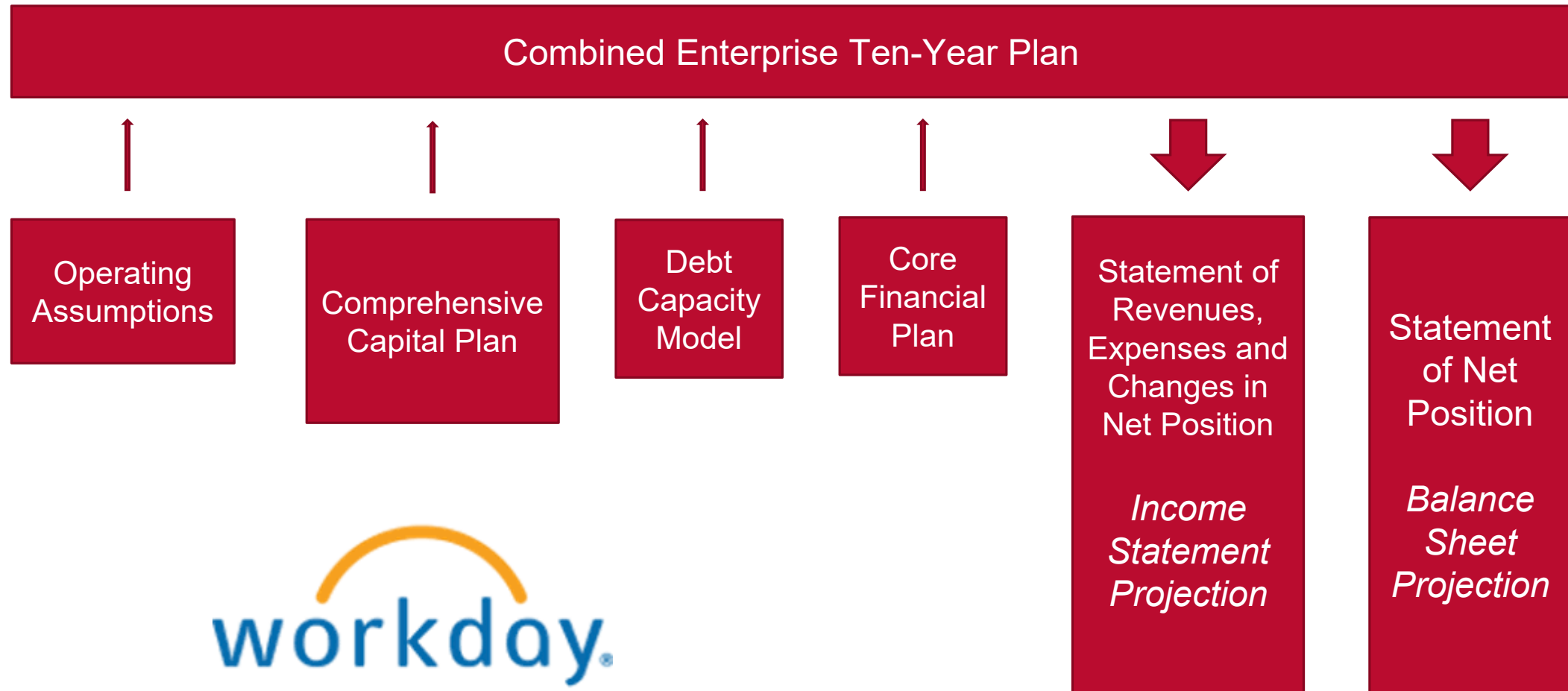
Presentation Overview

- » General Observations
- » Business and Financial Planning at UNM
- » 2020-21 Financial Results
- » Combined Enterprise Projections
- » Income Statement: Revenues, Expenses, and Net Income
- » Balance Sheet: Cash, Capital, Debt and Retiree Benefit Liabilities
- » Campus Segment Projections
- » UNM Health Segment Projections
- » Campus Core Financial Plan
- » Summary

General Observations

- » This model is a work in progress
- » The projections are based on reasonable assumptions
- » The new hospital tower is a key driver of the bottom line
- » We will need a strategy to find discretionary revenue for new initiatives and addressing salary underfunding
- » Building renewal and capital projects need support
- » Only Capital Plan Category 1 “approved and funded” capital projects are reflected
- » Our cash reserves are not at industry-standard levels

The UNM combined enterprise ten-year plan will serve as a strategic roadmap and will help drive optimal decision-making



Combined Enterprise

Campus

+

Health Segment

- Main Campus
- Branch Campuses
 - Gallup
 - Los Alamos
 - Taos
 - Valencia

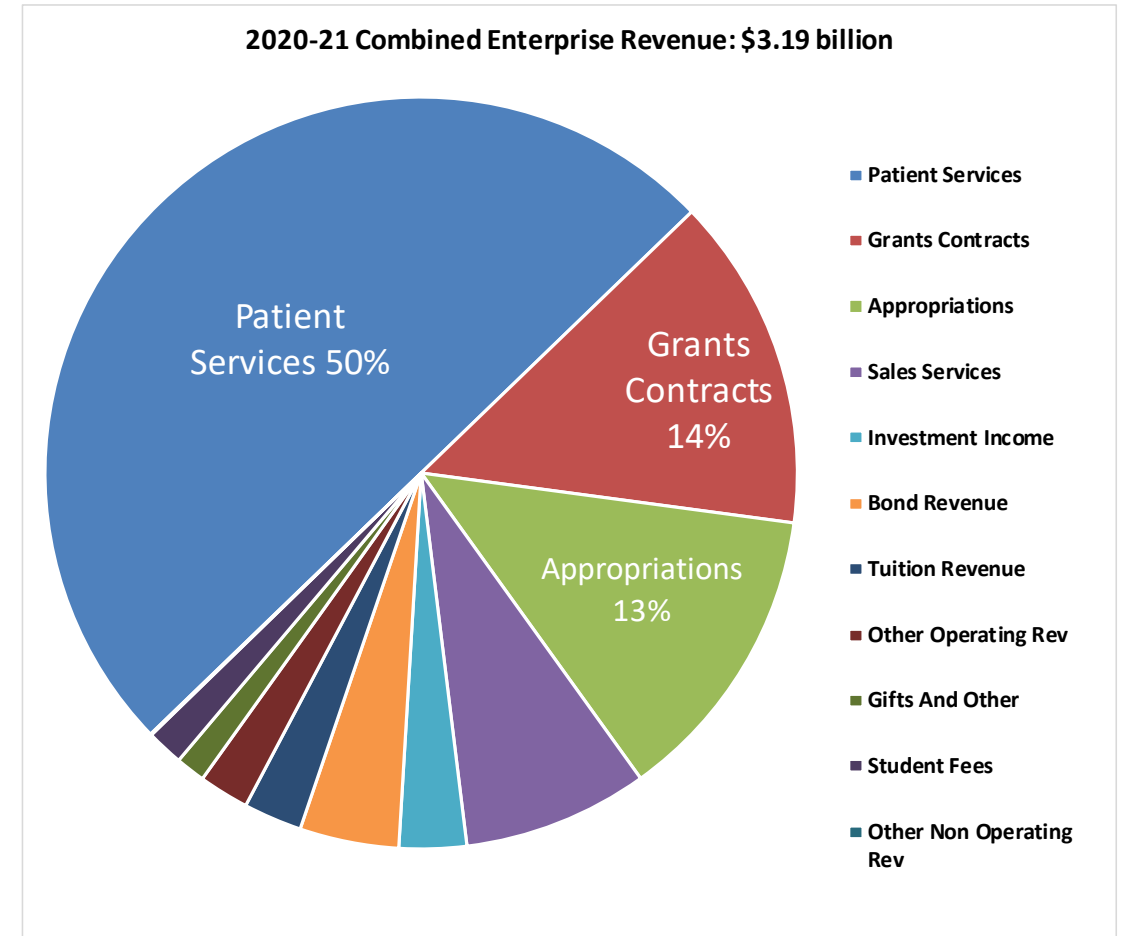
- Health Sciences Center Academic Units
- Component Units
 - UNM Hospital
 - Sandoval Regional Medical Center
 - UNM Medical Group



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Patient care and sponsored activity represent more than 60% of our revenue

Sources	FY2021 (\$M)	Share
Patient Services	\$ 1,595	50%
Grants Contracts	458	14%
Appropriations	414	13%
Sales Services	254	8%
Bond Revenue	136	4%
Tuition and Fees	130	4%
Investment Income	92	3%
Other Operating Revenue	69	2%
Gifts And Other	41	1%
Other Non Operating Rev	2	<1%
	\$ 3,191	100%



Tuition Revenue FY 2020-21

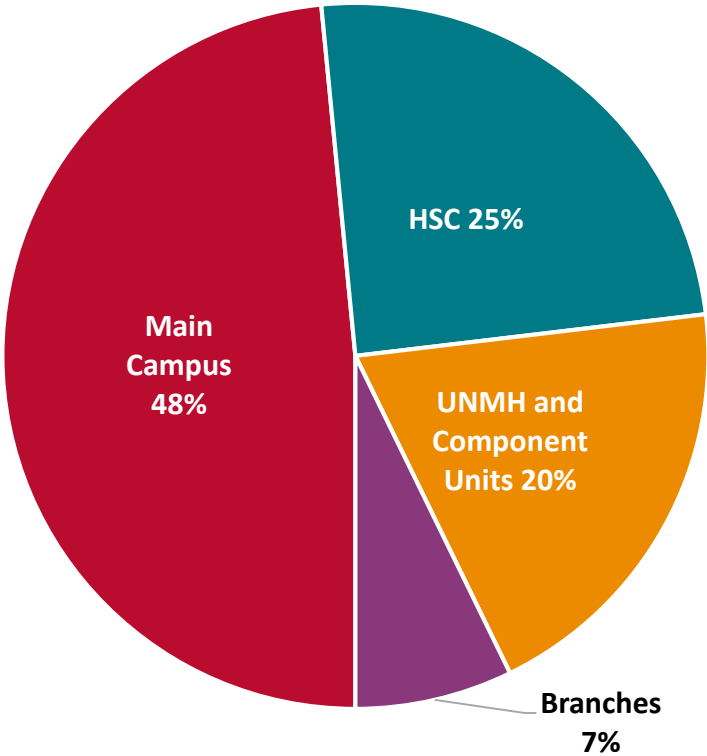
Tuition and Fees	FY2020-21 (\$M)
Main Campus student tuition	\$116
Main Campus differential tuition	14
Health Sciences Center tuition	29
Branch Campus student tuition	5
Total Tuition Charged	\$164
Scholarship Allowance Awarded	(84)
Net Total Tuition Revenue	\$80
Total Student Fees	\$50
Total Tuition and Fees as reported on FY21 audited financial statements	\$130

Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on students' behalf.

To the extent that the difference between the stated charge for goods and services provided by the University and the amount paid are used to satisfy tuition and fees, other student charges, and auxiliary enterprises charges, the University has recorded a scholarship allowance.

Appropriations by Campus and Branches

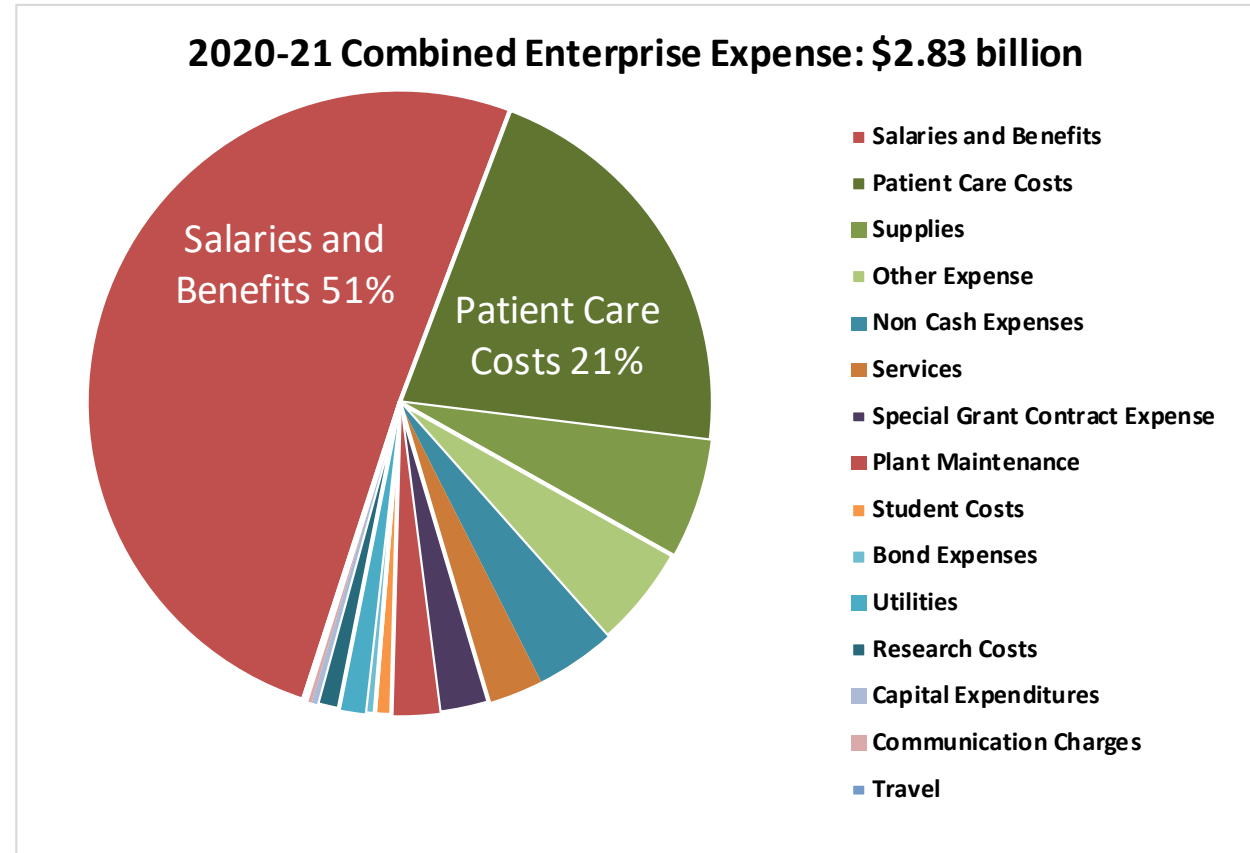
Unit	FY2020-21 (\$M)	Pct
Main Campus	\$200	48%
HSC	102	25%
UNMH and Component Units	81	20%
Branches	30	7%
	\$414	



Component units include UNM Medical Group and Sandoval Regional Medical Center

Personnel-related costs drive 51% of our combined enterprise expenses

Uses	2020-21 (\$M)	Share
Salaries and Benefits	\$ 1,431	51%
Patient Care Costs	604	21%
Supplies	176	6%
Other Expense	151	5%
Non Cash Expenses	117	4%
Services	81	3%
Special Grant Contract Expense	73	3%
Plant Maintenance	70	2%
Student Costs	24	1%
Bond Expenses	14	1%
Utilities	38	1%
Research Costs	32	1%
Capital Expenditures	8	0%
Communication Charges	8	0%
Travel	5	0%
	\$ 2,835	



Expenses presented net of extraordinary items

FY21 Combined Enterprise Results

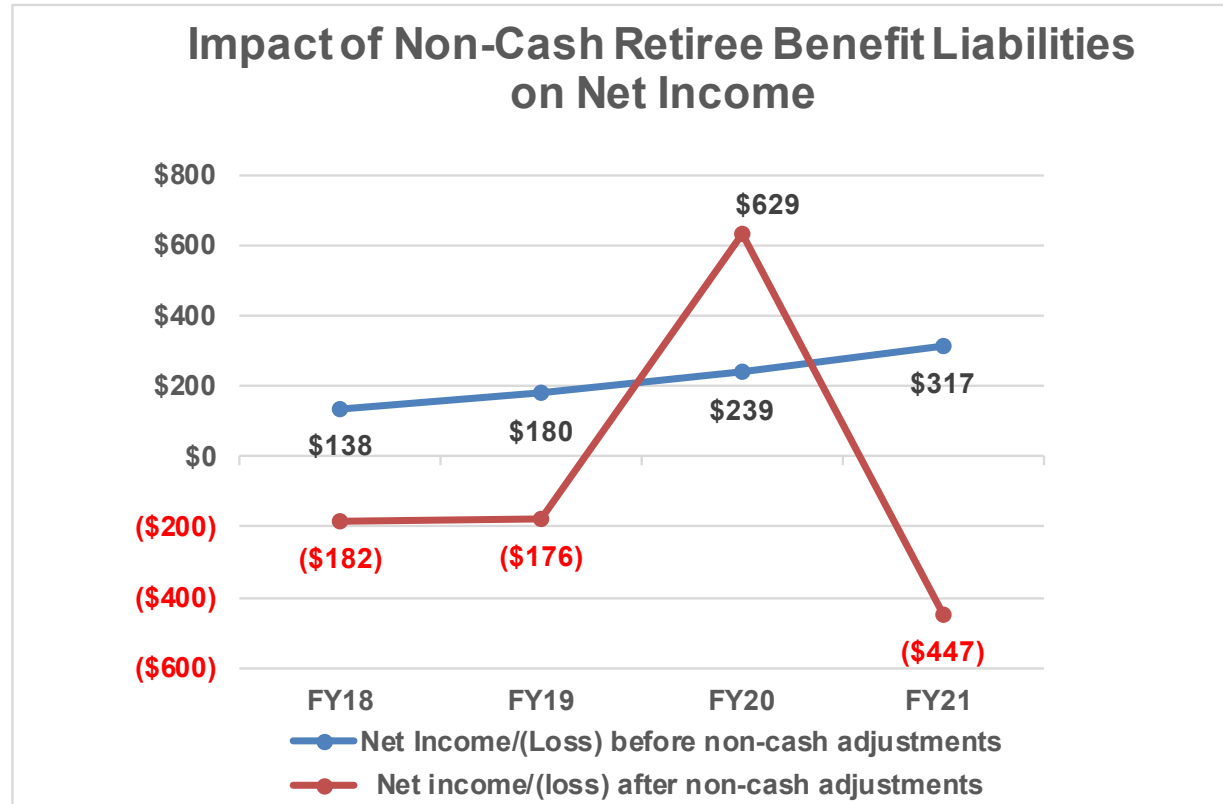
2020-2021 Results (\$M)	Actual	Plan	Variance	
Combined Enterprise				
Revenues	\$ 3,191	\$ 4,183	\$ 992	24%
Expenses	3,638	4,183	545	13%
Net Income/(Loss)	(\$ 447)	-	\$ 447	
ERB and OPEB* adj	762			
Net Income/(Loss) net of ERB and OPEB adj	\$ 315			
Campus				
Revenues	\$ 853	\$ 989	\$ 136	14%
Expenses	1,495	989	(506)	-51%
Net Income/(Loss)	(\$ 642)	-	\$ 642	
ERB and OPEB* adj	762			
Net Income/(Loss) net of ERB and OPEB adj	\$ 120			
UNM Health System				
Revenues	\$ 2,337	\$ 3,194	\$ 856	27%
Expenses	2,143	3,194	1,051	33%
Net Income/(Loss)	\$ 195	-	(\$ 195)	

*Revenues presented net of intra-university activities (allocations, transfers, reserves); expenses presented net of ERB (Educational Retirement Board) and OPEB (Other post-retirement benefits) adjustments as required by GASB standards 68 and 75, respectively.

Non-cash retiree pension and health benefit cost adjustments reduced UNM Combined Enterprise net income by \$762M in 2020-21

Note: UNM Hospital, UNM Medical Group and Sandoval Regional Medical Center do not participate in the Educational Retirement Board (ERB) pension or retiree health benefit.

- On the income statement, we record:
 - The year-over-year change in the pension liability
 - The year-over-year change in the retiree health benefit liability, determined by an actuarial valuation including assumptions and the net position of the trust account
- On the balance sheet, we record:
 - The total unfunded pension liability
 - The total retiree health liability, determined by an actuarial valuation based on UNM’s proportion of the entire Educational Retiree net pension liability



Dollars in millions

What do these unfunded pension and retiree health benefit liabilities really mean for UNM?

- Retirement Benefit (The New Mexico Educational Retirement Act, ERA):
 - The liability is UNM's proportion of the net pension liability of the entire Plan, determined each year by an actuarial valuation.
 - The liability increase or decrease will fluctuate each year depending on the assumptions used in the actuarial valuation, set by the Plan's Board of Trustees.
 - Significant assumptions used in the valuation include Inflation Factor, Salary Increase %, Investment Rate of Return, Mortality, and Retirement Age.

Retiree Health Benefit (Other Post-Employment Benefits, OPEB):

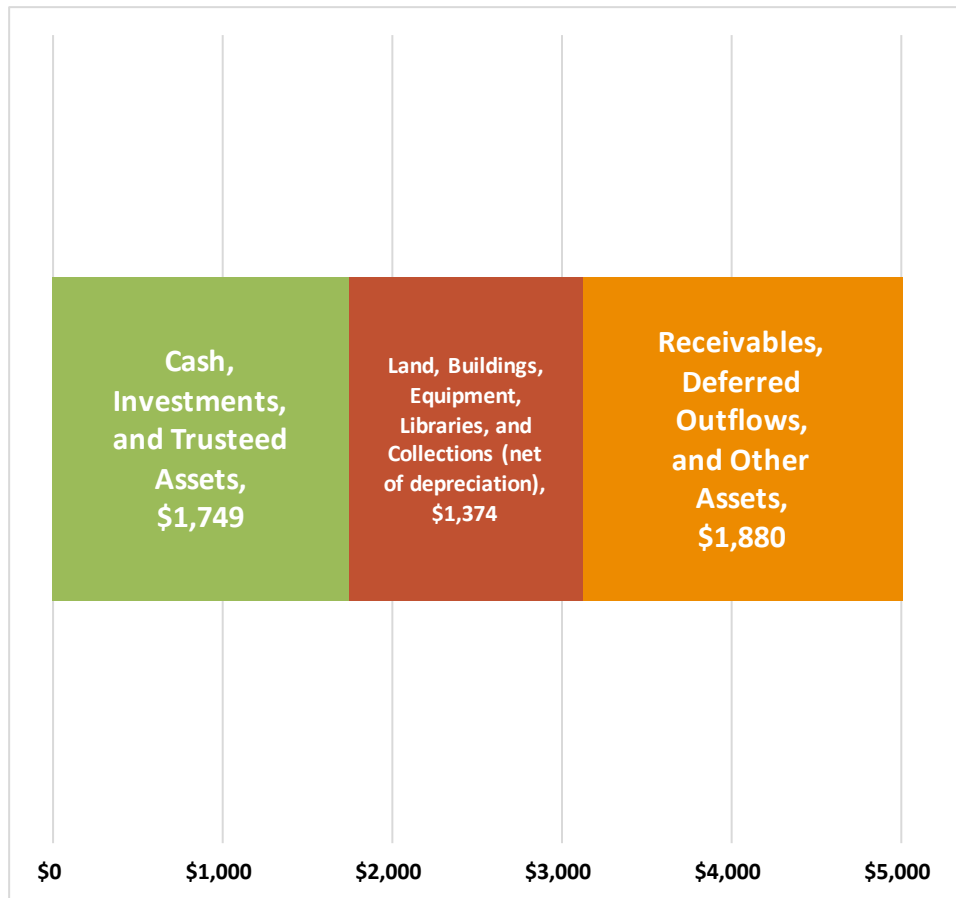
- The UNM administers The Retiree Welfare Benefit Plan and is the fiduciary of the Retiree Welfare Benefit Trust (the VEBA.)
- Employees hired prior to July 1, 2015 that have contributed to the VEBA Trust for five consecutive years immediately prior to retirement are eligible for the benefit.
- The liability is an annual actuarial valuation determination based on assumptions for Salary Increases, Investment Rate of Return, Healthcare Cost Trends and Rates, and the Net Position of the Benefit Trust. Changes to the Plan since inception in addition to growth of the Trust account should reduce liability over time.

