

BOARD OF REGENTS

# FINANCE & FACILITIES COMMITTEE

---

## MEETING AGENDA

February 7, 2023, 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 7, 2023, 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 December 6, 2022
4. **ACTION ITEM:** Approval of Disposition of Surplus Property for November and December 2022 (*Presenter: Bruce Cherrin, Chief Procurement Officer, Purchasing Department*)
5. **INFORMATION ITEM and ACTION ITEM:** Information on 2nd Quarter Consolidated Financial Report through December 31, 2022 (*Presenter: Norma Allen, University Controller*)  
  
Approval of the New Mexico Higher Education Department, Institutional Finance Division, 2nd Quarter Financial Actions Report and Certification through December 31, 2022 (*Presenter: Norma Allen, University Controller*)
6. **ACTION ITEM:** Project Construction Approvals:
  1. Student Resident Center Commons Renovation
  2. Taos Klauer Campus South Parking Lot
  3. Bratton Hall - Forum Renovations
  4. Farris Engineering Center-Computer Science Collaborative Space
  5. 933 Bradbury Dr. SE - HVAC Replacement Project
  6. New Mexico PBS KNME-TV - Chiller Addition
  7. Chicana & Chicano Studies - Exterior Courtyard Improvements (*Presenter: Lisa Marbury, AVP, Campus Environments & Administration*)
7. **ACTION ITEM:** Approval of Board Reappointments to UNM Rainforest Innovations Board of Directors (*Presenter: Lisa Kuuttila, CEO & Chief Economic Development Officer, UNM Rainforest Innovations*)
8. **ACTION ITEM:** Approval of Board Appointments and Reappointments to the Harwood Foundation Governing Board (*Presenter: Scott McAdams, Chair of the Governing Board of the Harwood Foundation of UNM*)
9. **ACTION ITEM:** Approval of Project Development Proposal and Agreement, UNM Owned Land at Yale Blvd. and Lomas Blvd. (*Presenter: Kelly Ward, Exec. Dir., Lobo Development Corporation*)

The University of New Mexico  
Board of Regents' Finance and Facilities Committee  
February 7, 2023, 1:30 p.m.  
Held Virtually, Via Zoom  
<https://live.unm.edu/board-of-regents>

AGENDA

10. **ACTION ITEM:** Approval of Consolidated Investment Fund Investment Policy Amendment (*Presenters: Kenny Stansbury, CFO, UNMF and Paul Cassidy, Investment Committee Chair, UNMF*)
11. **INFORMATION ITEM:** UNM Rainforest Innovations Annual Meeting of the Member
  - a. Acceptance of the FY 2021-22 Annual Report and Audit Report (*Presenter: Lisa Kuuttila, CEO & Chief Economic Development Officer, UNM Rainforest Innovations*)
12. **INFORMATION ITEM:** Lobo Energy Inc. Annual Meeting of the Member
  - a. Summarized Minutes of the February 15, 2022 Meeting
  - b. Acceptance of the FY 2021-22 Audit (*Presenter: Jason Strauss, President/CEO, LEI*)
13. **INFORMATION ITEM:** Lobo Development Annual Meeting of the Member
  - a. Summarized Minutes of the February 15, 2022 Meeting
  - b. Acceptance of the FY 2021-22 Audit (*Presenters: Kelly Ward, Dir. Bus. Ops., LDC, and Teresa Costantinidis, CEO, LDC and EVPFA*)
14. **INFORMATION ITEM:** UNM Regents' Student-Run Portfolio, 2022 Report (*Presenter: Reilly White, Associate Dean of Teaching and Learning*)
15. **ACTION ITEM RECOMMENDATIONS:** Recommendations for Action Items for Consent Agenda on Full Board of Regents' Agenda (*Sandra Begay, Chair, Regents' Finance & Facilities Committee*)
16. **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*)
17. **EXECUTIVE SESSION:** None

# TAB 2

#2

Comments

## **COMMENTS:**

Open for Comments

# TAB 3

#3

Approval of Finance and Facilities Committee Meeting Summary  
from December 6, 2022

**THE UNIVERSITY OF NEW MEXICO**  
**Board of Regents' Finance and Facilities (F&F) Committee**  
**December 6, 2022 Meeting Summary *DRAFT***

**Committee Members Present:**

Regent Sandra Begay, Chair  
Regent William Payne, Vice Chair  
Regent Randy Ko, Student Regent

**Non-Voting Committee Members Present:**

Regent Doug Brown, President

**Executive Administration Present:** Garnett Stokes, University President; James Holloway, Provost and EVP for Academic Affairs; and Teresa Costantinidis, EVP for Finance and Administration

**Presenters in Attendance:** Byron Piatt, Institutional Parking and Safety Task Force; Bruce Cherrin, Purchasing; Kenny Stansbury, UNMF; Norma Allen, University Controller; Jeremy Hamlin, OPBA; Eddie Nunez, Athletics; Nicole Dopson, Academic Affairs/Provost Office; Lisa Marbury, Institutional Support Services; Samuel Dosumu, UNM–Valencia; John Archuleta, Stifel Institutional; Katherine McKinney, Modrall Sperlring; Richard Goshorn, UNM–Valencia; Vahid Staples, OPBA

**ACTION ITEMS:**

- 1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda.** Regent Begay called the meeting to order at 1:30 p.m. and confirmed that a quorum was established with Regent Payne and Regent Ko. **Regent Payne moved to adopt the agenda and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

**COMMENTS:**

- 2.** Byron Piatt gave an informal status update on north campus parking and the creation of the Institutional Parking and Safety Task Force.