Note: UNM Hospital, UNM Medical Group and Sandoval Regional Medical Center do not participate in the Educational Retirement Board (ERB) pension or retiree health benefit.

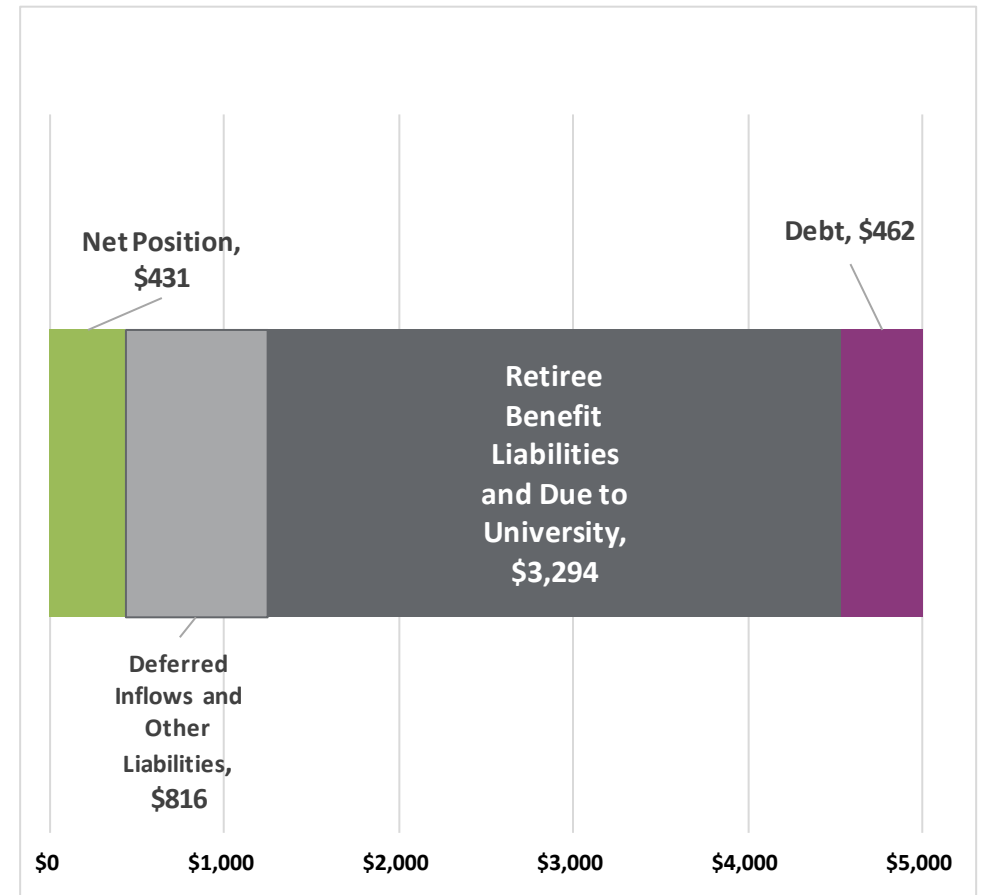
Making strategic capital investments, leveraging our cash, and being attentive to our debt remain key balance sheet focus areas

Assets = Liabilities + Net Position

Total FY21 Assets \$5.0 Billion

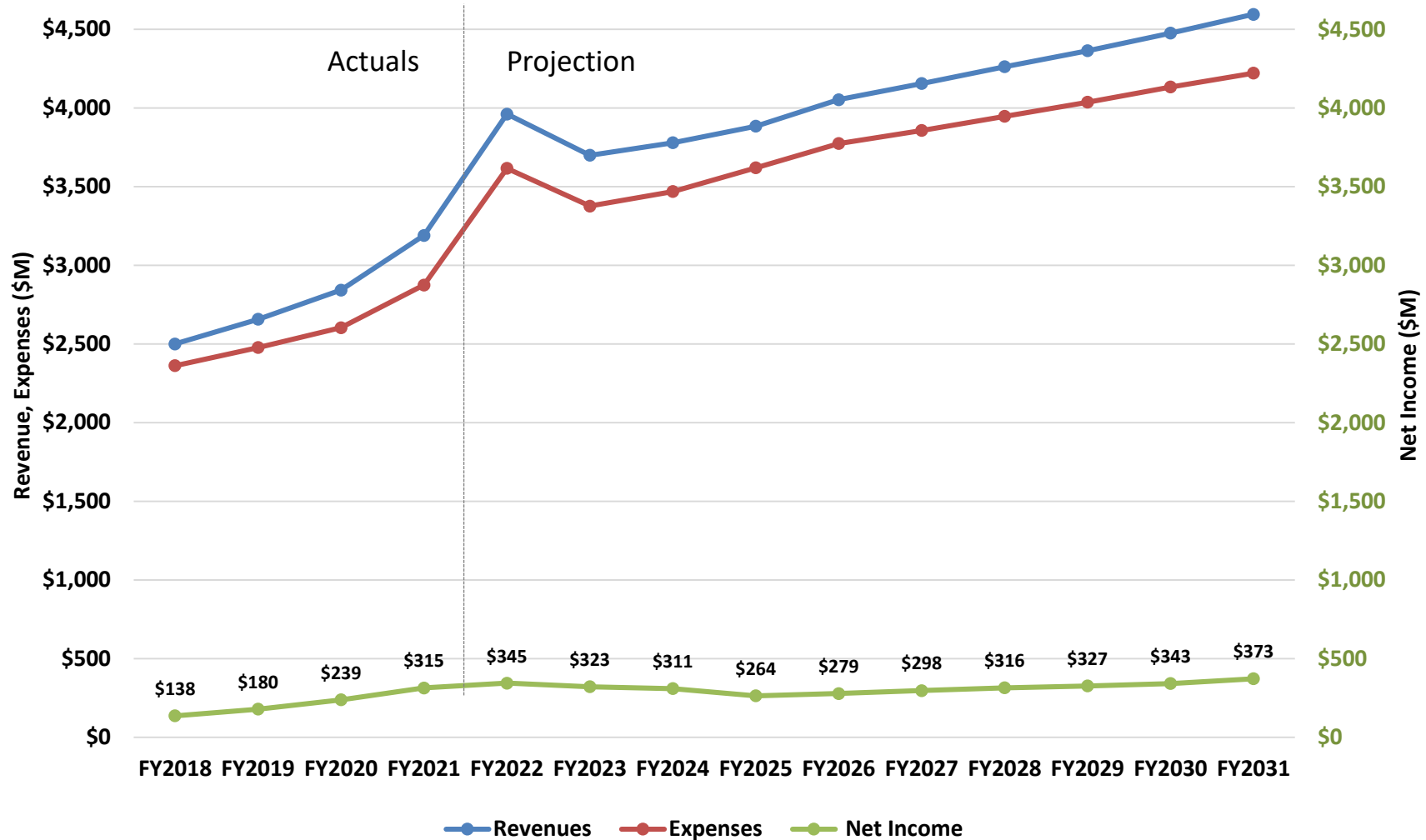


Total FY21 Liabilities and Net Position \$5.0 Billion



Dollars in millions

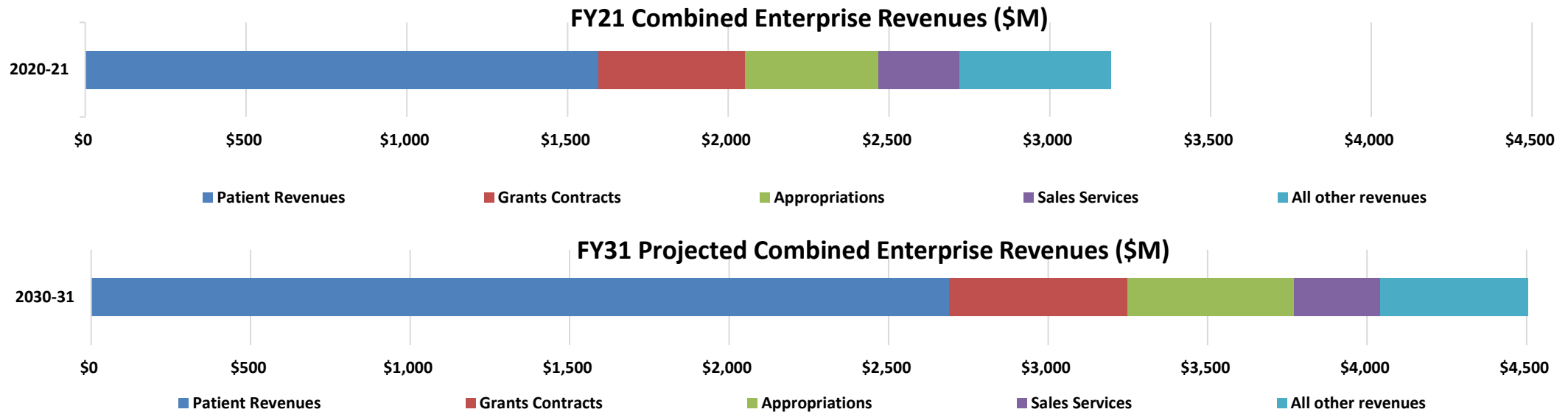
UNM projections reflect a combined positive net income for all years of the forecast period FY22 – FY31



Revenues presented net of intra-university activities (allocations, transfers, reserves); expenses presented net of extraordinary items

Dollars in millions

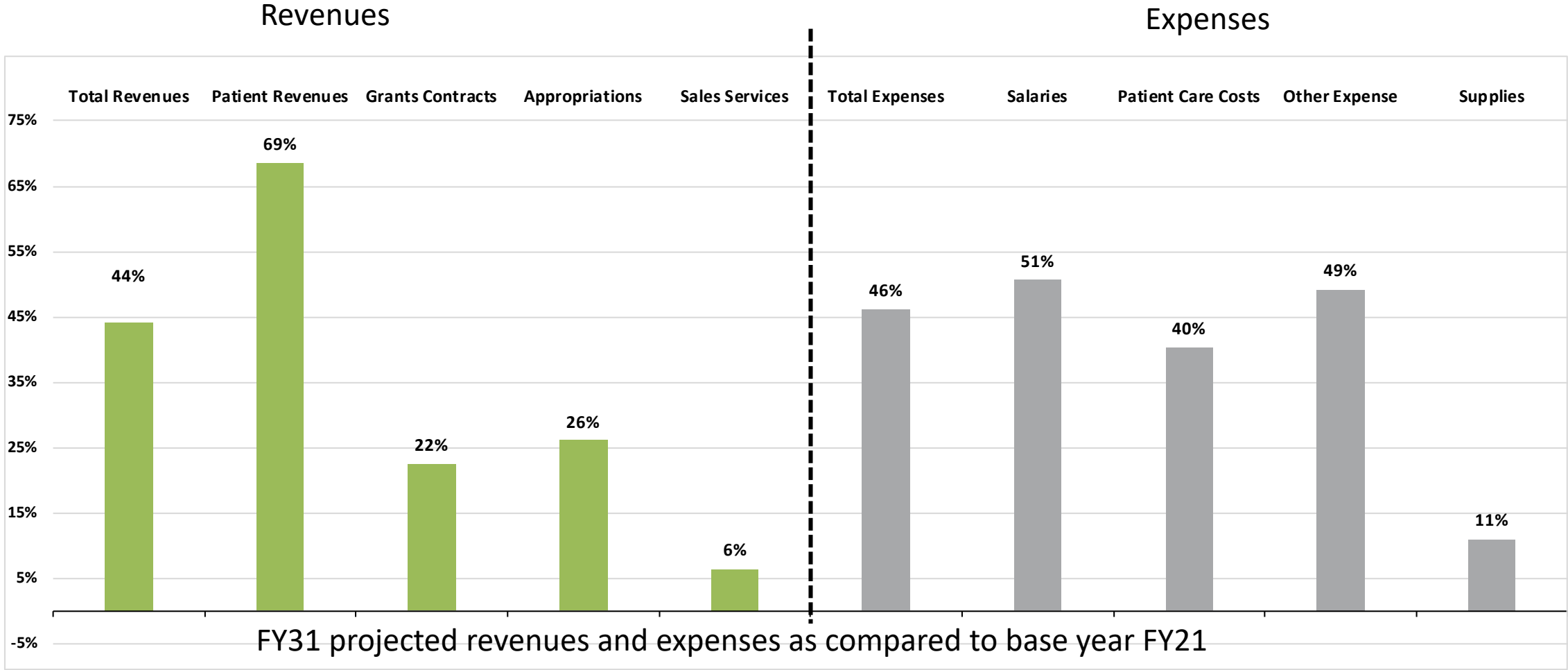
Revenue from competitive markets will continue to be our dominant source of funds in 2030-31



Source (\$M)	2020-21	Share	Inc/Dec compared to base year	Source (\$M)	2030-31	Share
Patient Revenues	\$1,595	50%	68.6%	Patient Revenues	\$2,689	59%
Grants Contracts	458	14%	22.5%	Grants Contracts	561	12%
Appropriations	414	13%	26.0%	Appropriations	521	11%
Sales Services	254	8%	6.4%	Sales Services	271	6%
All Other Revenues	470	15%	17.9%	All Other Revenues	554	11%
Total top 5 FY21 revenues	\$3,191	100%		Total top 5 FY31 revenues	\$4,596	100%

Dollars in millions

Over the 10- yr projection period of FY22 – FY31, revenue increases are driven by UNM Health Segment patient revenues



FY31 projected revenues and expenses as compared to base year FY21

Revenues presented net of intra-university activities (allocations, transfers, reserves); expenses presented net of extraordinary items

Sensitivities: 1% change in key drivers can significantly impact net income over the projection period

Analyzed key areas of revenue and expenditures for both campus and health segments of the combined enterprise.

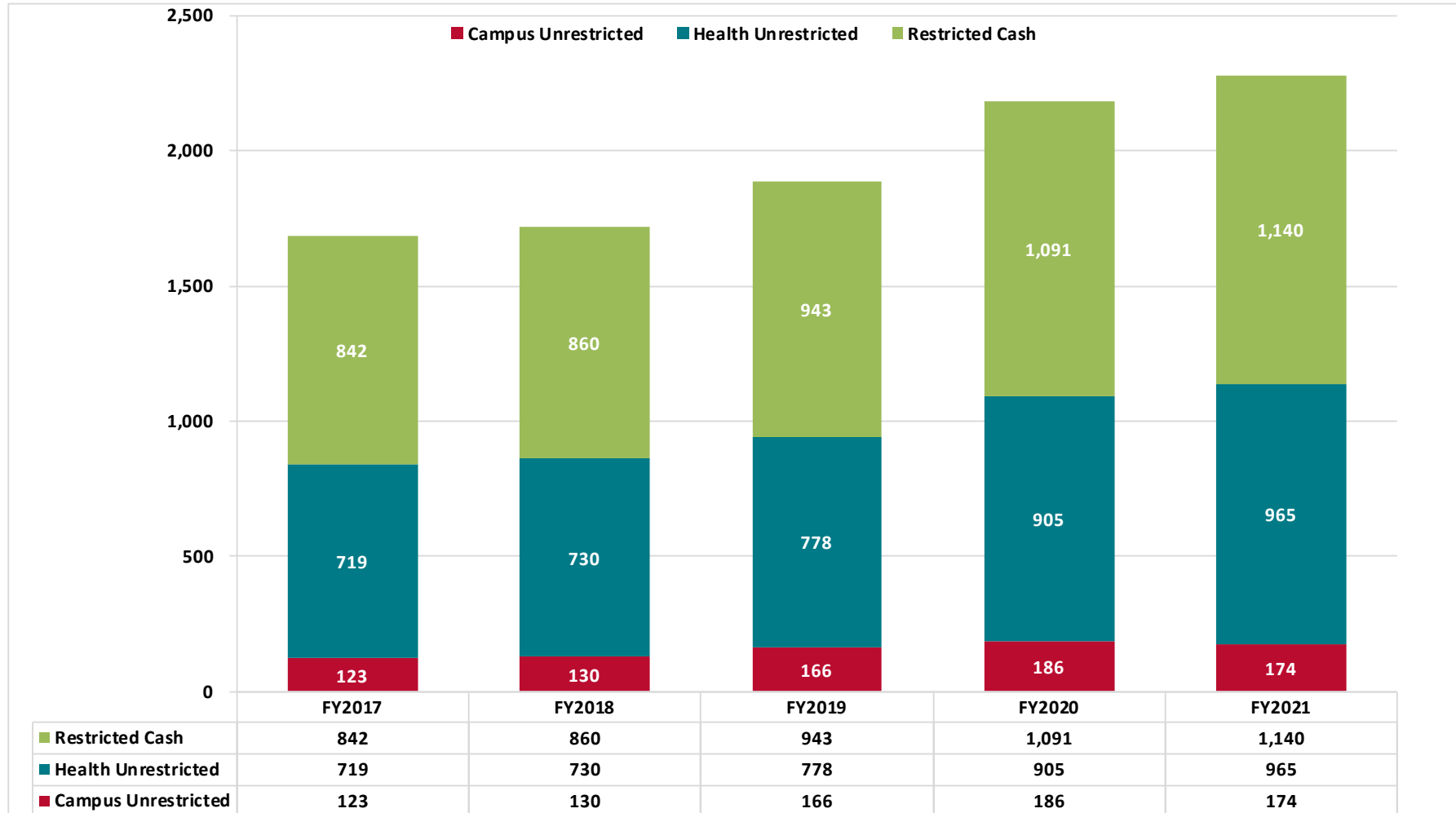
Sensitivity factor gauges how sensitive the revenue or expenditure is to a 1% fluctuation.

The higher the factor, the more sensitive that revenue or expense is to fluctuation, indicating that the activity is a central aspect to the business operations.

The lower the factor, the less sensitive that revenue or expense is to fluctuation, indicating that the activity is less central to the core mission of the organization.

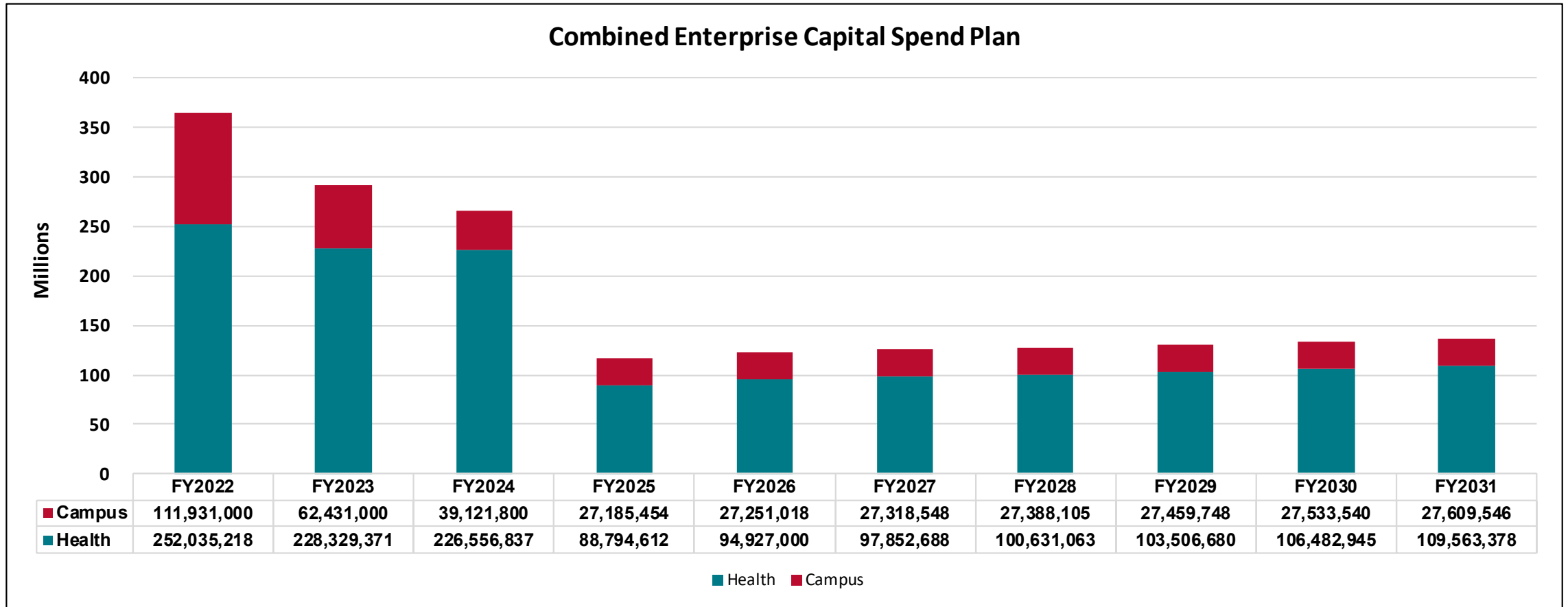
1% change in the following categories	FY21	FY31	Sensitivity Factor
Campus			
Revenues			
Tuition and Student Fee Revenue	\$ 986,640	\$ 14,508,311	1.47
Appropriations	2,288,446	31,921,676	1.39
F&A Cost Recovery	204,949	2,628,170	1.28
Sales and Services	1,997,670	22,238,843	1.11
Private Gifts	207,193	2,241,235	1.08
Expenses			
Salaries and Benefits	\$ 3,684,005	\$ 56,205,973	1.53
Health Segment			
Revenues			
Patient Revenues	\$ 15,934,675	\$ 250,833,552	1.57
Sponsored Activity Revenues	2,477,979	29,456,838	1.19
Sales and Services	545,137	5,425,200	1.00
Expenses			
Salaries and Benefits	\$ 11,022,456	\$ 159,047,102	1.44
Patient Care Costs	6,036,124	78,126,974	1.29

UNM's cash position has grown in the past four years, driven by the UNM Health Segment preparation for new hospital

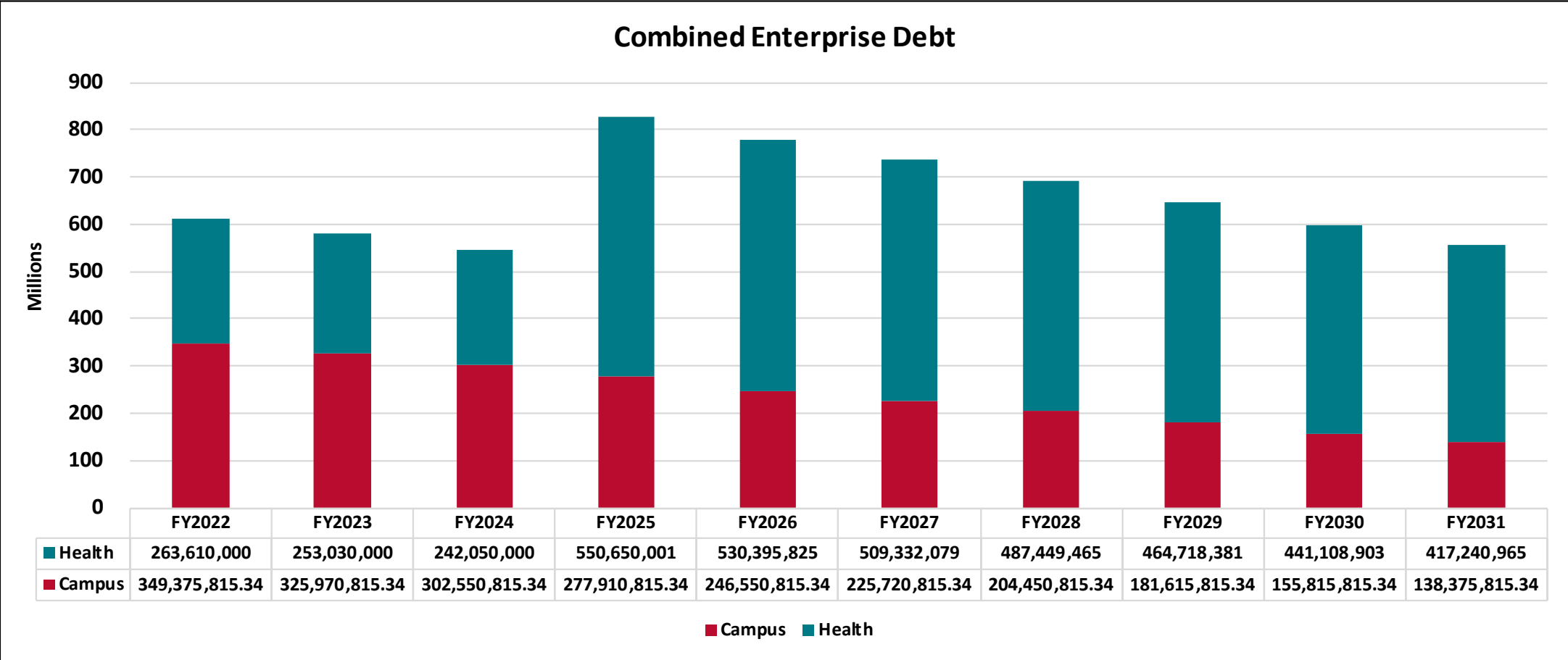


Dollars in millions

Combined Enterprise Capital Spend Plan totals \$1.9 billion for projection period FY22 – FY33



Combined Enterprise Debt Schedule FY22 – FY31



FY25: \$320M increase due to new UNMH hospital tower

Examples of debt service tests

Ratio	Description	Test	Sparkline	Status										
Modified Cash Flow Margin	Net Income/Operating Revenues	$\geq 0\%$	<table border="1"> <caption>Modified Cash Flow Margin Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>FY2021</td> <td>18%</td> </tr> <tr> <td>FY2025</td> <td>8%</td> </tr> <tr> <td>FY2029</td> <td>9%</td> </tr> <tr> <td>FY2031</td> <td>10%</td> </tr> </tbody> </table>	Fiscal Year	Value	FY2021	18%	FY2025	8%	FY2029	9%	FY2031	10%	PASS
Fiscal Year	Value													
FY2021	18%													
FY2025	8%													
FY2029	9%													
FY2031	10%													
Debt Service to Operations	Debt service / Operating Expenses	$\leq 6\%$	<table border="1"> <caption>Debt Service to Operations Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>FY2021</td> <td>1%</td> </tr> <tr> <td>FY2025</td> <td>3%</td> </tr> <tr> <td>FY2029</td> <td>2%</td> </tr> <tr> <td>FY2031</td> <td>2%</td> </tr> </tbody> </table>	Fiscal Year	Value	FY2021	1%	FY2025	3%	FY2029	2%	FY2031	2%	PASS
Fiscal Year	Value													
FY2021	1%													
FY2025	3%													
FY2029	2%													
FY2031	2%													
Expendable Resources to Debt	Expendable Resources/ Total Debt	≥ 1	<table border="1"> <caption>Expendable Resources to Debt Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>FY2021</td> <td>~0.7</td> </tr> <tr> <td>FY2025</td> <td>~0.8</td> </tr> <tr> <td>FY2029</td> <td>~0.9</td> </tr> <tr> <td>FY2031</td> <td>~1.0</td> </tr> </tbody> </table>	Fiscal Year	Value	FY2021	~0.7	FY2025	~0.8	FY2029	~0.9	FY2031	~1.0	FAIL
Fiscal Year	Value													
FY2021	~0.7													
FY2025	~0.8													
FY2029	~0.9													
FY2031	~1.0													

Debt service tests are used by financial institutions to gauge the borrowing capacity of the organization.
 Modified cash flow margin includes extraordinary GASB adjustment \$765M

Campus

- ❖ Main Campus

- ❖ Branch Campuses

- ❖ Gallup

- ❖ Los Alamos

- ❖ Taos

- ❖ Valencia



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UNM Campus Segment

Academic Affairs

Colleges/Schools

Student Affairs

Research

Enrollment & Analytics

Branch Campuses

Administration

President's Organization

SVP for Finance and Administration

Institutional Support Services

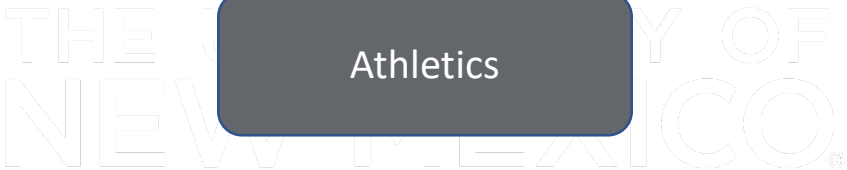
Athletics

Component Units

Rainforest Innovations

Lobo Development Corporation

Lobo Energy



Campus Operating Strategic Initiatives

- Compensation increases for Faculty and Staff
- Faculty Salary Competitiveness Compensation Adjustments
- College of Arts and Sciences Budget Investment
- Academic Affairs Initiatives
- Faculty Start-ups/Equipment
- President's Units Initiatives
- Division for Equity and Inclusion Initiatives
- SVP for Finance and Administration Initiatives
- Endpoint Detection Response (EDR) software
- Cyber Insurance
- Cloud Computing and software
- Athletics Initiatives-(cost of attendance, grant-in-aid, travel, and facility maintenance)
- Must Fund Initiatives: Minimum Wage, 1% ERB, Group Health Insurance and Utilities

Campus Capital Strategic Initiatives-Highlights

Academic Affairs

- ROTC Renovation
- Learning Environment and Technology Upgrades
- Chemistry Clark Hall Phase II
- The Center for the Arts-Fire Alarm and Fire Protection

Administration & Institutional Support Services

- Campus Fire Safety Improvements
- Campus Facility and Investment Needs (FIN)
- Campus Renewal Projects
- Welcome Center
- Campus Edge/Switch Upgrade
- Campus Security and Camera Installation
- Campus Fiber Zone 1 & 2
- Lomas Chiller #3 Replacement
- Electrical Distribution
- Faculty and Staff workstation refresh

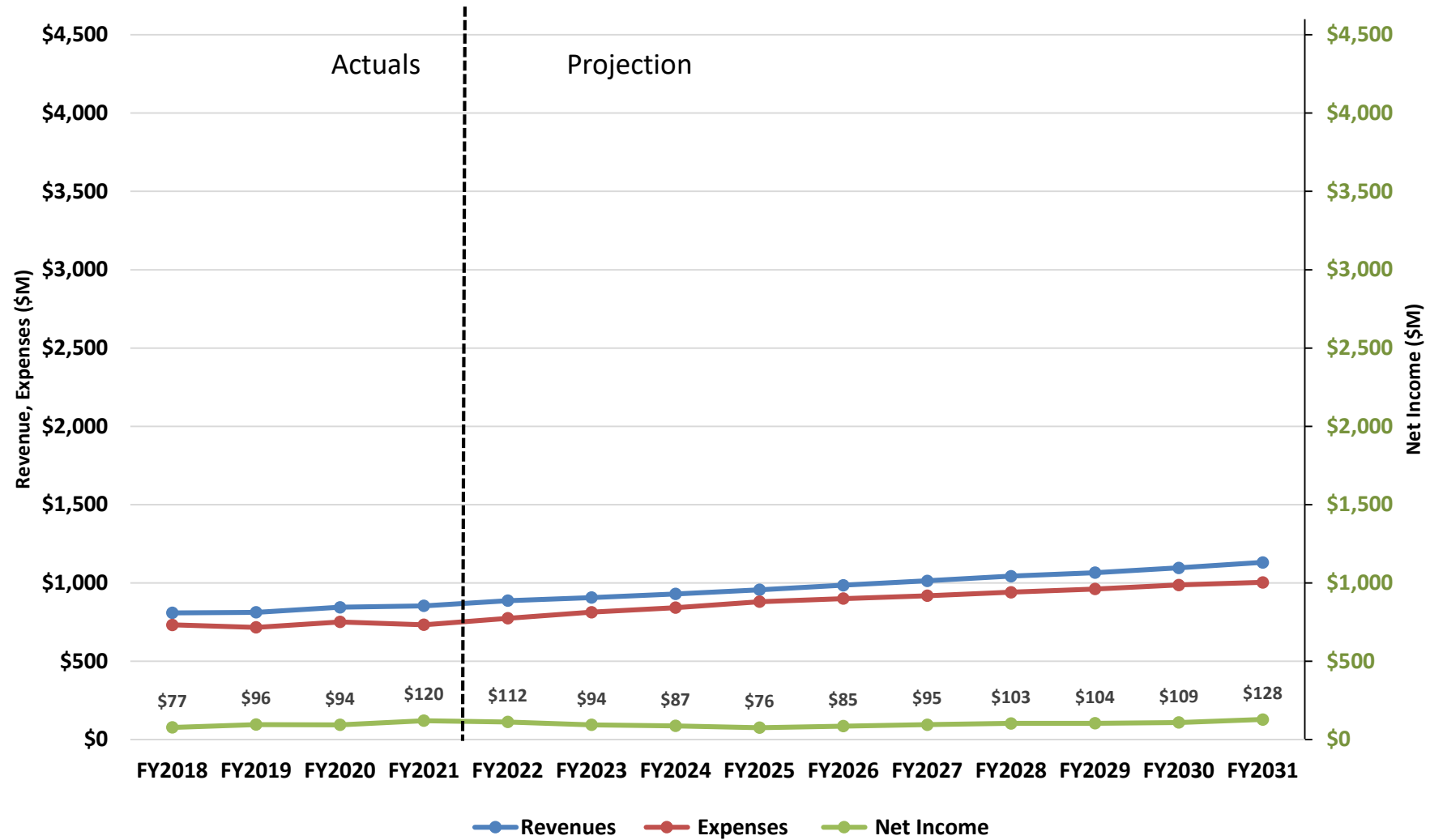
Branch Campuses (Largest Project each Campus)

- Gallup Center for Career Technologies Education
- Los Alamos Workforce Development
- Taos College Pathways for College & Careers Center
- Valencia Workforce Training Center

Athletics

- NM Champions Training Center
- Football Turf Replacement and Facility Improvements
- Volleyball and Swim & Dive Facilities

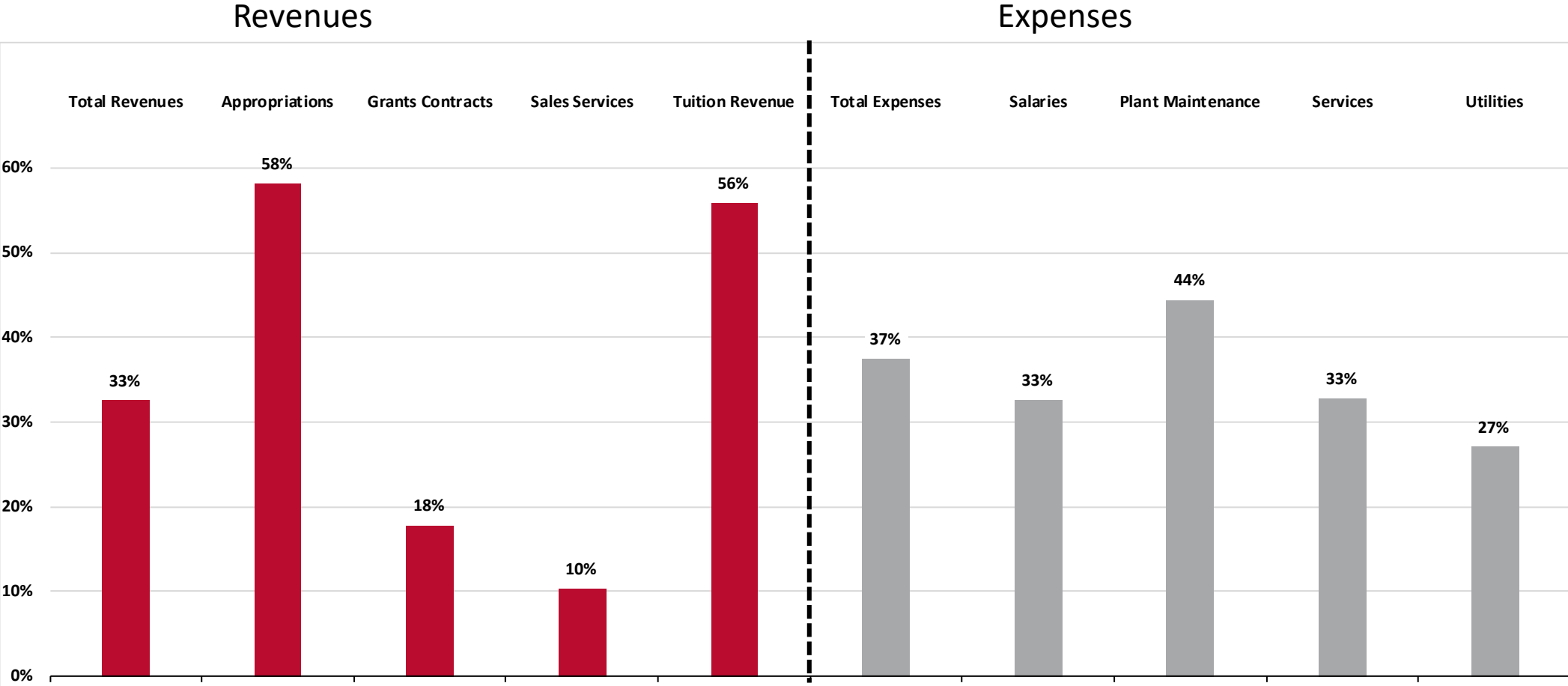
Campus expects to maintain a positive net income for the projection period FY22 – FY31



Revenues presented net of intra-university activities (allocations, transfers, reserves); expenses presented net of extraordinary items

Dollars in millions

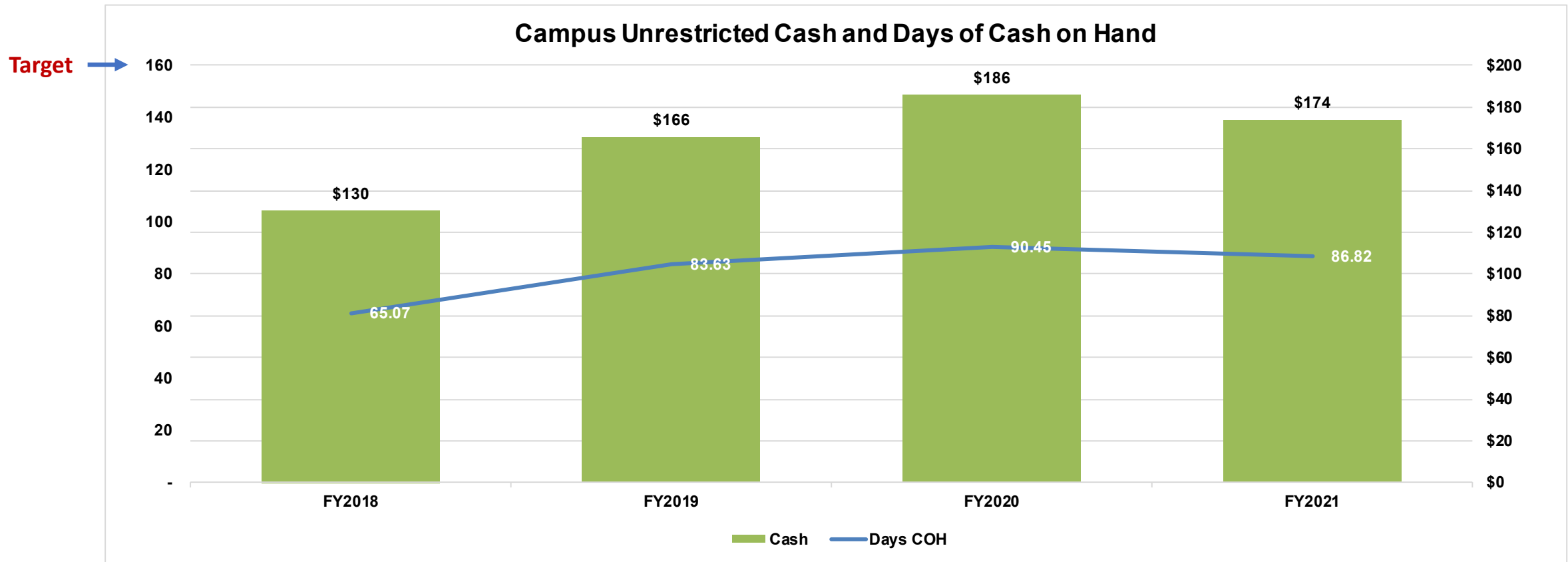
Over the 10-yr projection period, total campus expenses are driven by facility maintenance expenditures



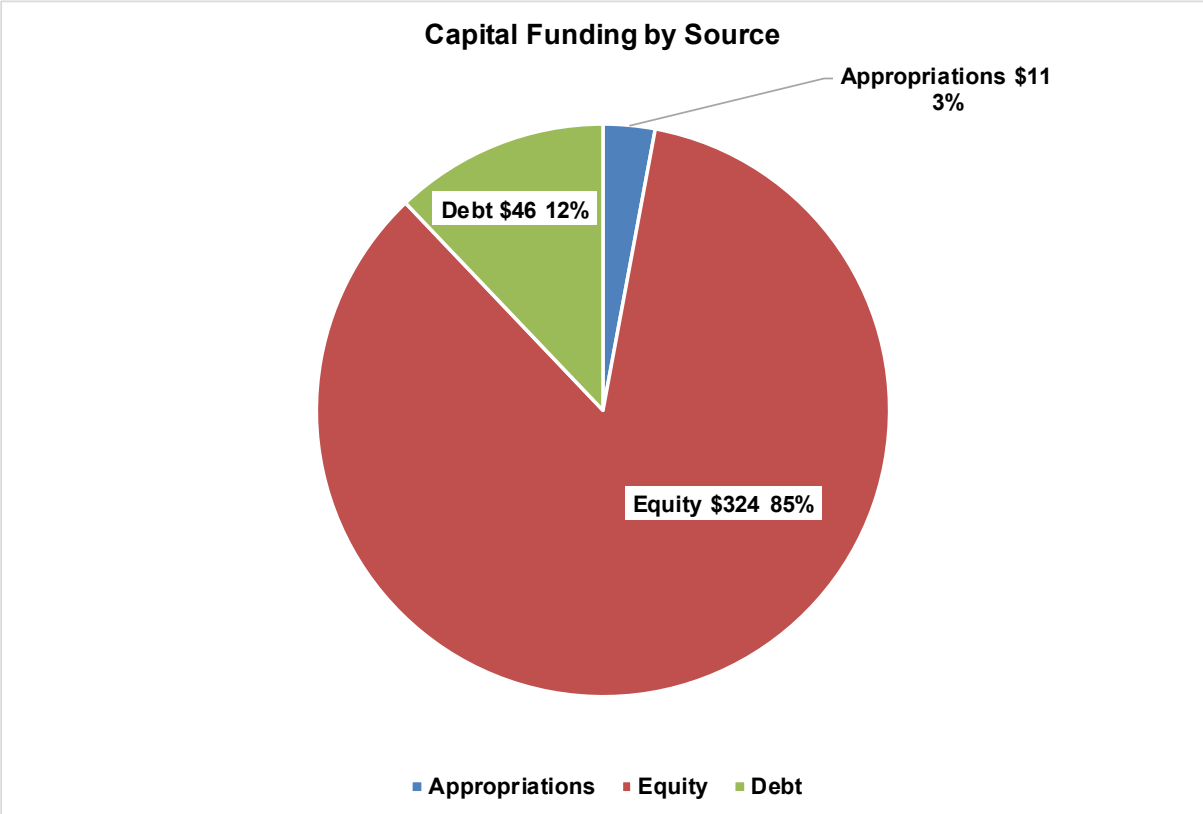
FY31 projected revenues and expenses as compared to base year FY21

Revenues presented net of intra-university activities (allocations, transfers, reserves); expenses presented net of extraordinary items