**ACTION ITEMS (continued):**

- 3. Approval of Finance and Facilities Committee Meeting Summary from October 12, 2022.** **Regent Payne moved to approve the minutes and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 4. Approval of Disposition of Surplus Property for September through October 2022.** Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for September through October 2022. Items listed in the E-Book are either obsolete or beyond repair. The detailed reports are in the E-book. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

## **INFORMATION ITEM:**

- 5. Regents Endowments Overview.** Norma Allen, Jeremy Hamlin, and Kenny Stansbury gave the presentation. The detailed report is in the E-book

## **INFORMATION AND ACTION ITEMS (continued):**

- 6. Information on 1<sup>st</sup> Quarter Consolidated Financial Report through September 30, 2022.** Norma Allen gave the presentation. The detailed report is in the E-book.

**Approval of the New Mexico Higher Education Department, Institutional Finance Division, 1<sup>st</sup> Quarter Financial Actions Report and Certification through September 30, 2022.** Norma Allen gave the presentation. Regents' approval of the fourth Quarter Financial Actions report and certification through September 30, 2022, was requested. The Quarterly Financial Actions Report is a one-page report submitted to the Higher Education Department (HED), comprised of "yes" or "no" questions regarding the University's financial transactions. Answering any question "yes" requires further information to be provided to HED. There were no budget changes to report and a "no" response was provided for each question because all financial changes have been reflected in the Budget Adjustment Request (BAR). The detailed report is in the E-book. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

- 7. Information on 1<sup>st</sup> Quarter Athletics' Report by Sport through September 30, 2022.** Eddie Nunez and Nichole Dopson gave the presentation. The report details the pooled revenues and directed revenues by sport for FY22 budget and actuals year-to-date through September 30, 2022. The detailed report is in the E-book.

**Approval of 1<sup>st</sup> Quarter Athletics' Enhanced Fiscal Oversight Program Report (EFOP) and Certification through September 30, 2022.** Eddie Nunez and Nicole Dopson gave the presentation. Regents' approval was requested for the Athletics' EFOP Report and Certification instituted by the New Mexico Higher Education Department (HED). The report covers the FY23 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 Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

## **8. Project Construction Approvals:**

- 1. UNM Gallup Career and Technical Education Renovation.** Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Gallup Career and Technical Education Renovation. The total estimated project budget is \$6.4M. The detailed report is in the E-book.
- 2. Electrical Infrastructure Upgrades** Lisa Marbury gave the presentation. Regents' approval was requested for the Electrical Infrastructure Upgrades. The total estimated project budget is \$2M. The detailed report is in the E-book.

3. **Demolition of Buildings # 159, 175, and 175A.** Lisa Marbury gave the presentation. Regents' approval was requested for the Demolition of Buildings # 159, 175, and 175A. The total estimated project budget is \$650K. The detailed report is in the E-book.

**Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

9. **Approval of Defeasance of a Portion of the UNM-Valencia District's Outstanding General Obligation (Limited Tax) Bonds, Series 2018.** Samuel Dosumu and Richard Goshorn gave the presentation. Regents' approval was requested for the Defeasance of a Portion of the UNM-Valencia District's Outstanding General Obligation (Limited Tax) Bonds, Series 2018. The detailed report is in the E-book. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

10. **Approval of Authorizing Resolution Subordinate Lien System Refunding and Improvement Revenue Bonds UNM Series 2023.** Vahid Staples gave the presentation. Regents' approval was requested for the Authorizing Resolution Subordinate Lien System Refunding and Improvement Revenue Bonds UNM Series 2023. The detailed report is in the E-book. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

11. **Recommendations for Consent Agenda Items on Full Board of Regents' Agenda.** Regent Begay recommended items 6,7,8 and 9 be placed on the full Board of Regents' consent agenda. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

12. **Recommendations for Information Agenda Items on Full Board of Regents' Agenda.** Regent Begay recommended item 5 be placed on the full Board of Regents' agenda.

**EXECUTIVE SESSION:**

13. None

**Regent Payne moved to adjourn at 2:45 p.m. and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**



# TAB 4

## #4

Approval of Disposition of Surplus Property for November and December 2022 (Presenter: Bruce Cherrin, Chief Procurement Officer, Purchasing Department)



**Disposition of Surplus Property Approval**  
**November 2022 – December 2022**

**Date:** January 18, 2022

**To:** Bruce Cherrin  
Chief Procurement Officer  
Purchasing Department

**From:** Marcos Roybal  
Associate Director – Finance & Administration  
Purchasing Department  
University Services

Attached for your review and submission to the Board of Regents is the Surplus Property Disposition detail list for the months of November 2022 and December 2022.

Consistent with UNM Board of Regents Policy 7.9 and the NM Disposition of Surplus Property Act, 13-6-1, NMSA 1978, and based upon documentation submitted by the UNM departments responsible for the equipment, I certify that the equipment identified on the monthly list is worn-out, unusable or obsolete to the extent that the items are no longer economical or safe for continued use by the University. I recommend that the items be deleted from UNM's inventory and disposed of in accordance with the above noted Regents Policy and NM Surplus Property Act.