Campus days of cash on hand are building towards the recommended 160-day target

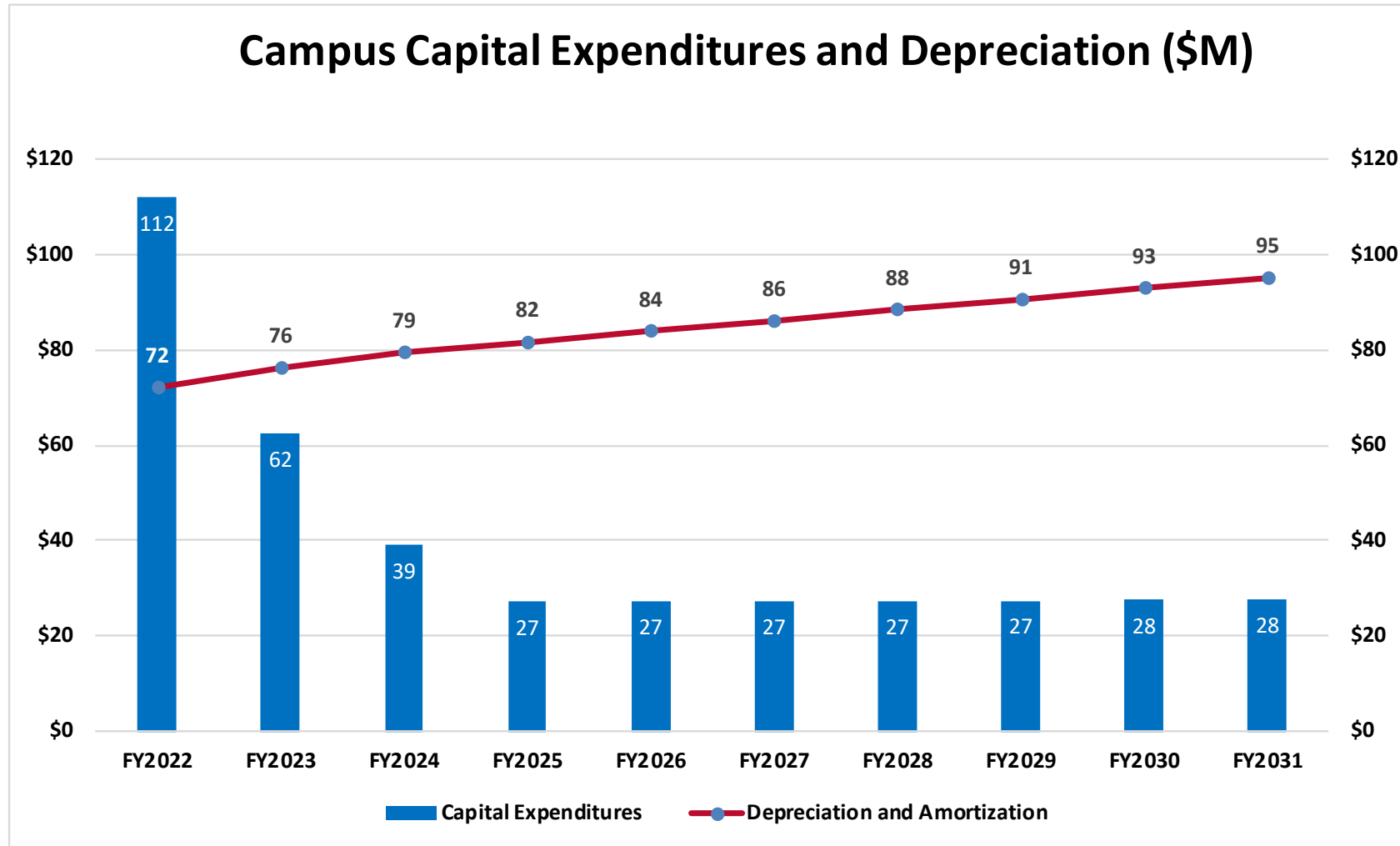


Projected campus capital spending over ten years will be over \$380 million



Project Type	Appropriations	Equity	Debt	Total
Renewal and Replacement	\$8	\$280	\$16	\$305
Program Projects	\$2	\$10	\$20	\$32
Departmental Projects	\$1	\$0	\$6	\$7
Auxiliary	\$0	\$0	\$1	\$2
Facility Investment Needs (FIN)	\$0	\$34	\$2	\$36
Total Campus Capital Spending	\$11	\$324	\$46	\$382

Projected campus depreciation exceeds capital expenditures indicating need for infrastructure investment



Dollars in millions

UNM Health Segment

- ❖ Health Sciences Center Academic Units
- ❖ Component Units
 - ❖ UNM Hospital
 - ❖ UNM Medical Group
 - ❖ Sandoval Regional Medical Center

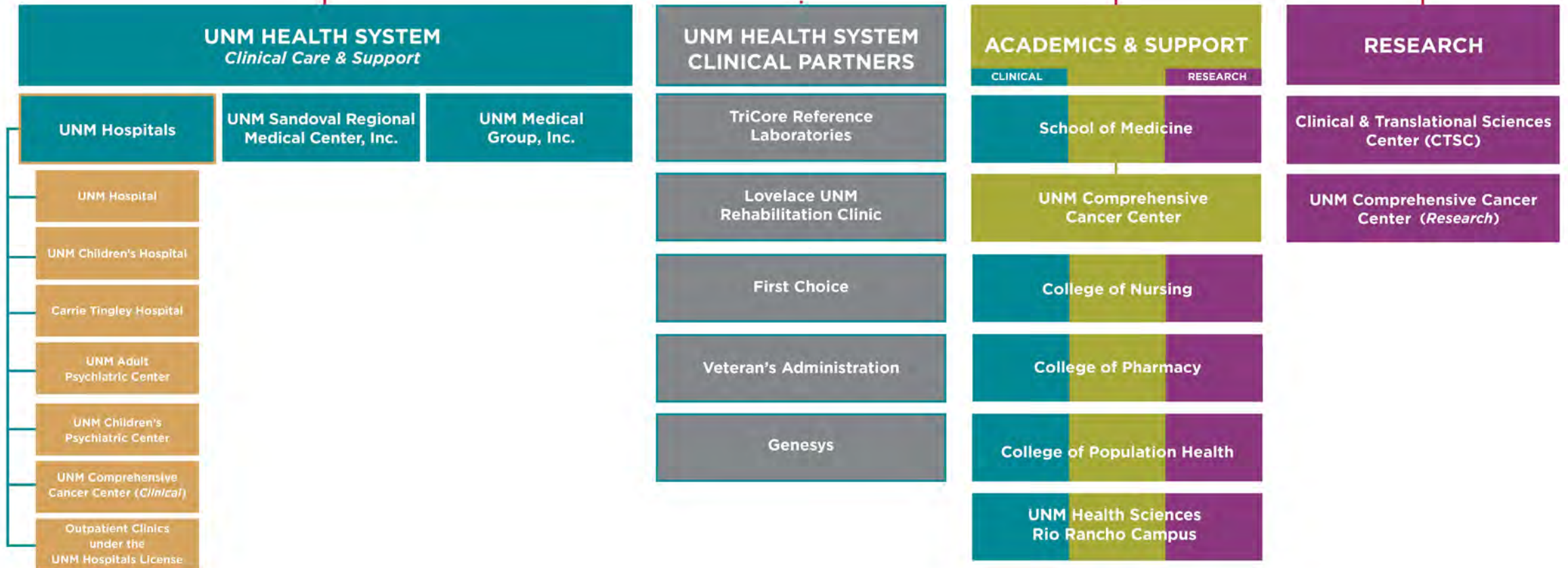


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UNM Health Sciences

A Component of the University of New Mexico



Health System Strategic Initiatives

UNM Hospital

- New Hospital Tower
 - Adult Surgical,
 - Critical Care
 - Advanced Diagnostics
 - Emergency Medicine
- Women Programs – Gallup Clinic
- Behavioral Health – Crisis Triage Center
- Outpatient
 - Movement Disorder Center
 - Senior Health Clinic
 - Uptown Clinic

Sandoval Regional Medical Center

- Orthopedic Center of Excellence
- Level III Trauma Certification
- Behavioral Health Programs
- Rio Rancho Campus Development

UNM Medical Group

- Rio Rancho Primary Care Clinic
- Telemedicine Expansion
- Primary Care Strategic Plan
- Truman Expansion – Roswell
- FCCH Partnerships

Health System Expansions

- Network Partnerships
- Project ECHO
- Community Health & Virtual Health

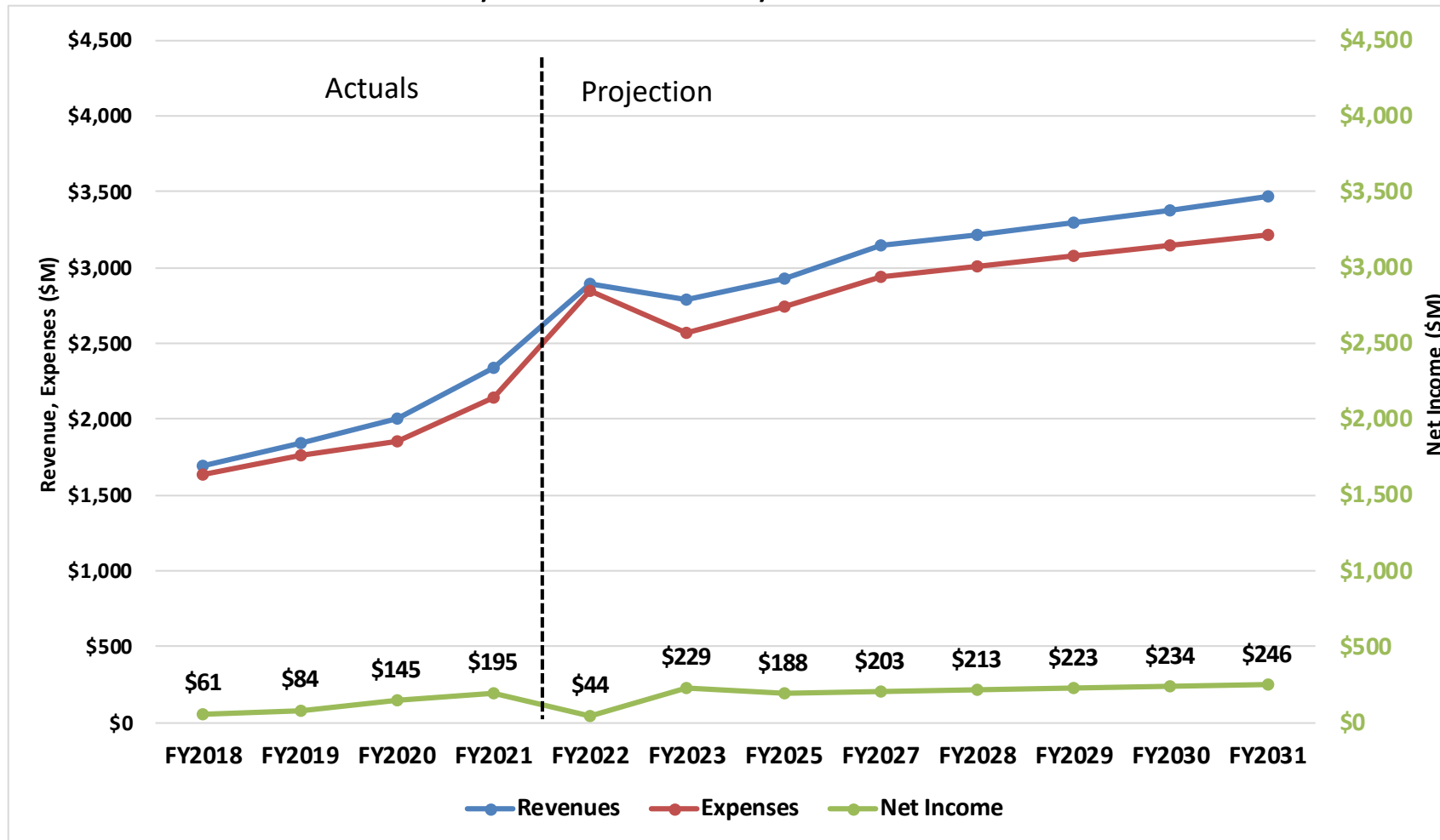
UNM Comprehensive Cancer Center

- Radiation Oncology Capital Project

HSC Academic Strategic Initiatives

- Compensation increases for HSC faculty and staff
- Increased faculty in College of Nursing to support increasing the BSN program by 96 students per year and the APRNs by 60
- School of Medicine and College of Pharmacy faculty increases to address Behavioral Health (addiction and mental illness) and Health Equity (population health and data science)
- Increase faculty in the College of Population Health by 11 (currently 13)
 - Needed for CEPH accreditation and to address a biostatistics deficit
 - Supports community health research and more undergrad & grad students

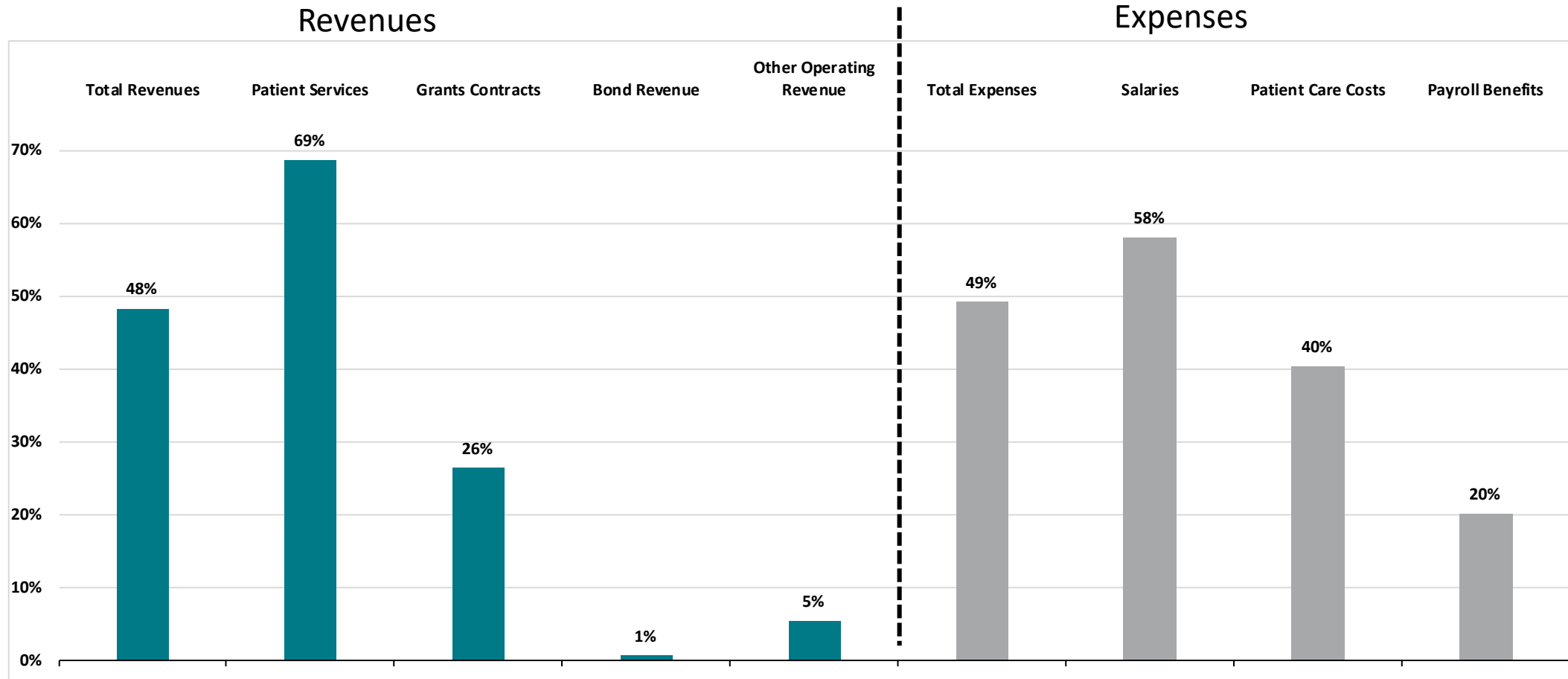
UNM Health Segment is projected to earn an average net income of \$205M/year for the years FY22-FY31



Revenues presented net of intra-university activities (allocations, transfers, reserves); expenses presented net of extraordinary items

Dollars in millions

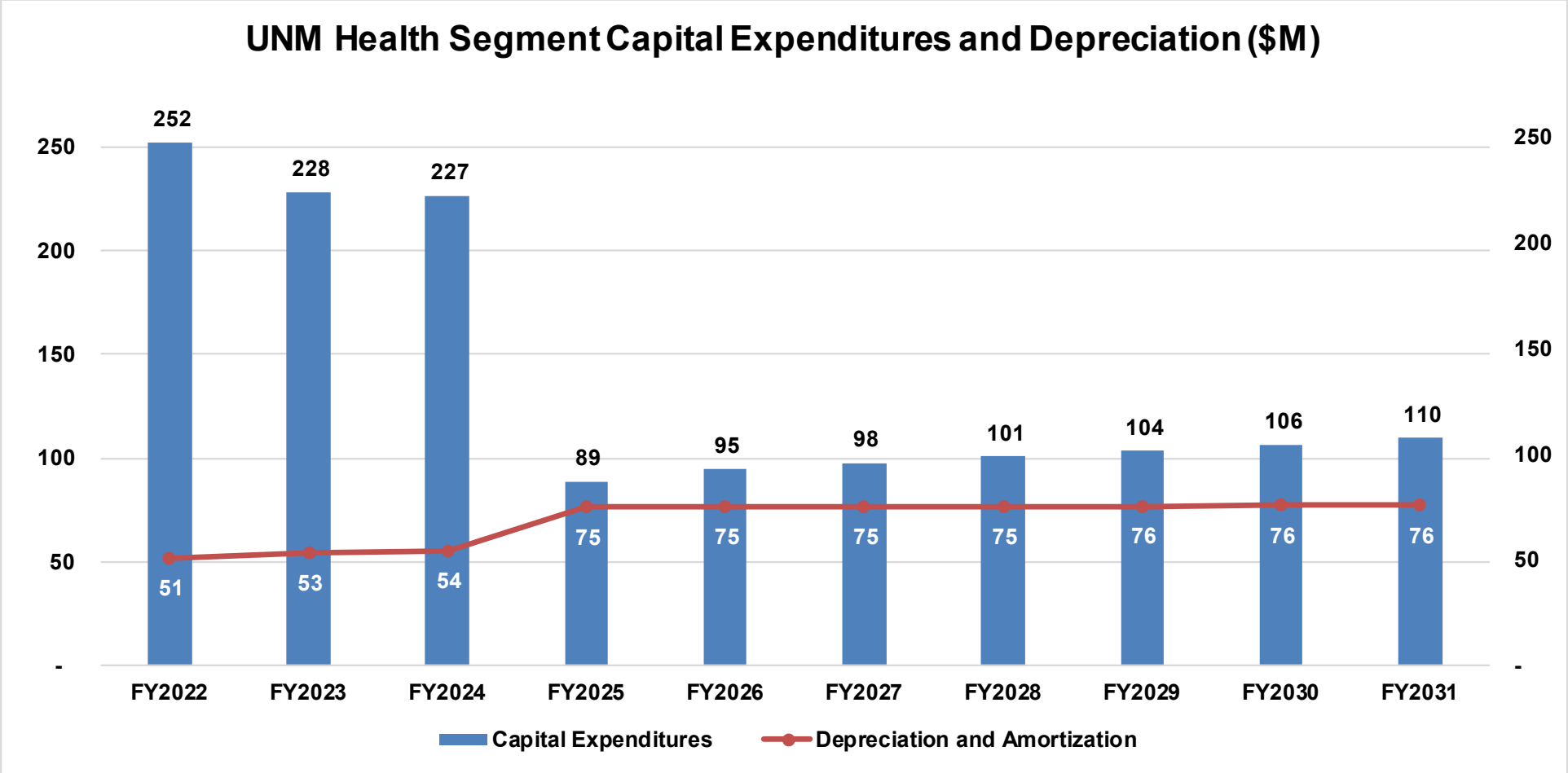
Over the 10-yr projection period, revenue from UNM Health Segment is to significantly increase, driven by expanded capacity to generate patient revenues



FY31 projected revenues and expenses as compared to base year FY21

Revenues presented net of intra-university activities (allocations, transfers, reserves); expenses presented net of extraordinary items

Projected UNM Health Segment capital expenditure exceeds depreciation, indicating building phase



Dollars in millions

UNM Campus Segment Core Financial Plan Summary Fall 2021



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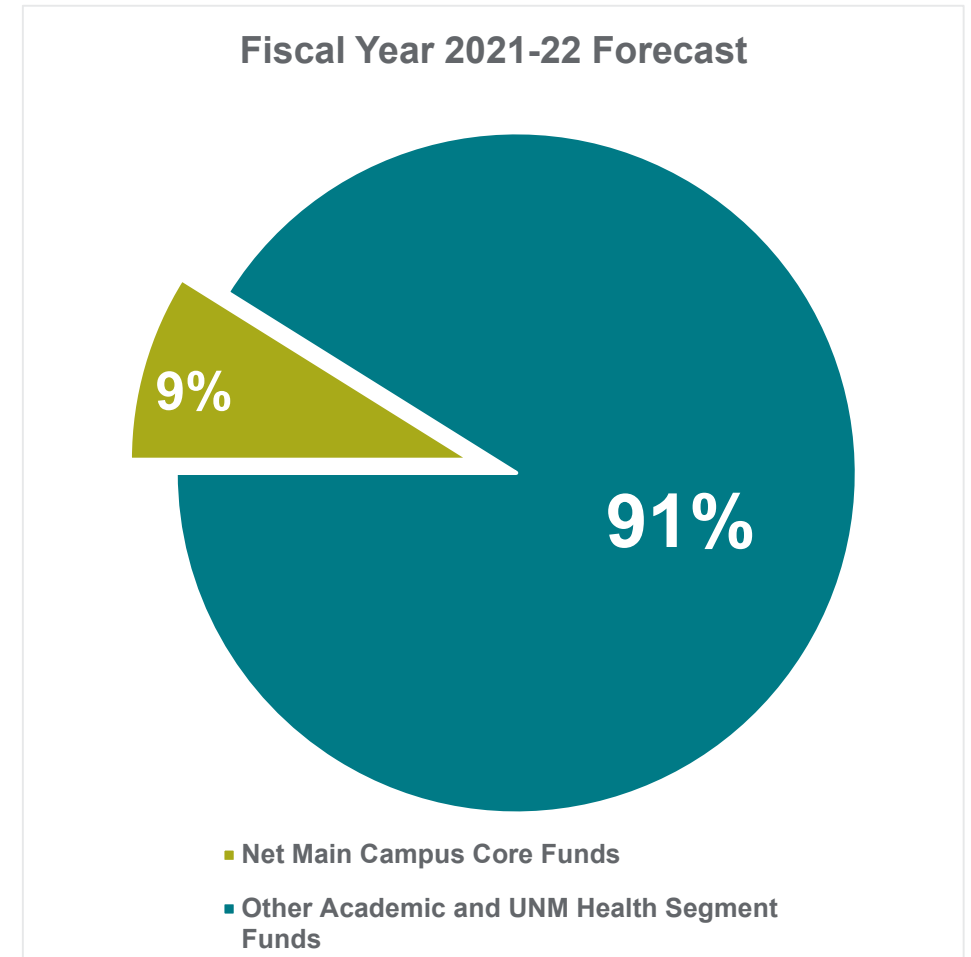
FY 2021-22 Enterprise Forecast Total Revenues Sources \$3.96 Billion