---

PURCHASING DEPARTMENT – DISPOSITION OF SURPLUS PROPERTY

NOVEMBER 2022 – DECEMBER 2022

**Surplus Property Disposition - November 2022 & December 2022**

Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
N00012122	CHTM PI #9	Drawer Tower	Photonium	6/13/2007	\$350,162.99	\$0.00	Beyond Repair
242411	Cancer Research Treatment Ctr CRTC	MEDICAL COMPUTER SYS	AFFYMETRIX	6/30/2000	\$255,900.00	\$0.00	Obsolete
262971	Center for High Tech Materials CHTM	AMPLIFIER	Clark	8/29/2003	\$165,000.00	\$0.00	Cannibalized
253505	CID Biodefenses	CALIBRATOR	Becton	12/3/2001	\$153,912.00	\$0.00	Too Costly to Repair
204349	Biology Department	MICROSCOPE	BioRad	8/25/1994	\$145,306.00	\$0.00	Cannibalized
N00022532	Admissions Office	Vehicle Order-30 Passenger trolley.	Zia Zia	9/3/2009	\$126,600.00	\$0.00	Obsolete
N00023748	COP PS Faculty #31	Bead Array Reader	Illumina	12/21/2009	\$115,625.00	\$0.00	Obsolete
N00015272	CID Biodefenses PI #1	Hydrogen Peroxide Generator	BioQuell	3/6/2008	\$104,792.00	\$0.00	Too Costly to Repair
N00003569	CHTM PI #1	Microscope 193nm Immersionlens for stepper	CornTrop	6/20/2005	\$99,151.74	\$0.00	Obsolete
N00019360	Manufacturing Engineering	Nit/Diel Etcher	LAM ID #LE12, Etag #E165785	1/20/2009	\$75,000.00	\$0.00	Obsolete
251685	CID Biodefenses	SheathDeliverySystem	Luminex Corp	8/3/2001	\$37,900.00	\$0.00	Obsolete
N00035010	CTSC Administration Gen	ChemistryAnalyzer/ACEAlera	AlfaWass  Alfa Wasserman	3/19/2012	\$35,825.00	\$0.00	Obsolete
N00000154	Information Security and Privacy	Scanner System	NcsPearson NCS Pearson	9/9/2004	\$33,294.00	\$0.00	Obsolete
192212	Biochemistry Molecular Biology	CENTRIFUGE	Beckman	12/13/1990	\$30,800.00	\$0.00	Obsolete
N00004155	CID Biodefenses	AutoMACS Separation Unit	MiltenyiBi	6/27/2005	\$30,305.00	\$0.00	Obsolete
190657	Biology Department	MICROSCOPE	Zeiss	9/10/1990	\$25,564.00	\$0.00	Obsolete
N00024582	Molecular Genetics Microbiology	Freezer	VWR	2/22/2010	\$23,251.63	\$0.00	Too Costly to Repair
204977	Cancer Research Treatment Ctr CRTC	CUTTER	Mickradi	3/24/1994	\$23,163.00	\$0.00	Obsolete
242407	CID Biodefenses	DNA ENGINE TETRAD	MjResearch	6/30/2000	\$23,112.00	\$0.00	Too Costly to Repair
264912	Valencia County Branch	SWEEPER	Minuteman Power Boss	2/4/2004	\$21,607.00	\$0.00	Obsolete
265826	Civil Construction & Env Engr	ANALYZER	Tekmar	4/22/2004	\$20,249.00	\$0.00	Obsolete
N00042053	Gallup Computer Service Instruction	3dPrinter/ProJet1500	RedRocks	7/6/2013	\$19,995.00	\$0.00	Obsolete



**Surplus Property Disposition - November 2022 & December 2022**

Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
N00008685	CID Biodefenses PI #1	Clean Room (Portable)	BioBubble	8/8/2006	\$19,706.00	\$0.00	Obsolete
N00004429	CRTC Development Activities	Chest Freezer	Kendro	7/7/2005	\$19,071.95	\$0.00	Beyond Repair
N00008364	CID Biodefenses PI #1	Spiral Plater	SpiralBio	7/31/2006	\$18,806.58	\$0.00	Obsolete
N00023409	IT Academic Technologies	MSL-CSM-500-Mediasite ML Recorder	AdvPresent	11/9/2009	\$16,950.00	\$0.00	Obsolete
236622	CID Biodefenses	SPECIMEN PLATER	Spiral	5/20/1999	\$16,900.00	\$0.00	Obsolete
188765	Biology Department	COMPUTER CPU/SYSTEM	Gateway	4/25/1990	\$16,560.00	\$0.00	Obsolete
231115	Cancer Research Treatment Ctr CRTC	INCUBATION PLATE	Spiral	5/22/1998	\$16,455.00	\$182.61	Obsolete
N00030809	Chemical and Biological Engineering	Freezer	VWR	6/10/2011	\$15,659.58	\$0.00	Beyond Repair
N00007429	AS Biology Faculty #114	MINOTOME CRYOSTAT	VWR	5/16/2006	\$15,239.95	\$0.00	Too Costly to Repair
261189	Gallup Construction Tech	LASER	UNKNOWN/OTHER	5/29/2003	\$15,150.00	\$0.00	Obsolete
264522	Cancer Research Treatment Ctr CRTC	AUTOTITRATION STATION	UNKNOWN/OTHER	1/8/2004	\$15,000.00	\$0.00	Obsolete
264523	Cancer Research Treatment Ctr CRTC	AUTOTITRATION STATION	UNKNOWN/OTHER	1/8/2004	\$15,000.00	\$0.00	Obsolete
N00002032	Gallup Computer Service Instruction	Uninterruptable Power Source	BFA	3/2/2005	\$14,578.00	\$0.00	Too Costly to Repair
N00017880	MTS Distance Education Coordination	MSL-CSM-500-Mediasite ML Recorder	AdvPresent	9/24/2008	\$14,500.00	\$0.00	Obsolete
245107	Cancer Research Treatment Ctr CRTC	BASE UNIT	AllFact	1/9/2001	\$14,245.00	\$0.00	Obsolete
245109	Cancer Research Treatment Ctr CRTC	BASE UNIT	MjResearch	1/9/2001	\$14,245.00	\$0.00	Beyond Repair
173241	Pathology Department	CENTRIFUGE	Beckman	1/1/1986	\$13,563.00	\$0.00	Obsolete
N00033944	Pathology Faculty #C09	Microscope Camera System	Optronics	12/15/2011	\$13,439.53	\$0.00	Beyond Repair
N00023407	IT Academic Technologies	MSL-CSR-500-Mediasite RL Rich Media Recorder	AdvPresent	11/9/2009	\$13,050.00	\$0.00	Obsolete
261735	Gallup Computer Service Instruction	PROJECTOR	Sanyo	6/25/2003	\$12,489.00	\$0.00	Beyond Repair
253250	CTSC Administration Gen	CELL SORTER	MiltenyiBi	11/27/2001	\$12,322.00	\$0.00	Obsolete