Main Campus Core Funds: \$356.6 million (net of transfers)

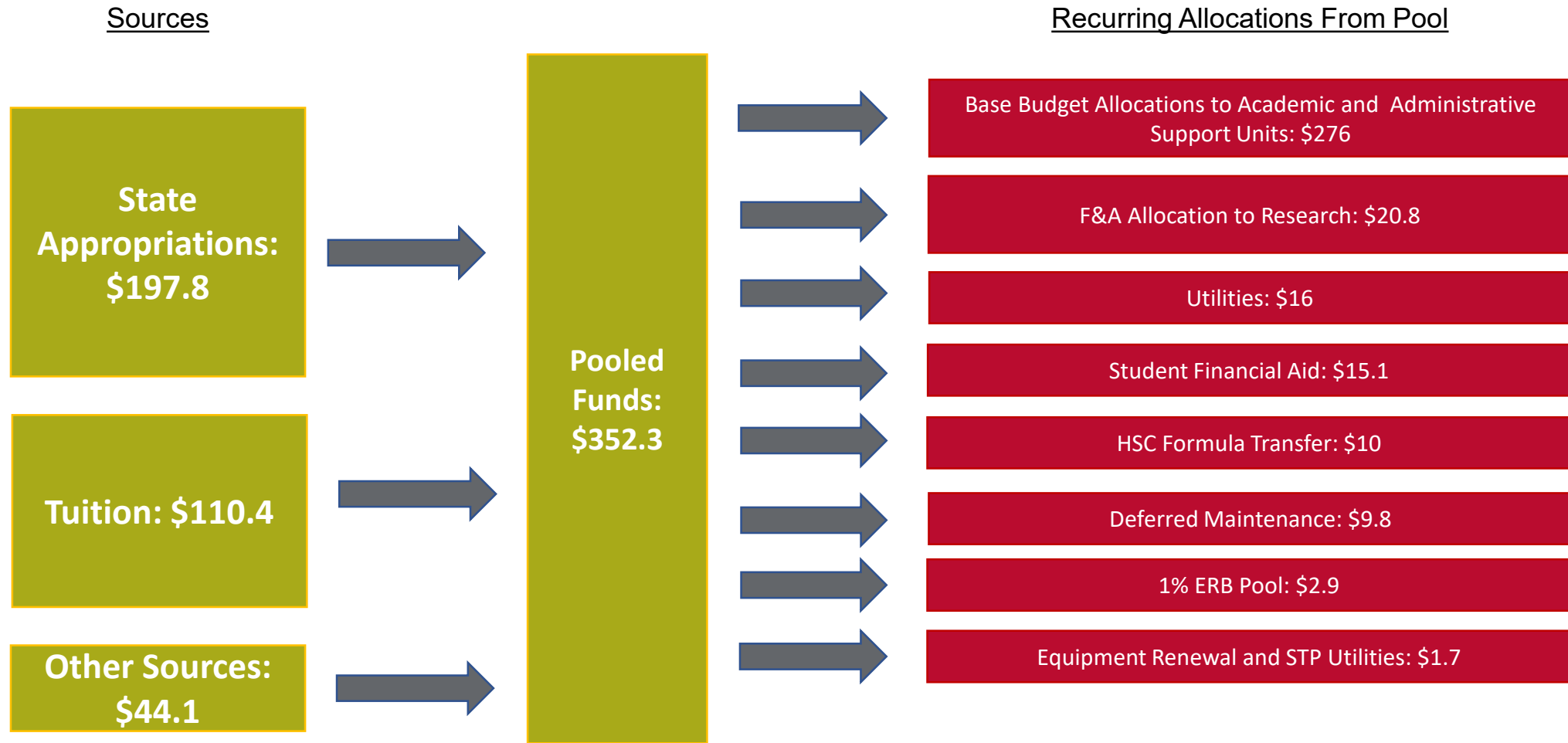
- State appropriations
- Tuition and fees
- F and A recovery revenue
- Investment income

Other Academic and UNM Health System Funds: \$3.6 billion

- Patient revenues
- Contract and Grants
- External Sales
- Private Gifts
- Investment Income

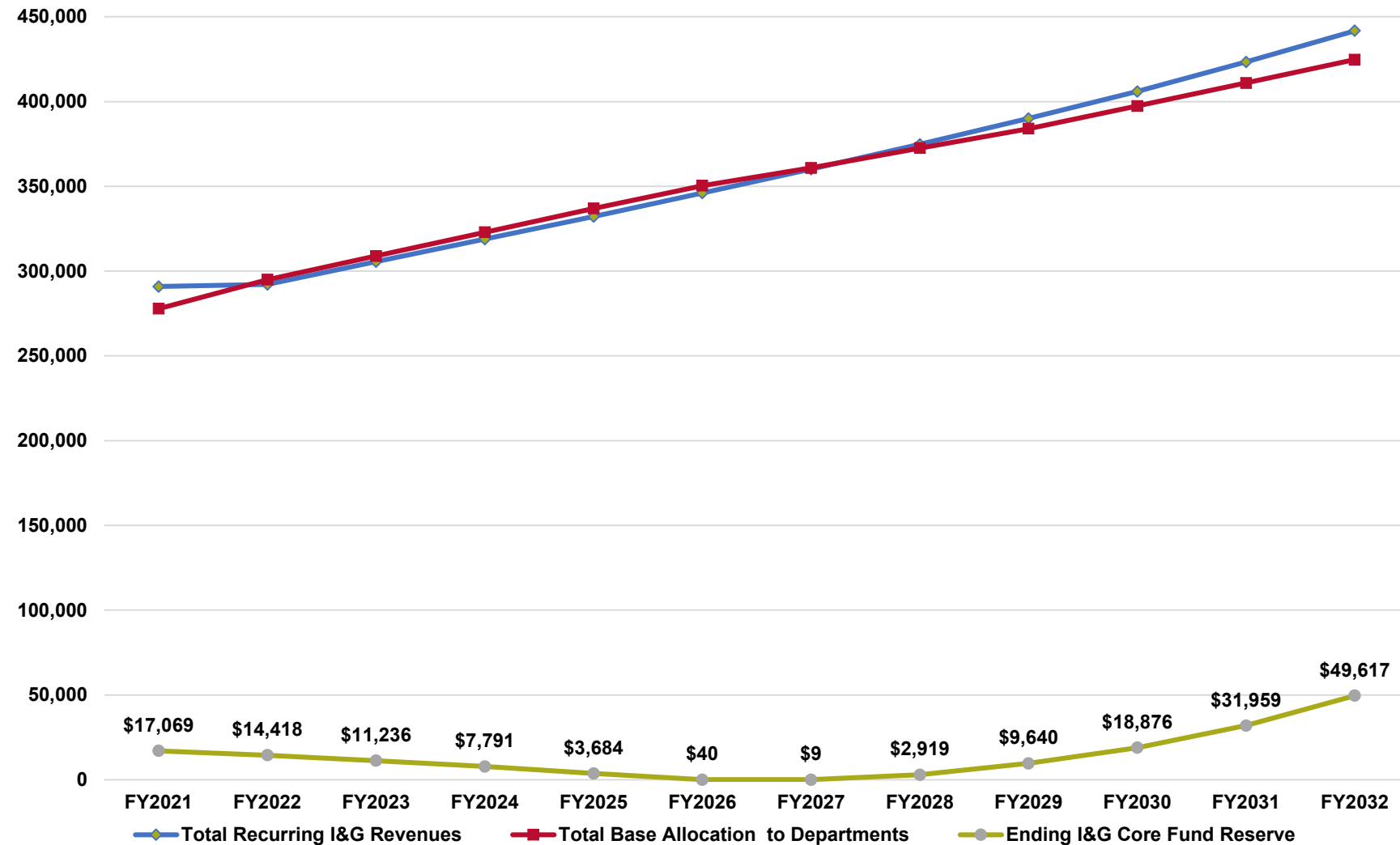


Instruction & General Core Funds Flow – FY 2021-2022 Forecast



Dollars in millions

The Main Campus Core Fund ending reserve in 2030-31 is projected at \$50M surplus



Dollars in thousands

Combined Enterprise Income Statement for the years ended June 30, 2018-2021 and Projected FY22-FY24

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OA1 - Tuition Revenue	\$ 86,445,370	\$ 82,217,376	\$ 79,701,260	\$ 80,140,321	\$ 97,708,280	\$ 119,446,666	\$ 124,762,675
OA2 - Student Fees	56,230,244	53,892,450	52,180,665	50,283,564	60,925,828	59,486,799	61,312,500
OA3 - Patient Services	1,224,857,088	1,298,520,102	1,400,107,586	1,595,211,705	1,993,138,022	2,063,257,546	2,113,120,605
OA4 - Grants Contracts	356,262,214	351,998,619	366,300,043	457,736,049	481,377,068	383,232,447	388,123,814
OA5 - Sales Services	225,109,339	224,989,410	213,143,303	254,280,615	232,924,387	237,211,747	241,138,347
OA6 - Other Operating Revenue	53,204,215	80,472,582	122,095,123	68,768,254	92,044,924	54,526,316	55,360,576
OP1 - Appropriations	308,093,675	358,955,885	419,282,139	413,616,228	382,508,461	388,794,215	400,552,872
OP2 - Bond Revenue	132,058,351	128,365,427	118,945,436	136,011,576	126,472,362	287,946,005	289,280,437
OP3 - Gifts And Other	34,380,351	29,693,045	34,080,720	40,589,812	33,288,900	28,200,967	29,184,917
OP4 - Investment Income	26,045,318	43,973,229	33,457,137	92,368,581	73,115,567	66,144,812	65,696,682
OP5 - Other Non Operating Revenue	(1,798,324)	5,230,296	4,199,883	1,566,009	388,608,639	11,806,526	11,819,181
Total Revenues	\$ 2,500,887,841	\$ 2,658,308,423	\$ 2,843,493,294	\$ 3,190,572,714	\$ 3,962,112,439	\$ 3,700,054,048	\$ 3,780,352,607
OF1 - Salaries	\$ 997,177,946	\$ 1,220,237,511	\$ 1,058,466,145	\$ 1,128,183,012	\$ 1,324,721,221	\$ 1,319,022,882	\$ 1,362,649,256
OG1 - Payroll Benefits	552,633,571	604,586,393	(123,044,148)	303,011,954	383,425,353	385,441,399	396,241,870
OH1 - Salaries Contingency	20,929,573	25,825,367	26,924,557	803,269,838	67,807,952	67,938,259	68,144,018
OJ1 - Supplies	140,094,375	134,538,912	135,877,535	176,360,194	140,514,362	136,712,486	141,613,221
OJ2 - Travel	19,584,070	19,795,886	14,632,265	4,773,107	11,843,950	12,457,576	13,158,009
OJ3 - Student Costs	27,540,732	25,507,103	25,614,156	24,133,686	25,812,014	20,726,295	22,632,180
OJ4 - Research Costs	7,380,490	7,124,867	6,653,447	32,271,968	43,542,671	7,734,700	7,742,803
OJ5 - Patient Care Costs	465,321,296	304,878,267	566,358,470	604,288,818	639,075,557	550,576,539	564,209,534
OJ6 - Communication Charges	7,512,887	7,188,774	7,606,697	8,441,407	75,928,322	75,875,631	76,033,787
OJ7 - Services	86,219,505	102,270,855	90,854,884	81,494,018	105,536,596	80,568,273	81,681,252
OJ8 - Plant Maintenance	76,653,599	68,389,004	69,202,426	69,983,523	72,918,920	60,339,442	61,410,454
OJ9 - Utilities	39,485,952	37,919,874	36,669,244	38,187,665	37,694,510	38,540,010	39,411,259
OJA - Other Expense	88,438,305	127,864,186	151,673,668	151,384,066	164,924,139	167,865,510	186,828,665
OJB - Special Grant Contract Expense	27,060,004	24,139,762	24,975,362	73,021,786	126,981,571	70,334,814	71,216,683
OM1 - Capital Expenditures	7,754,942	7,284,618	4,782,059	7,987,001	258,851,225	246,992,990	240,172,488
OM2 - Bond Expenses	18,248,457	15,025,456	12,733,252	14,416,931	14,247,251	11,795,887	10,794,172
OM3 - Non Cash Expenses	100,770,275	101,645,442	104,499,003	116,586,477	123,067,517	124,434,736	125,776,069
Total Expenses	\$ 2,682,805,979	\$ 2,834,222,280	\$ 2,214,479,022	\$ 3,637,795,451	\$ 3,616,893,133	\$ 3,377,357,427	\$ 3,469,715,720
Subtotal	\$ (181,918,137.97)	\$ (175,913,856.57)	\$ 629,014,272.49	\$ (447,222,736.62)	\$345,219,306.08	\$ 322,696,620.59	\$ 310,636,885.85
Extraordinary item - GASB adjustments	\$ 319,669,202.00	\$ 355,729,200.00	\$ (389,955,577.00)	\$ 762,018,778.00			
Income net of extraordinary items	\$ 137,751,064.03	\$ 179,815,343.43	\$ 239,058,695.49	\$ 314,796,041.38	\$345,219,306.08	\$ 322,696,620.59	\$ 310,636,885.85

Combined Enterprise Projected Income Statement for FY25-FY31

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
OA1 - Tuition Revenue	\$ 111,818,143	\$ 116,246,633	\$ 120,356,107	\$ 124,495,055	\$ 118,676,175	\$ 122,550,437	\$ 128,011,692
OA2 - Student Fees	65,935,082	67,561,331	69,243,841	70,873,512	72,536,358	74,124,936	76,255,404
OA3 - Patient Services	2,229,498,368	2,356,565,376	2,418,695,429	2,483,085,984	2,549,593,840	2,618,290,375	2,689,249,412
OA4 - Grants Contracts	493,197,011	504,369,750	514,248,358	525,392,569	536,814,053	548,519,990	560,517,757
OA5 - Sales Services	244,294,537	248,475,559	252,740,200	257,090,135	261,527,068	266,052,740	270,668,925
OA6 - Other Operating Revenue	80,684,320	82,544,029	83,504,579	84,568,793	86,739,570	87,019,897	88,412,844
OP1 - Appropriations	418,499,832	433,822,214	449,824,793	466,539,763	484,000,896	502,243,614	521,305,060
OP2 - Bond Revenue	130,715,968	132,172,915	133,651,597	135,152,339	136,675,470	138,221,327	139,790,246
OP3 - Gifts And Other	34,355,070	35,636,029	36,977,059	38,380,979	39,850,744	41,386,841	42,997,602
OP4 - Investment Income	65,339,281	65,740,860	66,149,504	66,557,906	66,978,808	67,413,923	67,863,156
OP5 - Other Non Operating Revenue	10,937,603	10,963,705	10,990,529	11,018,090	11,046,402	11,075,480	11,105,339
Total Revenues	\$ 3,885,275,215	\$ 4,054,098,402	\$ 4,156,381,999	\$ 4,263,155,124	\$ 4,364,439,385	\$ 4,476,899,560	\$ 4,596,177,438
OF1 - Salaries	\$ 1,435,659,336	\$ 1,505,062,212	\$ 1,542,573,072	\$ 1,580,829,725	\$ 1,619,625,882	\$ 1,659,175,763	\$ 1,699,522,868
OG1 - Payroll Benefits	410,844,309	427,005,836	436,217,925	445,613,951	455,225,902	465,058,865	475,118,028
OH1 - Salaries Contingency	69,678,492	71,243,655	72,840,121	74,468,516	76,129,480	77,823,663	79,551,729
OJ1 - Supplies	158,272,263	167,967,359	173,250,382	178,572,668	184,068,996	189,745,279	195,796,627
OJ2 - Travel	13,928,351	14,152,823	14,481,799	14,715,370	14,953,628	15,196,666	15,444,582
OJ3 - Student Costs	28,071,163	28,704,187	28,383,756	28,057,607	26,616,413	27,247,441	27,112,196
OJ4 - Research Costs	10,786,715	11,022,289	11,288,820	11,586,359	11,866,194	12,152,998	12,471,454
OJ5 - Patient Care Costs	701,640,744	740,874,299	760,952,124	781,641,252	802,983,120	824,998,742	847,709,819
OJ6 - Communication Charges	76,319,250	76,497,503	76,679,343	76,864,845	77,054,081	77,247,128	77,444,062
OJ7 - Services	98,174,897	100,148,778	102,098,759	104,087,739	106,116,499	108,185,836	110,296,555
OJ8 - Plant Maintenance	60,401,642	61,741,933	63,119,733	64,707,323	65,993,026	67,491,224	69,032,359
OJ9 - Utilities	40,417,015	41,449,862	42,512,626	43,606,182	44,731,432	45,889,305	47,080,757
OJA - Other Expense	204,750,820	209,746,530	210,969,214	215,711,614	220,814,402	228,090,030	225,908,075
OJB - Special Grant Contract Expense	35,997,564	36,830,458	37,772,904	38,825,074	39,814,580	40,828,745	41,954,907
OM1 - Capital Expenditures	107,497,469	114,743,214	118,802,333	122,421,882	126,431,586	130,608,092	134,915,168
OM2 - Bond Expenses	22,186,170	20,972,740	19,641,157	18,780,052	17,857,143	16,888,171	15,917,619
OM3 - Non Cash Expenses	146,316,559	146,502,991	146,695,822	146,890,046	147,085,787	147,283,071	147,481,918
Total Expenses	\$ 3,620,942,759	\$ 3,774,666,668	\$ 3,858,279,891	\$ 3,947,380,204	\$ 4,037,368,150	\$ 4,133,911,018	\$ 4,222,758,724
Subtotal	\$ 264,332,454.82	\$ 279,431,733.57	\$ 298,102,107.43	\$ 315,774,919.26	\$327,071,234.43	\$ 342,988,540.55	\$ 373,418,714.08
Extraordinary item - GASB adjustments							
Income net of extraordinary items	\$ 264,332,454.82	\$ 279,431,733.57	\$ 298,102,107.43	\$ 315,774,919.26	\$327,071,234.43	\$ 342,988,540.55	\$ 373,418,714.08

Campus Income Statement for the years ended June 30, 2018-2021 and Projected FY22-FY24

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OA1 - Tuition Revenue	\$ 71,313,856	\$ 54,565,689	\$ 52,435,893	\$ 51,499,538	\$ 57,075,129	\$ 61,566,817	\$ 65,832,907
OA2 - Student Fees	53,370,871	50,826,148	49,133,171	47,164,455	56,233,600	58,465,865	60,291,565
OA3 - Patient Services	2,522,909	2,572,366	2,334,162	1,744,230	2,460,723	2,460,723	2,460,723
OA4 - Grants Contracts	191,062,518	193,019,782	206,791,770	209,938,108	207,952,178	208,054,798	208,892,030
OA5 - Sales Services	185,940,222	181,964,271	164,164,125	199,766,963	185,314,341	188,914,849	192,587,367
OA6 - Other Operating Revenue	16,048,424	15,735,449	64,487,489	8,951,424	24,767,338	24,348,664	24,934,425
OP1 - Appropriations	212,461,472	229,290,576	246,969,915	228,844,593	238,709,250	249,963,102	261,500,046
OP2 - Bond Revenue	28,068,099	22,570,847	3,648,642	16,722,007	19,468,106	19,571,224	19,514,573
OP3 - Gifts And Other	22,846,072	19,305,985	20,597,077	25,901,784	23,526,535	24,799,284	25,717,954
OP4 - Investment Income	26,586,750	42,049,069	34,429,503	62,516,348	60,528,161	58,391,974	57,824,576
OP5 - Other Non Operating Revenue	(1,499,287)	275,688	(702,353)	111,008	10,230,769	10,017,075	10,007,075
Total Revenues	\$ 808,721,906	\$ 812,175,871	\$ 844,289,394	\$ 853,160,460	\$ 886,266,131	\$ 906,554,376	\$ 929,563,242
OF1 - Salaries	\$ 329,135,961	\$ 329,553,840	\$ 337,340,803	\$ 326,717,933	\$ 329,516,211	\$ 337,337,923	\$ 350,806,469
OG1 - Payroll Benefits	360,193,447	396,423,835	(347,610,953)	37,700,496	123,013,574	130,538,095	134,636,636
OH1 - Salaries Contingency	-	4,500	-	767,800,812	1,498,925	1,700,650	1,906,409
OJ1 - Supplies	33,828,009	29,744,009	30,601,351	61,202,965	25,741,455	26,258,980	27,684,237
OJ2 - Travel	12,403,432	12,720,910	9,637,636	3,921,301	7,677,104	8,515,124	9,155,918
OJ3 - Student Costs	22,588,049	20,509,876	20,732,517	18,230,788	18,601,662	15,744,163	17,702,348
OJ4 - Research Costs	2,752,455	2,866,538	2,253,320	2,437,144	3,783,160	3,893,807	3,878,346
OJ5 - Patient Care Costs	642,851	562,531	490,446	676,374	553,964	558,092	558,092
OJ6 - Communication Charges	4,947,301	4,764,856	5,163,086	5,592,434	5,661,586	5,775,543	5,891,798
OJ7 - Services	43,530,696	47,029,799	43,426,419	37,771,725	41,774,846	42,783,606	43,642,542
OJ8 - Plant Maintenance	46,192,625	42,854,578	41,025,635	39,270,623	43,863,933	46,722,122	47,793,071
OJ9 - Utilities	33,878,129	31,763,308	30,580,973	32,088,996	32,171,748	33,017,247	33,888,497
OJA - Other Expense	60,847,530	59,459,145	94,313,669	55,916,730	34,703,117	46,414,969	57,414,764
OJB - Special Grant Contract Expense	13,641,403	11,296,323	12,397,742	12,631,176	12,569,781	11,679,310	11,624,595
OM1 - Capital Expenditures	7,543,875	5,984,036	4,248,253	7,166,593	6,816,006	18,663,619	13,615,651
OM2 - Bond Expenses	18,248,457	15,025,456	12,733,252	14,416,931	14,247,251	11,795,887	10,794,172
OM3 - Non Cash Expenses	61,117,668	61,518,643	63,222,178	71,450,994	71,983,816	71,235,108	71,285,937
Total Expenses	\$ 1,051,491,886	\$ 1,072,082,181	\$ 360,556,326	\$ 1,494,994,014	\$ 774,178,139	\$ 812,634,245	\$ 842,279,481
Subtotal	\$ (242,769,979.61)	\$ (259,906,310.03)	\$ 483,733,068.33	\$ (641,833,554.84)	\$ 112,087,991.88	\$ 93,920,130.95	\$ 87,283,761.05
Extraordinary item - GASB adj	\$ 319,669,202.00	\$ 355,729,200.00	\$ (389,955,577.00)	\$ 762,018,778.00			
Income net of extraordinary items	\$ 76,899,222.39	\$ 95,822,889.97	\$ 93,777,491.33	\$ 120,185,223.16	\$ 112,087,991.88	\$ 93,920,130.95	\$ 87,283,761.05