**Surplus Property Disposition - November 2022 & December 2022**

Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
N00047134	CE-Externally Funded Programs	Recorder/MSL-CSM-800	Mediasite	7/1/2014	\$12,058.00	\$0.00	Obsolete
211094	General Clinical Research Ctr GCRC	ANALYZER GAS	Quinton	5/30/1995	\$11,981.00	\$0.00	Obsolete
N00004561	Pharmacy Deans Office	DODGE SEDAN	Dodge	7/11/2005	\$11,863.00	\$0.00	Obsolete
144033	Earth and Planetary Sciences Dept	SLIT VARIABLE	Phillips	1/1/1981	\$11,416.00	\$0.00	Obsolete
N00023747	COP PS Faculty #31	Gene Expression Unit	Illumina	12/21/2009	\$10,625.00	\$0.00	Obsolete
221693	Earth and Planetary Sciences Dept	GENERATOR ELECT	Spellman	10/4/1996	\$10,074.00	\$0.00	Obsolete
264514	Biochemistry Molecular Biology	ROTOR	Beckman	1/8/2004	\$9,958.00	\$0.00	Obsolete
N00008261	Mailing Shipping & Receiving	STRAPPING MACHINE	Signode	7/13/2006	\$9,950.00	\$0.00	Too Costly to Repair
267382	Gallup Computer Service Instruction	COMPUTER ETHERNET RE	Canberra	7/10/2004	\$9,807.00	\$0.00	Obsolete
N00049627	IT Networks	Switch/NetIronCES2024F-4X	Brocade	1/5/2015	\$9,789.94	\$0.00	Obsolete
N00011593	CREST General Admin	Server	Dell	5/8/2007	\$9,777.41	\$0.00	Obsolete
N00009247	Middle College PI #1	Catalyst	INX	10/4/2006	\$9,766.20	\$0.00	Beyond Repair
N00036921	Pathology Faculty #C09	Incubator/CO2Dual	VWR	7/10/2012	\$9,500.06	\$0.00	Obsolete
N00050831	Commun Journal Course Fee General	Switcher	Sony	4/8/2015	\$9,420.30	\$0.00	Beyond Repair
N00033207	Pediatrics Center for Development	Video System	BTConf	10/17/2011	\$9,170.51	\$0.00	Obsolete
N00025246	IT Networks	Network Catalyst	Cisco	4/15/2010	\$8,927.65	\$0.00	Obsolete
N00025245	IT Networks	Network Catalyst	Cisco	4/15/2010	\$8,927.65	\$0.00	Obsolete
N00025244	IT Networks	Network Catalyst	Cisco	4/15/2010	\$8,927.65	\$0.00	Obsolete
N00030520	SHAC Administration	Server	Dell	5/31/2011	\$8,874.00	\$0.00	Too Costly to Repair
N00030521	SHAC Administration	Server	Dell	5/31/2011	\$8,874.00	\$0.00	Too Costly to Repair
N00036594	IT Computing Platforms	Server/PowerEdge R710	Dell	6/26/2012	\$8,826.29	\$0.00	Obsolete