Campus Projected Income Statement for FY25-FY31

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
OA1 - Tuition Revenue	\$ 69,411,727	\$ 72,992,096	\$ 76,236,479	\$ 79,493,034	\$ 72,774,110	\$ 75,929,322	\$ 80,255,187
OA2 - Student Fees	61,775,805	63,318,869	64,916,530	66,459,654	68,034,223	69,532,758	71,571,383
OA3 - Patient Services	2,460,723	2,460,723	2,460,723	2,460,723	2,460,723	2,460,723	2,460,723
OA4 - Grants Contracts	214,419,798	220,129,949	224,436,842	229,898,030	235,522,958	241,316,536	247,283,823
OA5 - Sales Services	196,333,336	200,154,224	204,051,530	208,026,782	212,081,539	216,217,391	220,435,961
OA6 - Other Operating Revenue	24,597,740	25,340,935	25,166,406	25,076,620	26,074,123	25,161,530	25,341,539
OP1 - Appropriations	273,854,035	286,847,756	300,475,100	314,767,332	329,757,270	345,479,371	361,969,787
OP2 - Bond Revenue	19,538,155	19,561,973	19,586,030	19,610,327	19,634,867	19,659,653	19,684,686
OP3 - Gifts And Other	26,681,222	27,697,079	28,760,377	29,873,332	31,038,260	32,254,985	33,531,139
OP4 - Investment Income	56,718,577	56,968,243	57,222,900	57,477,694	57,738,458	58,006,341	58,280,667
OP5 - Other Non Operating Revenue	9,997,075	9,987,075	9,977,075	9,967,075	9,957,075	9,947,075	9,937,075
Total Revenues	\$ 955,788,194	\$ 985,458,922	\$ 1,013,289,992	\$ 1,043,110,603	\$ 1,065,073,608	\$ 1,095,965,685	\$ 1,130,751,970
OF1 - Salaries	\$ 364,016,432	\$ 375,455,990	\$ 386,871,375	\$ 398,512,031	\$ 410,032,385	\$ 421,629,956	\$ 433,331,199
OG1 - Payroll Benefits	138,858,379	141,617,940	144,432,692	147,303,739	150,232,207	153,219,245	156,266,023
OH1 - Salaries Contingency	2,116,283	2,330,355	2,548,708	2,771,428	2,998,603	3,230,321	3,466,673
OJ1 - Supplies	27,325,536	27,874,989	28,435,522	29,007,354	29,590,716	30,185,841	30,981,966
OJ2 - Travel	9,699,543	9,846,053	10,095,508	10,247,967	10,403,492	10,562,142	10,723,982
OJ3 - Student Costs	18,150,170	18,584,774	18,061,957	17,529,371	15,877,611	16,336,208	15,939,547
OJ4 - Research Costs	3,976,723	4,078,457	4,208,476	4,366,775	4,504,586	4,646,529	4,817,227
OJ5 - Patient Care Costs	558,092	558,092	558,092	558,092	558,092	558,092	558,092
OJ6 - Communication Charges	6,010,402	6,131,400	6,254,841	6,380,776	6,509,253	6,640,327	6,774,048
OJ7 - Services	44,518,656	45,412,293	46,323,802	47,253,542	48,201,876	49,169,178	50,155,825
OJ8 - Plant Maintenance	48,967,507	50,169,623	51,406,486	52,850,318	53,989,390	55,338,023	56,726,603
OJ9 - Utilities	34,787,931	35,712,330	36,664,477	37,645,204	38,655,368	39,695,853	40,767,569
OJA - Other Expense	69,136,427	70,072,367	69,356,281	71,912,697	74,729,836	79,617,703	74,943,298
OJB - Special Grant Contract Expense	11,972,730	12,332,745	12,792,852	13,353,037	13,840,719	14,343,022	14,947,086
OM1 - Capital Expenditures	18,702,857	19,816,214	20,949,646	21,790,819	22,924,906	24,125,147	25,351,790
OM2 - Bond Expenses	9,776,554	8,898,184	7,912,800	7,409,404	6,856,097	6,269,014	5,693,047
OM3 - Non Cash Expenses	71,337,783	71,390,665	71,444,605	71,499,624	71,555,744	71,612,985	71,671,372
Total Expenses	\$ 879,912,004	\$ 900,282,472	\$ 918,318,121	\$ 940,392,178	\$ 961,460,879	\$ 987,179,585	\$ 1,003,115,347
Subtotal	\$ 75,876,190.21	\$ 85,176,450.28	\$ 94,971,871.21	\$ 102,718,424.74	\$ 103,612,728.50	\$ 108,786,100.28	\$ 127,636,623.49
Extraordinary item - GASB adj							
Income net of extraordinary items	\$ 75,876,190.21	\$ 85,176,450.28	\$ 94,971,871.21	\$ 102,718,424.74	\$ 103,612,728.50	\$ 108,786,100.28	\$ 127,636,623.49

Health Segment Income Statement for the years ended June 30, 2018-2021 and Projected FY22-FY24

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OA1 - Tuition Revenue	\$ 15,131,514	\$ 27,651,687	\$ 27,265,366	\$ 28,640,783	\$ 40,633,151	\$ 57,879,849	\$ 58,929,768
OA2 - Student Fees	2,859,372	3,066,302	3,047,494	3,119,109	4,692,228	1,020,935	1,020,935
OA3 - Patient Services	1,222,334,179	1,295,947,736	1,397,773,424	1,593,467,475	1,990,677,299	2,060,796,823	2,110,659,882
OA4 - Grants Contracts	165,199,696	158,978,838	159,508,273	247,797,941	273,424,890	175,177,649	179,231,784
OA5 - Sales Services	39,169,117	43,025,139	48,979,178	54,513,652	47,610,046	48,296,898	48,550,979
OA6 - Other Operating Revenue	37,155,791	64,737,133	57,607,634	59,816,829	67,277,586	30,177,652	30,426,151
OP1 - Appropriations	95,632,203	129,665,309	172,312,224	184,771,635	143,799,210	138,831,112	139,052,825
OP2 - Bond Revenue	103,990,252	105,794,580	115,296,794	119,289,569	107,004,256	268,374,781	269,765,864
OP3 - Gifts And Other	11,534,279	10,387,060	13,483,643	14,688,028	9,762,365	3,401,683	3,466,963
OP4 - Investment Income	(541,431)	1,924,160	(972,366)	29,852,233	12,587,406	7,752,838	7,872,106
OP5 - Other Non Operating Revenue	(299,037)	4,954,608	4,902,236	1,455,001	189,544,074	1,789,451	1,812,106
Total Revenues	\$ 1,692,165,934	\$ 1,846,132,553	\$ 1,999,203,900	\$ 2,337,412,254	\$ 2,887,012,512	\$ 2,793,499,672	\$ 2,850,789,364
OF1 - Salaries	\$ 668,041,985	\$ 890,683,671	\$ 721,125,342	\$ 801,465,080	\$ 995,205,010	\$ 981,684,959	\$ 1,011,842,787
OG1 - Payroll Benefits	192,440,124	208,162,559	224,566,805	265,311,458	260,411,779	254,903,304	261,605,234
OH1 - Salaries Contingency	20,929,573	25,820,867	26,924,557	35,469,026	66,309,027	66,237,610	66,237,610
OJ1 - Supplies	106,266,366	104,794,902	105,276,185	115,157,229	114,772,907	110,453,506	113,928,984
OJ2 - Travel	7,180,638	7,074,977	4,994,629	851,806	4,166,847	3,942,452	4,002,091
OJ3 - Student Costs	4,952,683	4,997,228	4,881,639	5,902,898	7,210,352	4,982,133	4,929,833
OJ4 - Research Costs	4,628,035	4,258,329	4,400,127	29,834,824	39,759,511	3,840,892	3,864,457
OJ5 - Patient Care Costs	464,678,445	304,315,736	565,868,024	603,612,444	638,521,593	550,018,447	563,651,442
OJ6 - Communication Charges	2,565,586	2,423,918	2,443,611	2,848,973	70,266,736	70,100,088	70,141,989
OJ7 - Services	42,688,810	55,241,057	47,428,465	43,722,294	63,761,750	37,784,666	38,038,710
OJ8 - Plant Maintenance	30,460,975	25,534,426	28,176,791	30,712,899	29,054,987	13,617,320	13,617,384
OJ9 - Utilities	5,607,823	6,156,567	6,088,271	6,098,669	5,522,762	5,522,762	5,522,762
OJA - Other Expense	27,590,775	68,405,042	57,359,999	95,467,336	130,221,022	121,450,541	129,413,901
OJB - Special Grant Contract Expense	13,418,601	12,843,439	12,577,620	60,390,610	114,411,790	58,655,504	59,592,088
OM1 - Capital Expenditures	211,066	1,300,583	533,806	820,408	252,035,218	228,329,371	226,556,837
OM2 - Bond Expenses	-	-	-	-	-	-	-
OM3 - Non Cash Expenses	39,652,608	40,126,799	41,276,825	45,135,483	51,083,702	53,199,629	54,490,133
Total Expenses	\$ 1,631,314,093	\$ 1,762,140,099	\$ 1,853,922,695	\$ 2,142,801,436	\$ 2,842,714,994	\$ 2,564,723,182	\$ 2,627,436,239
Net Income	\$ 60,851,841.64	\$ 83,992,453.46	\$ 145,281,204.16	\$ 194,610,818.22	\$ 44,297,518.20	\$ 228,776,489.85	\$ 223,353,125.03

Health Segment Projected Income Statement for FY25-FY31

	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
OA1 - Tuition Revenue	\$ 42,406,416	\$ 43,254,537	\$ 44,119,628	\$ 45,002,021	\$ 45,902,065	\$ 46,621,115	\$ 47,756,504
OA2 - Student Fees	4,159,277	4,242,462	4,327,311	4,413,858	4,502,135	4,592,177	4,684,021
OA3 - Patient Services	2,227,037,646	2,354,104,653	2,416,234,707	2,480,625,262	2,547,133,118	2,615,829,653	2,686,788,690
OA4 - Grants Contracts	278,777,212	284,239,801	289,811,516	295,494,539	301,291,095	307,203,454	313,233,934
OA5 - Sales Services	47,961,201	48,321,334	48,688,670	49,063,353	49,445,529	49,835,349	50,232,965
OA6 - Other Operating Revenue	56,086,581	57,203,095	58,338,174	59,492,172	60,665,448	61,858,368	63,071,305
OP1 - Appropriations	144,645,797	146,974,458	149,349,693	151,772,431	154,243,626	156,764,243	159,335,272
OP2 - Bond Revenue	111,177,813	112,610,942	114,065,567	115,542,012	117,040,603	118,561,674	120,105,560
OP3 - Gifts And Other	7,673,848	7,938,951	8,216,682	8,507,647	8,812,483	9,131,856	9,466,463
OP4 - Investment Income	8,620,704	8,772,617	8,926,604	9,080,212	9,240,350	9,407,582	9,582,489
OP5 - Other Non Operating Revenue	940,528	976,630	1,013,454	1,051,015	1,089,327	1,128,405	1,168,264
Total Revenues	\$ 2,929,487,021	\$ 3,068,639,479	\$ 3,143,092,007	\$ 3,220,044,521	\$ 3,299,365,778	\$ 3,380,933,875	\$ 3,465,425,468
OF1 - Salaries	\$ 1,071,642,904	\$ 1,129,606,222	\$ 1,155,701,697	\$ 1,182,317,694	\$ 1,209,593,496	\$ 1,237,545,807	\$ 1,266,191,670
OG1 - Payroll Benefits	271,985,930	285,387,896	291,785,233	298,310,212	304,993,694	311,839,620	318,852,005
OH1 - Salaries Contingency	67,562,209	68,913,300	70,291,413	71,697,088	73,130,877	74,593,342	76,085,056
OJ1 - Supplies	130,946,727	140,092,369	144,814,859	149,565,314	154,478,281	159,559,438	164,814,660
OJ2 - Travel	4,228,809	4,306,770	4,386,291	4,467,403	4,550,136	4,634,525	4,720,600
OJ3 - Student Costs	9,920,993	10,119,412	10,321,800	10,528,236	10,738,802	10,911,233	11,172,649
OJ4 - Research Costs	6,809,992	6,943,832	7,080,344	7,219,584	7,361,608	7,506,470	7,654,227
OJ5 - Patient Care Costs	701,082,652	740,316,207	760,394,032	781,083,160	802,425,028	824,440,650	847,151,727
OJ6 - Communication Charges	70,308,848	70,366,103	70,424,502	70,484,069	70,544,828	70,606,801	70,670,015
OJ7 - Services	53,656,241	54,736,485	55,774,957	56,834,197	57,914,622	59,016,658	60,140,730
OJ8 - Plant Maintenance	11,434,135	11,572,309	11,713,247	11,857,004	12,003,636	12,153,201	12,305,757
OJ9 - Utilities	5,629,084	5,737,532	5,848,149	5,960,978	6,076,064	6,193,452	6,313,188
OJA - Other Expense	135,614,393	139,674,163	141,612,932	143,798,917	146,084,566	148,472,327	150,964,777
OJB - Special Grant Contract Expense	24,024,833	24,497,714	24,980,052	25,472,037	25,973,862	26,485,723	27,007,822
OM1 - Capital Expenditures	88,794,612	94,927,000	97,852,688	100,631,063	103,506,680	106,482,945	109,563,378
OM2 - Bond Expenses	12,409,616	12,074,556	11,728,357	11,370,648	11,001,046	10,619,157	10,224,572
OM3 - Non Cash Expenses	74,978,777	75,112,326	75,251,217	75,390,422	75,530,044	75,670,086	75,810,547
Total Expenses	\$ 2,741,030,755	\$ 2,874,384,196	\$ 2,939,961,770	\$ 3,006,988,026	\$ 3,075,907,271	\$ 3,146,731,434	\$ 3,219,643,377
Net Income	\$ 188,456,265.19	\$ 194,255,283.62	\$ 203,130,236.61	\$ 213,056,495.19	\$ 223,458,506.34	\$ 234,202,440.82	\$ 245,782,090.64

Income Statement Financial Model Assumptions

Current year (FY22) forecast is driven by the annual operating budget			
FY23-FY31 projections are driven by prior year history, adjusted by inflationary factors			
<u>Revenue assumptions</u>			
<u>Operating Revenues</u>	<u>Main Campus</u>	<u>Branch Campuses</u>	<u>Health Segment - HSC Academic units</u>
Tuition Revenue	Avg of 2.4% increase per year, includes \$100 tuition discount reduction over 4 years	1% per year	2% per year starting FY25
Student Fees	Same as tuition revenue	Same as tuition revenue	Same as tuition revenue
Patient Revenues	Flat, no inflationary factors applied	Flat, no inflationary factors applied	2% per year starting FY25
Grants and Contracts	3% per year	3% per year	2% per year starting FY25
Sales and Service	2% per year	Flat, no inflationary factors applied	2% per year starting FY25
Other Operating Revenue (F&A recovery, misc)	3% per year	3% per year	2% per year starting FY25
<u>Nonoperating Revenues</u>	<u>Main Campus</u>	<u>Branch Campuses</u>	<u>Health Segment - HSC Academic units</u>
Appropriations	5% per year (3% funding formula, 2% compensation)	5% per year (3% funding formula, 2% compensation)	2% per year starting FY25
Bond Revenue	Flat, no inflationary factors applied	Flat, no inflationary factors applied	Flat, no inflationary factors applied
Gifts	Varies, avg of 4.4% per year	Varies, avg of 4.4% per year	Varies, avg of 4.4% per year
Investment Income	Varies, avg of 4.4% per year	Varies, avg of 4.4% per year	Varies, avg of 4.4% per year
Other Nonoperating Revenue	Flat, no inflationary factors applied	Flat, no inflationary factors applied	VP HSC Administration 2% per year starting FY25

Income Statement Financial Model Assumptions

Current year (FY22) forecast is driven by the annual operating budget			
FY23-FY31 projections are driven by prior year history, adjusted by inflationary factors			
Expense assumptions			
Operating Expenses	Main Campus	Branch Campuses	Health Segment - HSC Academic units
Salaries	2% per year	2% per year	2% per year starting FY25
Benefits	2% per year	2% per year	Calculated as 29.02% of salaries
Supplies	2% per year	2% per year	2% per year starting FY25
Travel	2% per year	2% per year	2% per year starting FY25
Patient Costs	Calculated as 22.68% of patient revenues	Calculated as 22.68% of patient revenues	Calculated as 22.68% of patient revenues
Research costs	Calculated as 2.45% of Grants and Contracts revenue	Calculated as 2.45% of Grants and Contracts revenue	Calculated as 2.45% of Grants and Contracts revenue
Student costs	Calculated as 21.28% of tuition and student fee revenue	Calculated as 21.28% of tuition and student fee revenue	Calculated as 21.28% of tuition and student fee revenue
Special Grant Contract Expense	Calculated as 8.67% of grants and contracts revenue	Calculated as 8.67% of grants and contracts revenue	Calculated as 8.67% of grants and contracts revenue
Communications Charges	2% per year	2% per year	2% per year starting FY25
Services	2% per year	2% per year	2% per year starting FY25
Plant Maintenance	2% per year	2% per year	2% per year starting FY25
Utilities	2% per year	2% per year	2% per year starting FY25
Other Expense	2% per year	2% per year	2% per year starting FY25
Nonoperating Expenses	Main Campus	Branch Campuses	Health Segment - HSC Academic units
Capital Expenditures	Approved projects on capital planning sheet plus 2% per year	Approved projects on capital planning sheet plus 2% per year	Flat, manually adjusted for funded projects
Bond expenses	From debt service schedule supporting sheet	From debt service schedule supporting sheet	Flat, manually adjusted for outstanding bonds
Noncash expenses	2% per year	2% per year	Flat, no inflationary factors applied

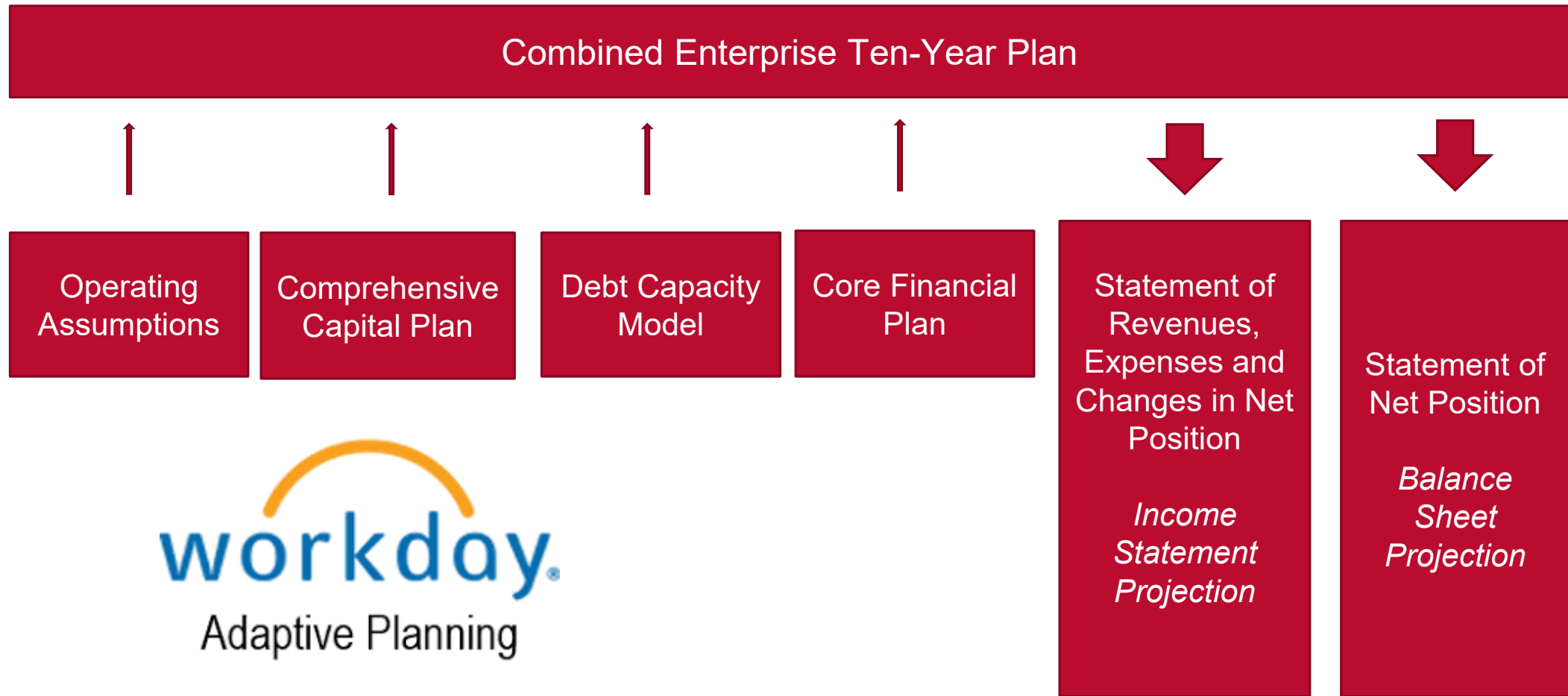
Appendix II-10 Year Core Financial Plan

Fall 2021



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The UNM combined enterprise ten-year plan will serve as a strategic roadmap and will help drive optimal decision-making



Management of the Core Funds is governed by several key strategic principles

- 1. Protect the critical core missions** of providing education, creating new knowledge and developing creative works, providing public service, and delivering patient care, so that we may achieve our fundamental missions both now and into the long-term future.
- 2. Be mindful** of the ways in which our choices and the exogenous influences to which we are subject might exacerbate inequality, and make decisions to protect our most vulnerable students, staff, and faculty, so that we will continue to ensure social mobility for our students and live into our fundamental UNM values.
- 3. Ensure that we can attract great students** at both the graduate and undergraduate levels, and provide the services and supports necessary for their success, both because their learning and success is a key part of our mission and because their enrollment is a key source of the revenue and state support that allows us to deliver on that mission.
- 4. Make decisions that enhance our ability to engage** in cutting edge and applied research, scholarship, and creative production, and which enhance our opportunities to generate the external resources on which this work often rests, so that we can continue now and for the long-run to create the intellectual foundation for our educational and service enterprise, and generate the new ideas that society requires.
- 5. Continue to ensure compliance and safety**, so that the UNM environment will be one in which our community can work, learn, and grow without fear or unacceptable risk.
- 6. Continue long-range, all-enterprise, all funds budget planning**, so that we can ensure the long-term future and impact of UNM and decrease volatility in our resource base.

FY 2021-22 Forecast Main Campus Core Fund Revenue Sources

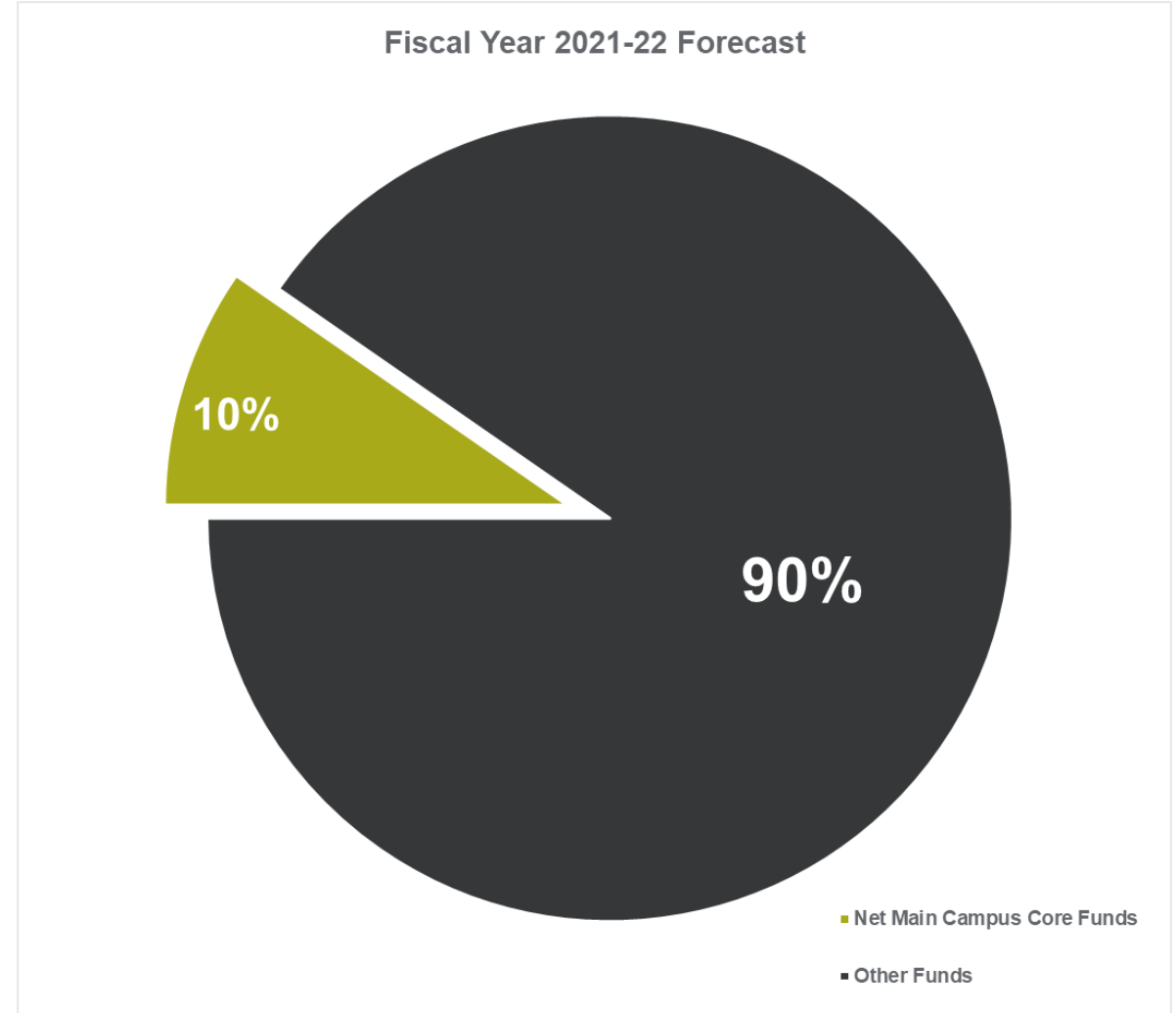
Fall 2021 Update



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FY 2021-22 Enterprise Forecast Total Revenues Sources \$3.96 Billion

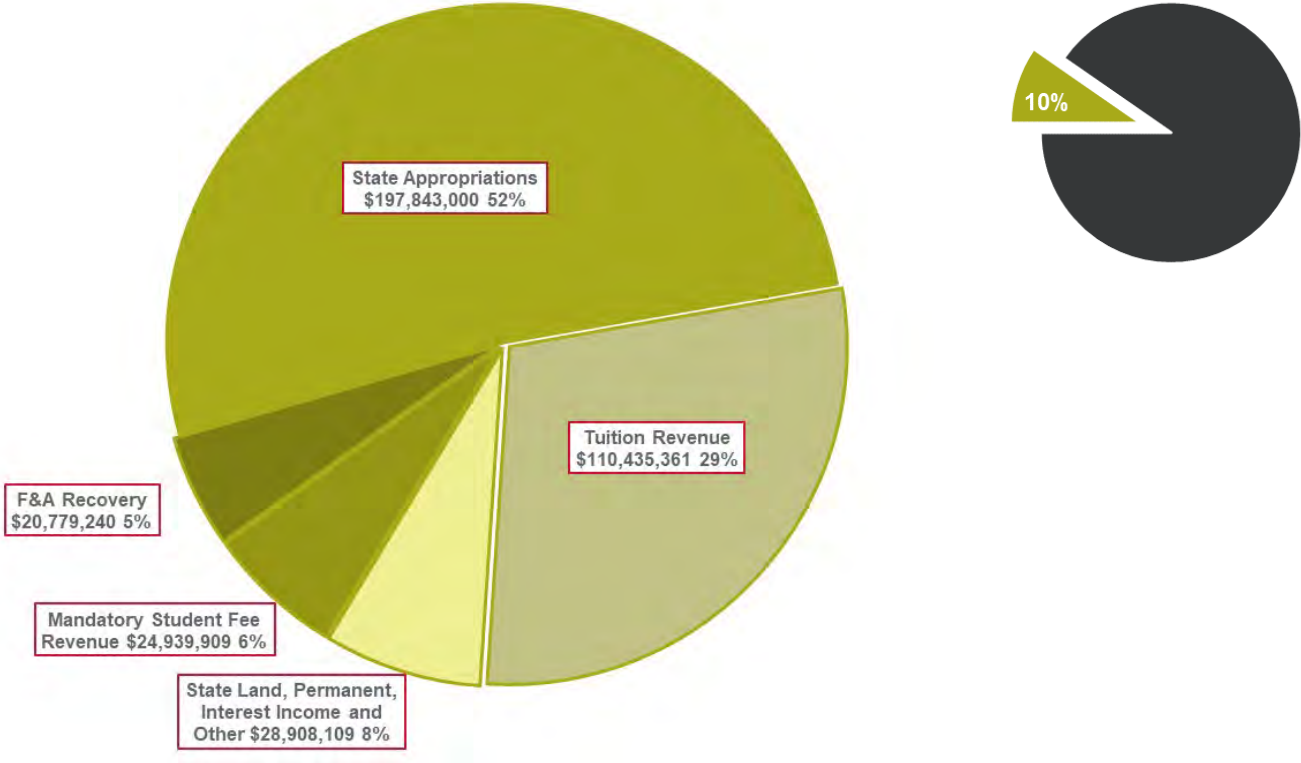
- Main Campus Core Funds: \$382.9M
 - State Appropriations
 - Tuition and Fees
 - F and A Recovery
 - Investment Income
- Other Funds: \$3.58 Billion
 - Patient Revenues
 - Contract and Grants
 - External Sales
 - Private Gifts
 - Investment Income



FY 2021-22 Forecast- Main Campus Core Fund Revenue Sources \$382.9 million

State Appropriations and Tuition and Fee Revenues comprise 87% of all FY22 Main Campus Core Fund Revenue Sources

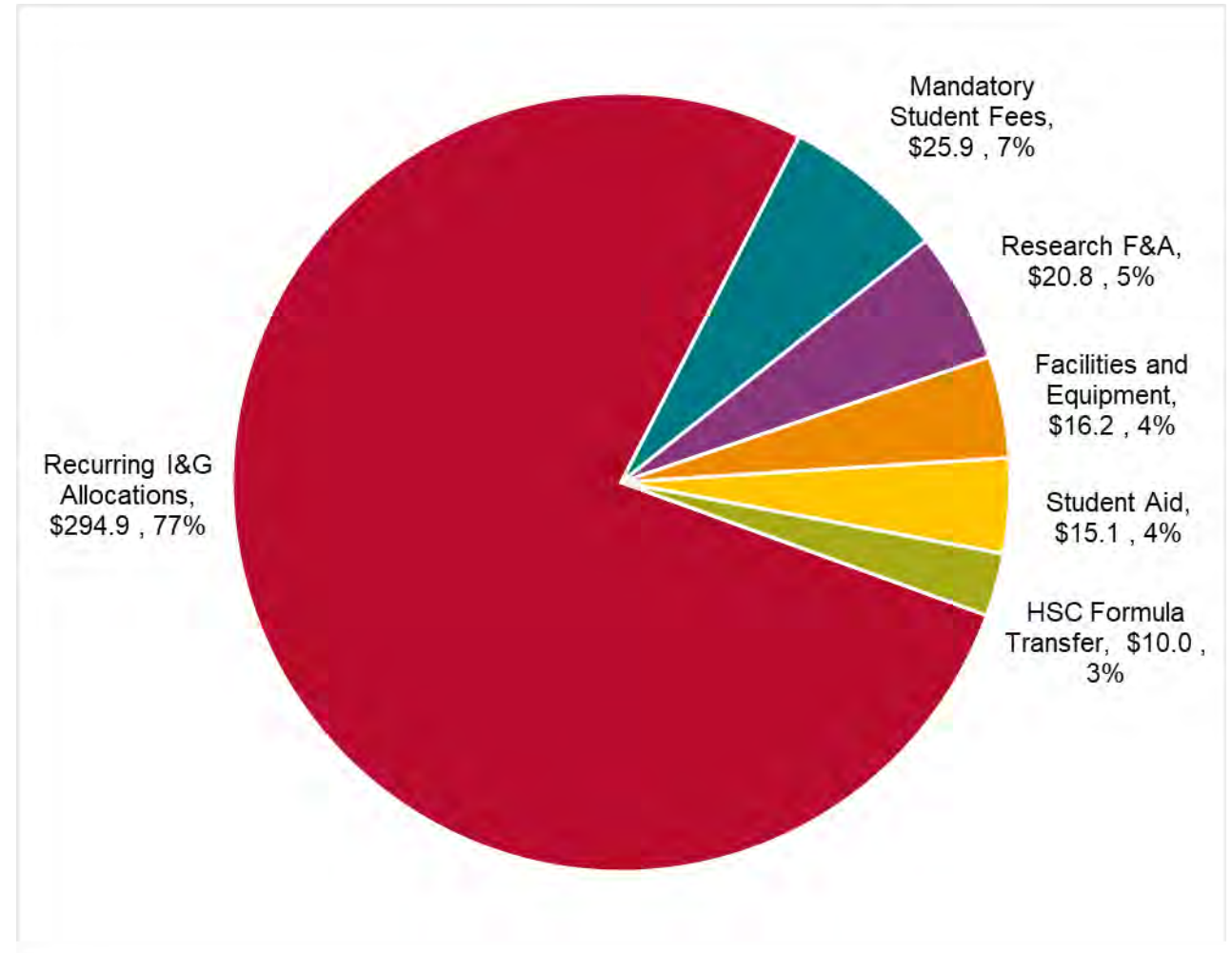
State Appropriations	\$197,843,000
Tuition Revenue	\$110,435,361
State Land, Permanent, Interest Income and Other	\$28,908,109
Mandatory Student Fee Revenue	\$24,939,909
F&A Recovery	\$20,779,240
Total Revenues	\$382,905,618



FY 2021-22 Forecast- Main Campus Core Fund Allocations \$382.9 million

Core fund allocations are primarily used for recurring academic and administrative operations.

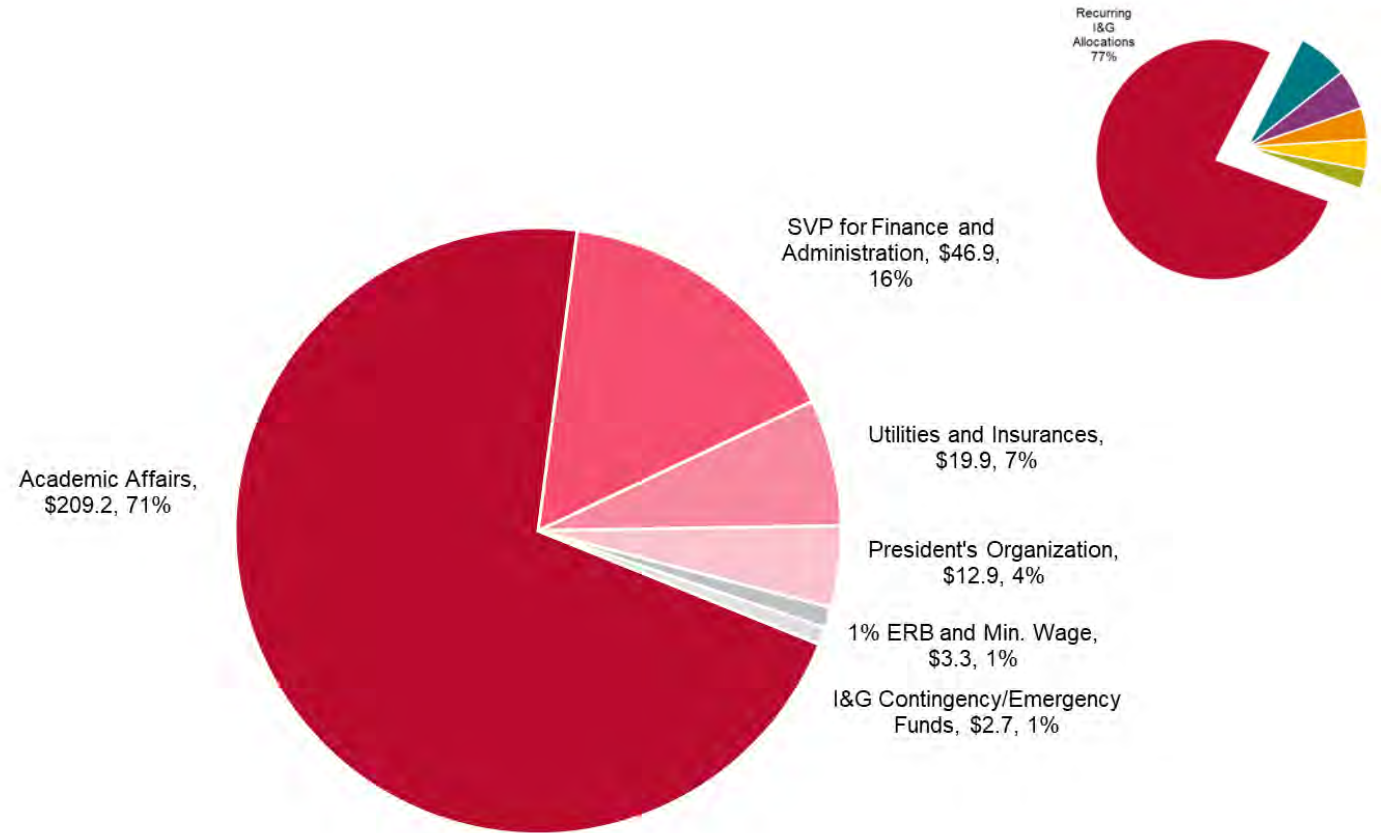
They are also used to provide facility support, student aid and other initiatives



FY 2021-22 Forecast- Main Campus Core Fund Recurring Allocations \$294.9 million

(\$M)

Organizations	Total
College of Arts & Sciences A&S	\$76.5
Academic Affairs Administration	\$20.9
School of Engineering SOE	\$20.0
College of Ed & Human Science COEHS	\$16.2
College of Univ Lbry & Learning Sci	\$15.4
College of Fine Arts CFA	\$14.6
Anderson Schools of Management ASM	\$12
School of Law LAW	\$8.4
VP Division of Enrollment Mgmt	\$7.3
Student Affairs	\$7.0
School of Architecture & Planning	\$5.0
Extended University Ext Univ	\$2.4
Honors College	\$1.8
University College UC	\$1.6
Vice President for Research	\$.1
Subtotal Academic Affairs	\$209.2
SVP for Finance and Administration	\$46.9
Utilities and Insurances	\$19.9
President's Organization	\$12.9
1% ERB and Min. Wage	\$3.3
I&G Contingency/Emergency Funds	\$2.7
Grand Total	\$294.9



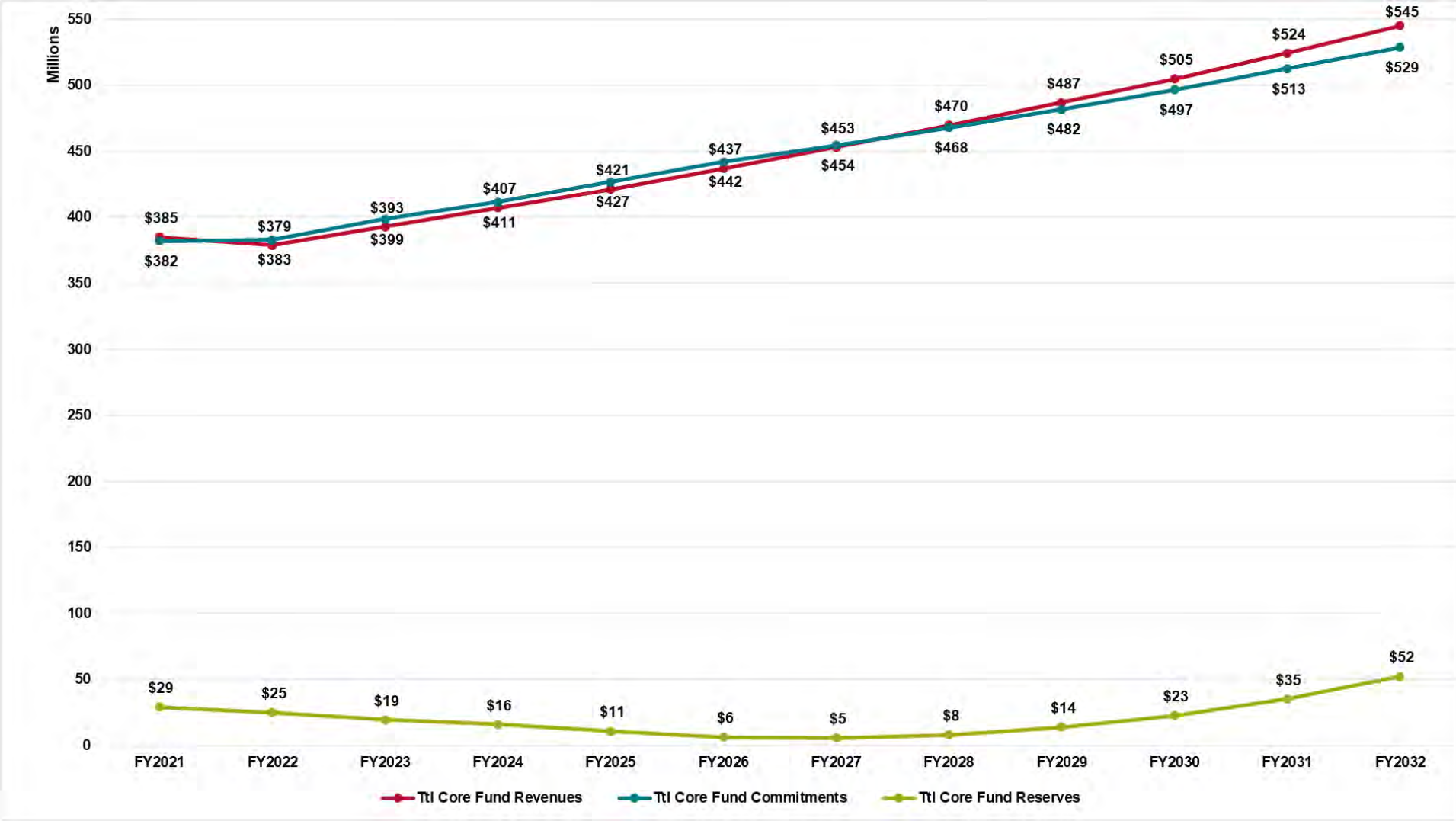
10 Year Main Campus Core Fund Projection

Fall 2021 Update

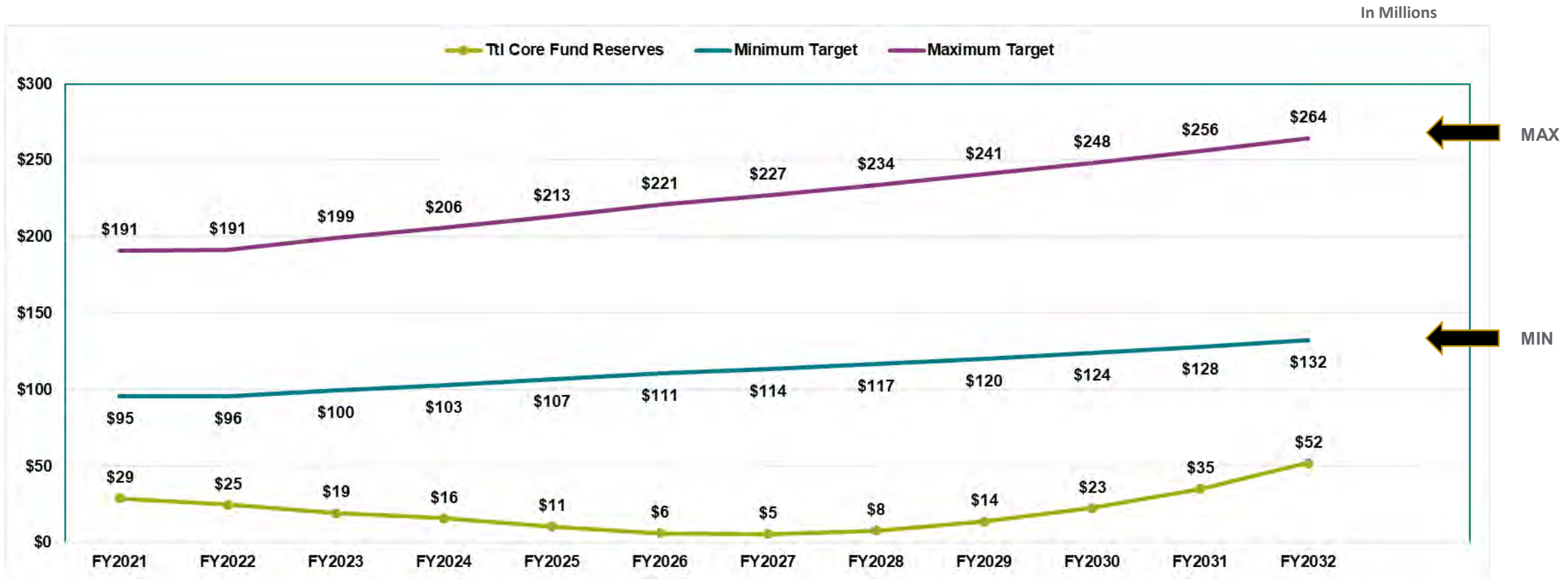


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Based upon projected revenues and allocations, the Core Fund ending reserve in 2031-32 is estimated to be \$52M



The Core Fund Reserve stays below Minimum and Maximum Targets



- The minimum target is 3 months and maximum target is 6 months of annual expenditures.
- Reserves are necessary to cover potential reductions in state appropriations and enrollments.
- Reserves also help stabilize operations and cushion the effects of financial downturns.