**Surplus Property Disposition - November 2022 & December 2022**

Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
N0001825	CID Biodefenses	Research Animal Rack	BioBubble	1/21/2005	\$8,100.00	\$0.00	Obsolete
N0001826	CID Biodefenses	Research Animal Rack	BioBubble	1/21/2005	\$8,100.00	\$0.00	Obsolete
N0004908	AS Biology MSB Administration	Freezer	VWR	7/29/2005	\$8,041.23	\$0.00	Beyond Repair
N00046452	IT Academic Technologies	Recorder/MediasiteML	SonicFound	5/15/2014	\$7,978.41	\$0.00	Obsolete
N00046453	IT Academic Technologies	Recorder/MediasiteML	SonicFound	5/15/2014	\$7,978.40	\$0.00	Obsolete
N00022919	SHAC Administration	Unknown-Server will be added to server cluster for	Dell	9/30/2009	\$7,761.60	\$0.00	Too Costly to Repair
N00029139	AS Biology CETI Gen Admin	Computer	Dell	2/15/2011	\$7,487.80	\$0.00	Cannibalized
N00029163	CRTC Main Campus	Radiotherapy Quality Assurance Instrument	SunNuclear	2/16/2011	\$7,268.89	\$0.00	Obsolete
N00029162	CRTC Main Campus	Radiotherapy Quality Assurance Instrument	SunNuclear	2/16/2011	\$7,268.89	\$0.00	Obsolete
265849	Pathology Department	GENE AMP PCR SYSTEM	ApplBioSys	4/22/2004	\$7,241.00	\$0.00	Obsolete
N00056637	EM Consortium Gen Admin	Vehicle\FordExplorerXLT4X4	Ford Pueblo of Laguna Police Dept.	6/2/2016	\$7,000.00	\$1,166.90	Too Costly to Repair
N00036918	Pathology Faculty #C09	Centrifuge/HeraeusMultifugeX1R	VWR	7/10/2012	\$6,926.45	\$0.00	Obsolete
N00017755	SHAC Administration	Computer	Dell	9/17/2008	\$6,849.05	\$0.00	Too Costly to Repair
N00056749	Plant Operations	Server/PowerEdgeR630	Dell	6/8/2016	\$6,796.02	\$0.00	Obsolete
N00005206	CID Biodefenses	Freezer	VWR	9/8/2005	\$6,544.33	\$0.00	Too Costly to Repair
N00031132	Chemical and Biological Engineering	Incubator	VWR	6/21/2011	\$6,492.07	\$0.00	Too Costly to Repair
N00031133	Chemical and Biological Engineering	Incubator	N/A	6/21/2011	\$6,492.07	\$0.00	Too Costly to Repair
243283	Chemistry Department	FREEZER	VWR	8/17/2000	\$6,486.00	\$0.00	Beyond Repair
N00062896	IT Academic Technologies	MediaRecorder/MSL-CSR-940-R0	Sonic Foundry Mediasite	8/4/2017	\$6,476.58	\$108.11	Obsolete
N00062890	IT Academic Technologies	MediaRecorder/MSL-CSR-940-R0	Sonic Foundry Mediasite	8/4/2017	\$6,476.58	\$108.11	Obsolete
N00062894	IT Academic Technologies	MediaRecorder/MSL-CSR-940-R0	Sonic Foundry Mediasite	8/4/2017	\$6,476.58	\$108.11	Obsolete



**Surplus Property Disposition - November 2022 & December 2022**

Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
N00062889	IT Academic Technologies	MediaRecorder/MSL-CSR-940-R0	Sonic Foundry Mediasite	8/4/2017	\$6,476.58	\$108.11	Obsolete
N00062892	IT Academic Technologies	MediaRecorder/MSL-CSR-940-R0	Sonic Foundry Mediasite	8/4/2017	\$6,476.58	\$108.11	Obsolete
N00062893	IT Academic Technologies	MediaRecorder/MSL-CSR-940-R0	Sonic Foundry Mediasite	8/4/2017	\$6,476.58	\$108.11	Obsolete
N00062897	IT Academic Technologies	MediaRecorder/MSL-CSR-940-R0	Sonic Foundry Mediasite	8/4/2017	\$6,476.58	\$108.11	Obsolete
N00062895	IT Academic Technologies	MediaRecorder/MSL-CSR-940-R0	Sonic Foundry Mediasite	8/4/2017	\$6,476.58	\$108.11	Obsolete
N00025668	CRTC Information Systems	LCD Display	Sony	5/24/2010	\$6,462.46	\$0.00	Obsolete
N00025669	CRTC Information Systems	LCD Display	Sony	5/24/2010	\$6,462.46	\$0.00	Obsolete
N00057697	Taos Instructional SuppPrgm Support	MediaRecorder/MSL-REF-720	Mediasite	7/12/2016	\$6,449.16	\$0.00	Obsolete
N00006785	Basic Science I G	Incubator	VWR	2/22/2006	\$6,341.65	\$0.00	Beyond Repair
N00025671	CRTC Information Systems	LCD Display	Sony	5/24/2010	\$6,296.01	\$0.00	Obsolete
226965	Lodestar Astronomy Center LS	COMPUTER PORTABLE	IBM	7/7/1997	\$6,282.00	\$0.00	Obsolete
N00059933	Taos Bus Cmptr Tech Technology	Server/PowerEdgeR730	Dell	1/24/2017	\$6,232.07	\$0.00	Obsolete
254209	General Clinical Research Ctr GCRC	TABLE EXAMINING	Ritter	2/21/2002	\$6,062.00	\$0.00	Obsolete
190184	General Clinical Research Ctr GCRC	MONITOR HEART	Marquette	5/24/1990	\$5,933.00	\$0.00	Obsolete
N00041087	Student Health and Counseling	Server/PowerEdge R620	Dell	5/25/2013	\$5,884.32	\$0.00	Too Costly to Repair
212756	Pathology Department	Rotor Swinging Bucket	Beckman	6/21/1995	\$5,817.00	\$0.00	Obsolete
N00010967	CREST General Admin	Server	Dell	3/19/2007	\$5,768.26	\$0.00	Obsolete
N00019833	Taos Facilities MngtFacility Rental	Server	Dell	2/26/2009	\$5,762.14	\$0.00	Obsolete
N00009629	Middle College Pl #1	Treadmill	Adv Equip	11/10/2006	\$5,694.33	\$3,986.13	Too Costly to Repair
N00052336	Taos Facilities MngtFacility Rental	Server/PowerEdgeR730	Dell	6/23/2015	\$5,677.97	\$0.00	Obsolete
125113	Art Art History	SAW BAND METAL CUTT	Moak	1/1/1978	\$5,624.00	\$0.00	Too Costly to Repair





**Surplus Property Disposition - November 2022 & December 2022**

Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
N00016410	IT Networks	Catalyst	AquilaTech	6/10/2008	\$5,576.90	\$0.00	Obsolete
N00019221	ASM Info Sys Mngt Faculty	Video Conferencing System	AdvPresent	1/6/2009	\$5,360.70	\$0.00	Obsolete
N00038039	Psychology Department	Computer/PrecisionT7600n	Dell	9/22/2012	\$5,257.80	\$0.00	Obsolete
N00039252	AS Biology Gen Admin Chair	ChromatographyRefrigerator	VWR	1/10/2013	\$5,116.64	\$0.00	Beyond Repair
221482	Cancer Research Treatment Ctr CRTC	RHEOMETER	Brookfield	9/5/1996	\$5,114.00	\$0.00	Obsolete
N00010966	CREST General Admin	Server	Dell	3/19/2007	\$5,001.00	\$0.00	Obsolete
<b>Total Asset Disposition (#)</b>							<b>112</b>
<b>Total Capitalization (\$)</b>							<b>\$2,758,760.33</b>
<b>Total Net Book Value (\$)</b>							<b>\$6,200.52</b>



# TAB 5

## # 5

Information on 2nd Quarter Consolidated Financial Report through December 31, 2022 (Presenter: Norma Allen, University Controller)

Approval of the New Mexico Higher Education Department, Institutional Finance Division, 2nd Quarter Financial Actions Report and Certification through December 31, 2022 (Presenter: Norma Allen, University Controller)

# UNM Consolidated

Fiscal Year 2022-2023

2nd Quarter Financial Report



# General Overview

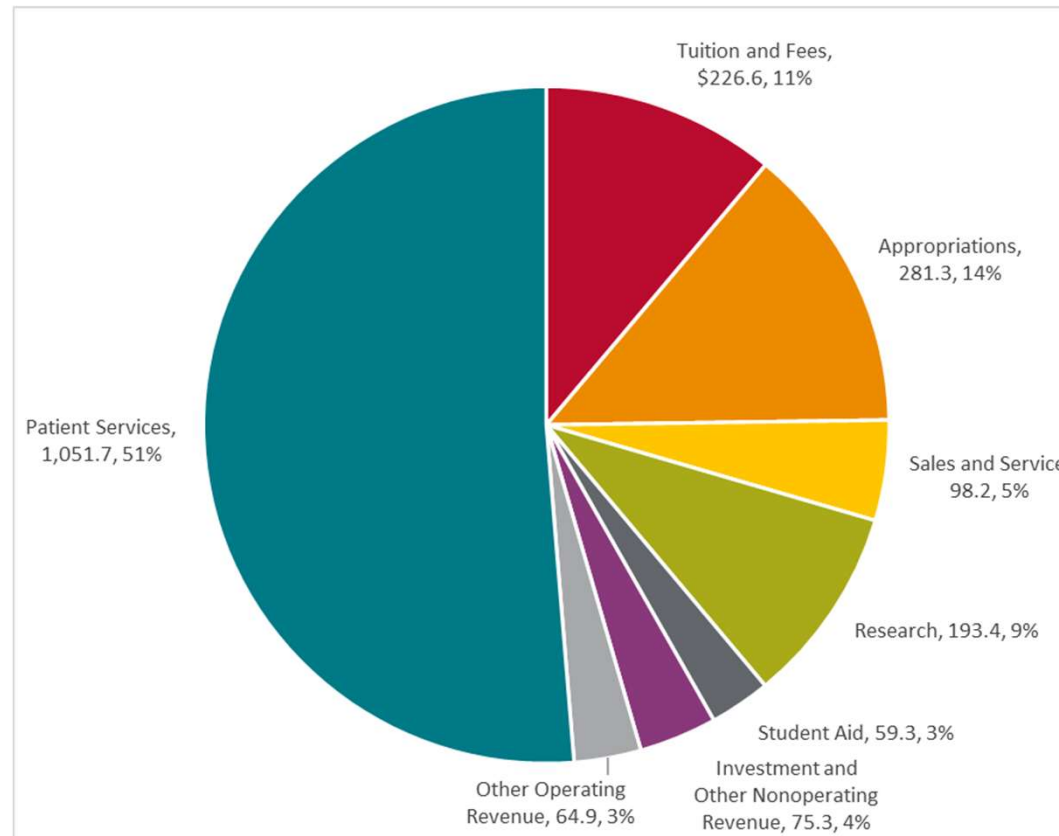
- UNM Consolidated Financial Report and Schedules

- This is a preliminary unaudited report and does not include eliminations.
- We have introduced some refinements based upon feedback including a current to prior period comparison, presenting student aid as a separate line item, and providing a more detailed presentation of appropriations.