FY21 – FY32 Main Campus Core Funds Schedule of Revenue Sources, Allocations and Reserves

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Tuition Revenue	\$ 116,022,589	\$ 110,435,361	\$ 114,742,340	\$ 118,345,250	\$ 121,303,881	\$ 124,385,000	\$ 126,984,646	\$ 129,587,831	\$ 132,205,505	\$ 134,704,189	\$ 138,233,439	\$ 142,034,859
Student Fees	1,020	-	-	-	-	-	-	-	-	-	-	-
Grants Contracts	180,069	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Admin OH	4,683,161	3,987,325	3,987,325	3,987,325	3,987,325	3,987,325	3,987,325	3,987,325	3,987,325	3,987,325	3,987,325	3,987,325
F&A Recovery	19,965,643	20,779,240	21,402,617	22,044,696	22,706,037	23,387,218	24,088,834	24,811,499	25,555,844	26,322,519	27,112,195	27,925,561
State Appropriations	186,173,362	197,843,000	207,735,150	218,121,908	229,028,003	240,479,403	252,503,373	265,128,542	278,384,969	292,304,217	306,919,428	322,265,400
State Land, Permanent, Interest and Other	9,605,357	6,464,786	6,596,817	6,730,169	6,864,854	7,000,886	7,138,278	7,277,044	7,417,198	7,558,753	7,701,724	7,846,124
Total Recurring I&G Revenues	\$ 336,631,201	\$ 339,689,712	\$ 354,644,250	\$ 369,409,346	\$ 384,070,099	\$ 399,419,831	\$ 414,882,456	\$ 430,972,241	\$ 447,730,841	\$ 465,057,003	\$ 484,134,111	\$ 504,239,270
Base allocation to depts	\$ 277,983,187	\$ 294,934,739	\$ 294,934,739	\$ 308,932,153	\$ 322,928,183	\$ 336,928,911	\$ 350,383,869	\$ 360,837,833	\$ 372,558,634	\$ 384,045,089	\$ 397,377,933	\$ 410,954,571
New recurring operations requests (adj)	-	-	13,997,414	13,996,029	14,000,729	13,454,958	10,453,963	11,720,801	11,486,455	13,332,843	13,576,638	13,805,120
Total Base Allocation to Departments	\$ 277,983,187	\$ 294,934,739	\$ 308,932,153	\$ 322,928,183	\$ 336,928,911	\$ 350,383,869	\$ 360,837,833	\$ 372,558,634	\$ 384,045,089	\$ 397,377,933	\$ 410,954,571	\$ 424,759,691
F&A Allocation to Depts	\$ 19,965,643	\$ 20,779,240	\$ 21,402,617	\$ 22,044,696	\$ 22,706,037	\$ 23,387,218	\$ 24,088,834	\$ 24,811,499	\$ 25,555,844	\$ 26,322,519	\$ 27,112,195	\$ 27,925,561
Net Transfers To Other Units	25,785,407	26,804,123	27,693,998	28,496,624	29,220,448	29,970,599	30,664,776	31,369,598	32,086,867	32,798,644	33,662,448	34,574,905
Total Base Transfers to Departments	\$ 45,751,050	\$ 47,583,363	\$ 49,096,615	\$ 50,541,320	\$ 51,926,485	\$ 53,357,817	\$ 54,753,610	\$ 56,181,097	\$ 57,642,711	\$ 59,121,163	\$ 60,774,643	\$ 62,500,466
Total Recurring Commitments to Departments	\$ 323,734,237	\$ 342,518,102	\$ 358,028,769	\$ 373,469,503	\$ 388,855,397	\$ 403,741,686	\$ 415,591,443	\$ 428,739,731	\$ 441,687,800	\$ 456,499,096	\$ 471,729,214	\$ 487,260,157
Net Margin I&G	\$ 12,896,964	\$ (2,828,391)	\$ (3,384,519)	\$ (4,060,157)	\$ (4,785,297)	\$ (4,321,855)	\$ (708,987)	\$ 2,232,510	\$ 6,043,041	\$ 8,557,907	\$ 12,404,897	\$ 16,979,113
Beginning I&G Core Fund Reserve	\$10,948,563	\$17,068,681	\$14,418,341	\$11,235,873	\$7,790,767	\$3,683,521	\$39,717	\$8,781	\$2,919,342	\$9,640,434	\$18,876,392	\$31,959,340
Recurring I&G Base Allocation	2,943,329	2,678,051	2,678,051	2,678,051	2,678,051	2,678,051	2,678,051	2,678,051	2,678,051	2,678,051	2,678,051	2,678,051
Non-recurring commitments	9,720,175	2,500,000	2,476,000	2,063,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Ending I&G Core Fund Reserve	\$ 17,068,681	\$ 14,418,341	\$ 11,235,873	\$ 7,790,767	\$ 3,683,521	\$ 39,717	\$ 8,781	\$ 2,919,342	\$ 9,640,434	\$ 18,876,392	\$ 31,959,340	\$ 49,616,504
Mandatory Student Fees (MSF)	33,863,949	24,939,909	25,151,875	25,654,913	26,168,011	26,691,371	27,225,198	27,769,702	28,325,096	28,891,598	29,469,430	30,058,819
Total Mandatory Student Fees (MSF)	\$ 33,863,949	\$ 24,939,909	\$ 25,151,875	\$ 25,654,913	\$ 26,168,011	\$ 26,691,371	\$ 27,225,198	\$ 27,769,702	\$ 28,325,096	\$ 28,891,598	\$ 29,469,430	\$ 30,058,819
Total (MSF) Allocations to Departments	\$ 30,400,157	\$ 25,914,560	\$ 25,635,902	\$ 26,020,441	\$ 26,410,747	\$ 26,806,908	\$ 27,209,012	\$ 27,617,147	\$ 28,169,490	\$ 28,873,727	\$ 29,595,571	\$ 30,335,460
Net Margin MSF	\$3,463,792	(\$974,651)	(\$484,027)	(\$365,528)	(\$242,736)	(\$115,537)	\$16,186	\$152,555	\$155,606	\$17,871	(\$126,140)	(\$276,641)
Beginning MSF reserve	\$ 659,455	\$ 4,123,247	\$ 3,148,596	\$ 2,664,569	\$ 2,299,041	\$ 2,056,305	\$ 1,940,767	\$ 1,956,954	\$ 2,109,509	\$ 2,265,115	\$ 2,282,986	\$ 2,156,846
Ending MSF reserve	\$ 4,123,247	\$ 3,148,596	\$ 2,664,569	\$ 2,299,041	\$ 2,056,305	\$ 1,940,767	\$ 1,956,954	\$ 2,109,509	\$ 2,265,115	\$ 2,282,986	\$ 2,156,846	\$ 1,880,205
Transfer from I&G	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405	\$ 9,767,405
Interest Income	4,562,012	4,320,000	3,209,709	2,398,376	1,041,982	1,040,595	1,039,164	1,037,748	1,036,277	1,034,736	1,033,133	1,033,133
Total Recurring FIN sources	\$ 14,329,417	\$ 14,087,405	\$ 12,977,114	\$ 12,165,781	\$ 10,809,387	\$ 10,808,000	\$ 10,806,569	\$ 10,805,153	\$ 10,803,682	\$ 10,802,141	\$ 10,800,538	\$ 10,800,538
Total FIN requests	\$ 27,855,776	\$ 14,472,956	\$ 14,854,086	\$ 11,909,301	\$ 11,571,686	\$ 11,467,686	\$ 11,571,686	\$ 11,467,686	\$ 11,771,686	\$ 11,215,600	\$ 11,215,600	\$ 11,215,600
Net Margin FIN	(\$13,526,359)	(\$385,551)	(\$1,876,972)	\$256,480	(\$762,299)	(\$659,686)	(\$765,117)	(\$662,533)	(\$968,004)	(\$413,459)	(\$415,062)	(\$415,062)
Beginning FIN reserve	\$ 21,216,898	\$ 7,690,539	\$ 7,304,988	\$ 5,428,016	\$ 5,684,496	\$ 4,922,197	\$ 4,262,511	\$ 3,497,394	\$ 2,834,861	\$ 1,866,857	\$ 1,453,397	\$ 1,038,335
Ending FIN reserve	\$ 7,690,539	\$ 7,304,988	\$ 5,428,016	\$ 5,684,496	\$ 4,922,197	\$ 4,262,511	\$ 3,497,394	\$ 2,834,861	\$ 1,866,857	\$ 1,453,397	\$ 1,038,335	\$ 623,274
Department loan balances												
Athletics	\$	\$ 3,164,599	\$ 2,712,513	\$ 2,260,427	\$ 1,808,341	\$ 1,356,255	\$ 904,169	\$ 452,083	\$ -	\$ -	\$ -	\$ -
Auxiliaries	\$	\$ 4,127,000	\$ 3,797,000	\$ 3,467,000	\$ 3,137,000	\$ 2,807,000	\$ 2,477,000	\$ 2,147,000	\$ 1,817,000	\$ 1,487,000	\$ -	\$ -
Total outstanding loans	\$	\$ 7,291,599	\$ 6,509,513	\$ 5,727,427	\$ 4,945,341	\$ 4,163,255	\$ 3,381,169	\$ 2,599,083	\$ 1,817,000	\$ 1,487,000	\$ -	\$ -

Main Campus Revenue and Expenditure Assumptions

Category	Planning Type	Comments	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
OA1 - Tuition Revenue Core Fund	05 - Override Inflation	2% base increase plus 10 year enrollment projections from Enrollment Management plus a reduction of the Resident \$100 discount over 4 years	3.90%	3.14%	2.50%	2.54%	2.09%	2.05%	2.02%	1.89%	2.62%	2.75%
OA1 - Tuition Revenue Differentials	05 - Override Inflation	2% increase plus 10 year enrollment projections from Enrollment Management	3.55%	2.74%	2.10%	2.14%	2.09%	2.05%	2.02%	1.89%	2.62%	2.75%
OA2 - Student Fees	05 - Override Inflation	2% increase plus 10 year enrollment projections from Enrollment Management	3.36%	2.65%	2.09%	2.13%	2.16%	2.04%	2.04%	1.90%	2.55%	2.66%
OA3 - Patient Services	03 - Flat											
OA4 - Grants Contracts	05 - Override Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
OA5 - Sales Services	03 - Flat											
OA6 - Other Operating Revenue	05 - Override Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
OP1 - Appropriations	05 - Override Inflation	3% Formula Funding and 2% Compensation	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
OP2 - Bond Revenue	03 - Flat											
OP3 - Gifts And Other	05 - Override Inflation		6.86%	4.63%	4.64%	4.67%	4.67%	4.67%	4.67%	4.66%	4.67%	0.00%
OP4 - Investment Income	05 - Override Inflation	Note: FY 23 Assumption % is an adjuster to FY23 based on FY22 data load and not a true assumption	-32.04%	4.40%	4.41%	4.20%	4.16%	3.95%	3.95%	3.98%	3.98%	0.00%
OP5 - Other Non Operating Revenue	03 - Flat											
OS1 - Transfer	01 - DS - Transfer											
OV1 - Allocations	03 - Flat											
OW1 - Subsidy	03 - Flat											
OZ1 - Reserves	03 - Flat											
OF1 - Salaries	05 - Override Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OG1 - Payroll Benefits	05 - Override Inflation		9.47%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OJ1 - Supplies	05 - Override Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OJ2 - Travel	05 - Override Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OJ3 - Student Costs	06 - Driver Assumption											
OJ4 - Research Costs	06 - Driver Assumption											
OJ5 - Patient Care Costs	06 - Driver Assumption											
OJ6 - Communication Charges	05 - Override Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OJ7 - Services	05 - Override Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OJ8 - Plant Maintenance	05 - Override Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OJ9 - Utilities	05 - Override Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
OJA - Other Expense	05 - Override Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OJB - Special Grant Contract Expense	06 - Driver Assumption											
OM1 - Capital Expenditures	05 - Override Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
OM2 - Bond Expenses	02 - DS - Expense											
OM3 - Non Cash Expenses	05 - Override Inflation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Source:
Office
of Planning
Budget and
Analysis

Four Things Missing from the Plan

Sufficient
Investment in
Compensation

Sufficient
Investment in
Startups

Adequate
Reserve
Balance

Adequate
Investment in
Facilities

What are our opportunities?

Appendix III-Core Fund Strategic Investments

Winter 2022



OFFICE OF THE
SENIOR VICE PRESIDENT FOR
FINANCE & ADMINISTRATION

Investment in Compensation--\$16.9M

- 7% Compensation Increase for Faculty and Staff--\$16.3M
- Minimum Wage Increase to \$13.50 per hour--\$606K



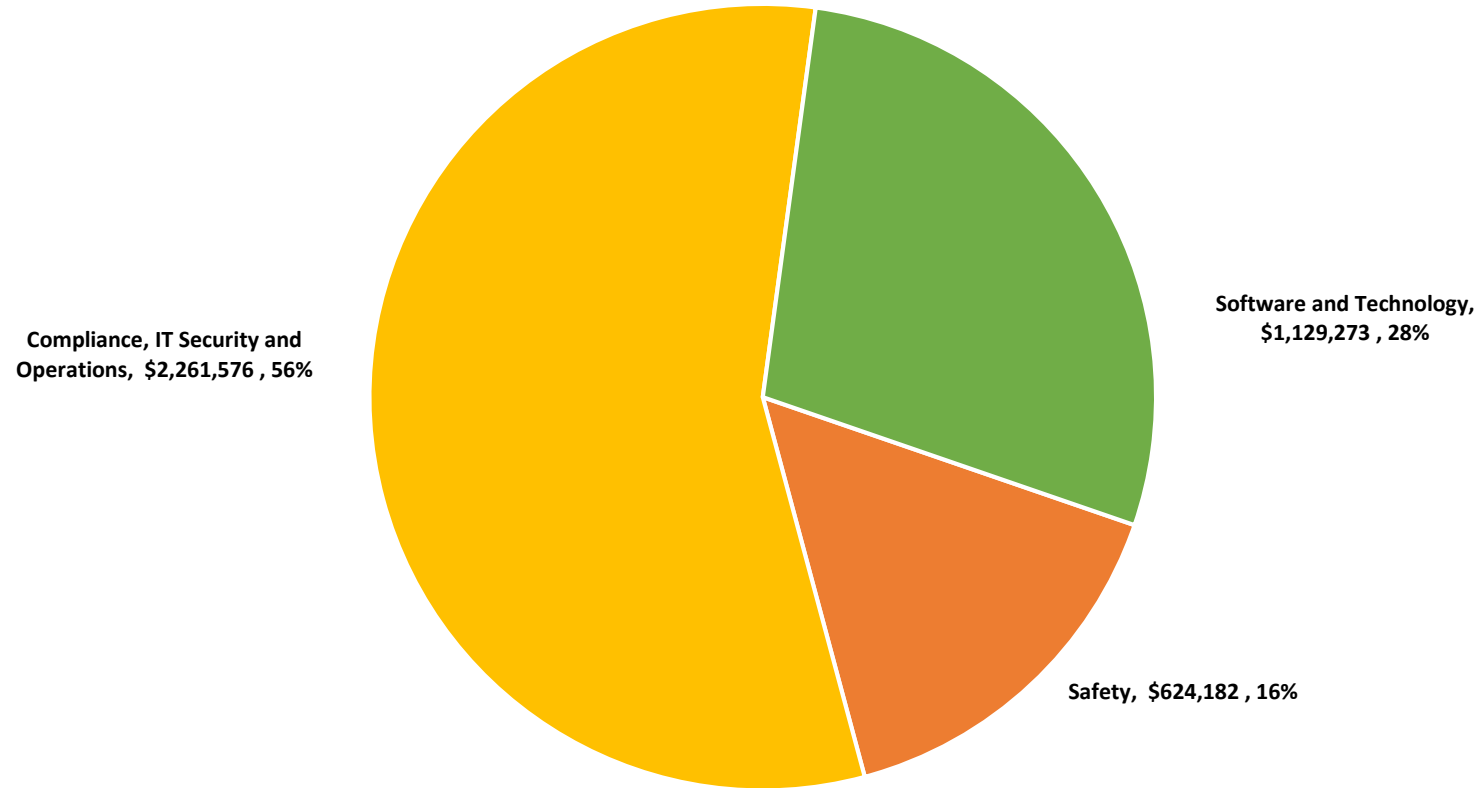
Academic Affairs Recurring Requests \$8.6M

Faculty Compensation and Development	\$1.1M	Must continue to improve comp.
A&S Faculty Replacement	\$1.2M	Must protect our core academic unit
Enrollment & Student Success	\$1.0M	Must grow enrollment & success
Strategic Research, Education & Service	\$2.4M	Must pursue strategic directions
Startup	\$3.0M	Must recruit excellent people
Total Recurring Request	\$8.6M	

Note: \$8.6M includes \$470K Must Funds-Faculty Promotions and Tenure Increases

SVP for Finance and Administration

\$4.015M Recurring Requests By Function



SVP for Finance and Administration Recurring Request Detail

Safety \$624,182

Police Department

- Six Additional Dispatchers w/fringe benefit \$344,963
- Compensation pay increase for dispatchers and security \$29,219

Environment Health and Safety

- Operating Budget (Alarms Inspections and Fire Sprinkler Renewals-Testing Cost) \$250K

Compliance, IT Security and Operations \$2,261,576

Information Technologies

- Endpoint Detection and Response-\$774K
- Restoration of Student Employee Budget-\$305K
- Professional Development-\$266K
- HIPAA/PCI Assessments-\$50k

Financial Services

- Payment Works (Accounts Payable System) and Touchnet recurring maintenance(Bursar System) \$244K
- Payroll Department-Financial Analyst 1 FTE-Compliance for out of state employees \$99K
- Risk Services Operations Specialist 1 FTE-\$80K
- Restoration of operating and professional development budget-\$380K

ISS and Policy Office- 1 FTE Professional Intern -Planning Support and enough to cover full fringe rate in Policy Office. \$63,185

SVP for Finance and Administration Recurring Request Detail

Software Licensing and Technology \$1,129,273

Many of these costs are on-going commitments and necessary for business operations to continue. They also support our strategic planning initiatives and mission of the University.

IT

- Software Licensing Enhancements (uAchieve, VMWare, Splunk, Nessus) \$281,242
- Software Licensing Escalators-\$174,114
- Streamlyne-\$141,888

Financial Services

- SciQuest-Lobomart recurring software maintenance \$257,029K
- Chrome River recurring software maintenance \$186,400
- Travel Booking Tool, Accruent, and Windstar recurring software maintenance \$88,600

President's Organizations Total Recurring Requests \$2.5M

Strategic Athletic Budget Planning

Football initiatives (priority 1)	\$ 341,350
Football initiatives (priority 2)	\$ 369,300
Additional cost of attendance	\$ 200,000
Additional travel	\$ 150,000
Facilities deferred maintenance	\$ 25,000
Backfill projected tuition/fee increases	\$ 385,016
Utilities inflationary increases	\$ 18,295
Student professional development	\$ 50,000
Mental health & drug testing	\$ 120,000
Institutional support	\$ 300,000
Total Recurring Request	\$ 1,838,961

President's Organizations continued

Emphasis on Community and Compliance

• Alumni Relations	\$ 50,000	Personnel support for programming
• Division for Equity and Inclusion	\$ 100,000	Infrastructure, personnel, prof. development
• Hearing Office/Office of the President	\$ 100,000	Additional advisors to meet hearing load
• Office of Compliance, Ethics & Equal Opportunity	\$ 150,000	Split Clery and compliance role, data support
• University Communication and Marketing*	\$ 160,000	Institutional spot, digital advertising
• Internal Audit	\$ 65,000	System upgrades, professional development
• Total Recurring Request	\$ 625,000	

Must Funds Recurring Requests \$6.3M

Group Health Insurance Increase 2% cost increase	325,768
Group Health 1.7% plan design change	276,903
Student Health Insurance - No Increase	
Worker's Compensation (%) and Unemployment (%) No Increase	
Estimated ERB Employer Contribution 2% Increase	3,301,500
Faculty promotion and tenure increases includes fringes	470,000
Misc. Fringe Benefits % increase	200,000
Property and General Liability Insurance	670,000
Utilities 3%	484,000
Recurring Must Fund Increase	5,728,171

TAB 17

#17

INFORMATION ITEM RECOMMENDATIONS:

Recommendations for Information Agenda Items to be
Added to the Full Board of Regents' Agenda (*Sandra Begay,*
Chair, Regents' Finance & Facilities Committee)

TAB 18

#18

EXECUTIVE SESSION:

None