- Status of Current Capital Projects

# UNM Combined Enterprise

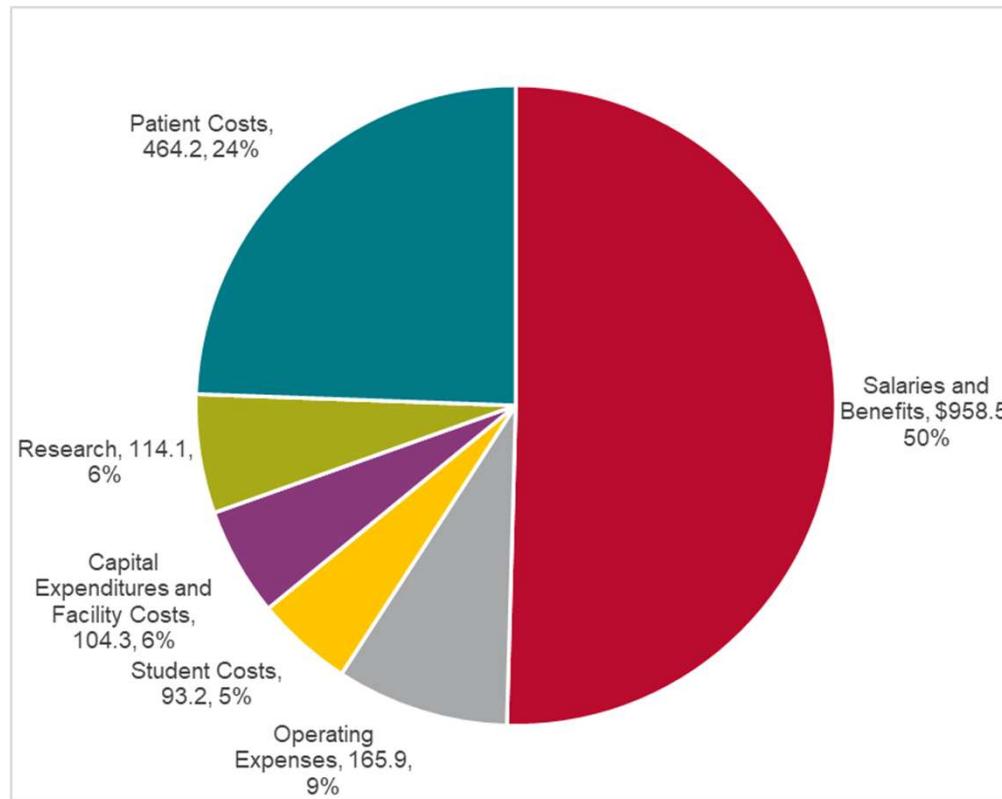
## Overall FYTD Revenues are 2.6% or \$54M below budget



THE UNIVERSITY OF NEW MEXICO

# UNM Combined Enterprise

Overall FYTD Expenses are 2.1% or \$40.4M below budget



# UNM Combined Enterprise FYTD as of December 31, 2022

## Budget v. Actual Income Statement

*(presented in millions, figures are unaudited and uneliminated)*

	As of December 31, 2022				As of December 31, 2021				CY vs. PY Actuals	
	<u>Fiscal Year to Date</u>		<u>Variance</u>		<u>Fiscal Year to Date</u>		<u>Variance</u>		<u>Variance</u>	
	<u>Budget</u>	<u>Actuals</u>	<u>\$</u>	<u>%</u>	<u>Budget</u>	<u>Actuals</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Tuition and Fees	\$217.4	\$226.6	\$9.2	4.2%	\$198.8	\$202.9	\$4.1	2.1%	\$23.6	11.6%
Appropriations	282.7	281.3	(1.4)	(0.5%)	234.5	235.5	1.0	0.4%	45.8	19.4%
Sales and Service	95.8	98.2	2.4	2.5%	98.9	92.6	(6.3)	(6.4%)	5.6	6.1%
Research	215.7	193.4	(22.4)	(10.4%)	207.6	231.9	24.2	11.7%	(38.5)	(16.6%)
Student Aid	58.5	59.3	.8	1.3%	50.5	51.3	.8	1.6%	8.0	15.6%
Investment and Other Nonoperating Revenue	87.8	75.3	(12.5)	(14.2%)	75.7	77.6	1.8	2.4%	(2.3)	(3.0%)
Other Operating Revenue	79.5	64.9	(14.6)	(18.4%)	66.0	76.8	10.8	16.4%	(11.9)	(15.5%)
Patient Services	1,067.2	1,051.7	(15.6)	(1.5%)	999.8	1,023.0	23.2	2.3%	28.7	2.8%
<b>Total Revenues</b>	<b>\$2,104.6</b>	<b>\$2,050.5</b>	<b>(\$54.1)</b>	<b>-2.6%</b>	<b>\$1,931.9</b>	<b>\$1,991.5</b>	<b>\$59.7</b>	<b>3.1%</b>	<b>\$59.0</b>	<b>3.0%</b>
Salaries and Benefits	\$945.2	\$958.5	(\$13.3)	(1.4%)	\$837.2	\$885.1	(\$47.9)	(5.7%)	\$73.3	8.3%
Operating Expenses	175.3	165.9	9.4	5.4%	179.8	165.1	14.8	8.2%	.8	0.5%
Student Costs	91.2	93.2	(2.0)	(2.2%)	83.6	84.5	(.9)	(1.1%)	8.7	10.3%
Capital Expenditures and Facility Costs	104.0	104.3	(.3)	(0.2%)	99.2	101.8	(2.6)	(2.6%)	2.5	2.5%
Research	142.1	114.1	28.0	19.7%	129.6	129.5	.1	0.1%	(15.4)	(11.9%)
Patient Costs	482.7	464.2	18.5	3.8%	446.3	450.6	(4.3)	(1.0%)	13.6	3.0%
<b>Total Expenses</b>	<b>\$1,940.5</b>	<b>\$1,900.1</b>	<b>\$40.4</b>	<b>2.1%</b>	<b>\$1,775.7</b>	<b>\$1,816.6</b>	<b>(\$40.9)</b>	<b>-2.3%</b>	<b>\$83.5</b>	<b>4.6%</b>
<b>Net Income</b>	<b>\$164.0</b>	<b>\$150.4</b>	<b>(\$13.7)</b>	<b>-8.3%</b>	<b>\$156.1</b>	<b>\$174.9</b>	<b>\$18.8</b>	<b>12.0%</b>	<b>(\$24.5)</b>	<b>(14.0%)</b>

T H E U N I V E R S I T Y O F N E W M E X I C O

# Combined Enterprise FYTD as of December 31, 2022 Appropriations

*(presented in millions, figures are unaudited and uneliminated)*

	As of December 31, 2022				As of December 31, 2021				CY vs. PY Actuals	
	<u>Fiscal Year to Date</u>		<u>Variance</u>		<u>Fiscal Year to Date</u>		<u>Variance</u>		<u>Variance</u>	
	<u>Budget</u>	<u>Actuals</u>	<u>\$</u>	<u>%</u>	<u>Budget</u>	<u>Actuals</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
I&G Appropriations	\$181.1	\$181.2	\$.1	0.1%	\$144.2	\$145.6	\$1.4	1.0%	\$35.6	24.5%
RPSP Appropriations	34.2	34.5	.4	1.1%	26.6	26.7	.1	0.4%	7.8	29.3%
Cigarette Tax Revenue	1.3	1.1	(.2)	(16.9%)	1.7	1.6	(.1)	(3.7%)	(.5)	(32.7%)
<b>Total State Appropriations</b>	<b>\$216.5</b>	<b>\$216.8</b>	<b>\$.2</b>	<b>0.1%</b>	<b>\$172.5</b>	<b>\$173.9</b>	<b>\$1.4</b>	<b>0.8%</b>	<b>\$42.9</b>	<b>24.7%</b>
Local Appropriations (Mill Levy)	\$66.1	\$64.5	(\$1.6)	(2.4%)	\$62.0	\$61.6	(\$.4)	(0.7%)	\$2.9	4.8%
<b>Total Appropriations</b>	<b>\$282.7</b>	<b>\$281.3</b>	<b>(\$1.4)</b>	<b>(0.5%)</b>	<b>\$234.5</b>	<b>\$235.5</b>	<b>\$1.0</b>	<b>0.4%</b>	<b>\$45.8</b>	<b>19.5%</b>



# Executive Summary-UNM Campus

*UNM Campus*-The net income fiscal year to date as of December 30, 2022 is **\$169M**.

Tuition and fees are 4.6% above budget as a result of increased enrollment.

Investments and other nonoperating revenues are \$11.9M below budget primarily due to timing differences on the capital project start and end dates, bond project draw downs and unrealized losses on investments due to market fluctuations.

# UNM Campus FYTD as of December 31, 2022

## Budget v. Actual Income Statement

(presented in millions, figures are unaudited and uneliminated)

	As of December 31, 2022				As of December 31, 2021				CY vs. PY Actuals	
	<i>Fiscal Year to Date</i>		<i>Variance</i>		<i>Fiscal Year to Date</i>		<i>Variance</i>		<i>Variance</i>	
	<i>Budget</i>	<i>Actuals</i>	<i>\$</i>	<i>%</i>	<i>Budget</i>	<i>Actuals</i>	<i>\$</i>	<i>%</i>	<i>\$</i>	<i>%</i>
Tuition and Fees	\$200.5	\$209.7	\$9.2	4.6%	\$182.7	\$186.8	\$4.1	2.3%	\$22.9	12.3%
Appropriations	151.3	151.3	-	-	118.7	118.7	-	-	32.6	27.5%
Sales and Service	95.8	98.2	2.4	2.5%	98.9	92.6	(\$6.3)	(6.4%)	5.6	6.1%
Research	86.1	86.9	.8	0.9%	90.1	90.6	\$.4	0.5%	(3.7)	(4.1%)
Student Aid	58.5	58.5	.0	-	50.5	50.5	-	-	8.0	15.8%
Investment and Other Nonoperating Revenue	69.5	57.6	(11.9)	(17.1%)	59.2	58.8	(\$.4)	(0.7%)	(1.1)	(2.0%)
Other Operating Revenue	17.1	15.7	(1.4)	(8.2%)	17.9	16.2	(\$1.7)	(9.3%)	(.5)	(3.1%)
Patient Services	12.0	14.2	2.2	18.2%	9.9	10.5	\$.6	6.4%	3.7	35.1%
<b>Total Revenues</b>	<b>\$690.8</b>	<b>\$692.1</b>	<b>\$1.3</b>	<b>0.2%</b>	<b>\$627.9</b>	<b>\$624.7</b>	<b>(\$3.2)</b>	<b>-0.5%</b>	<b>\$67.4</b>	<b>10.8%</b>
Salaries and Benefits	\$256.1	\$251.5	\$4.6	1.8%	\$231.1	\$229.6	\$1.6	0.7%	\$22.0	9.6%
Operating Expenses	103.5	100.2	3.3	3.2%	98.5	95.2	3.3	3.3%	5.0	5.2%
Student Costs	91.2	92.5	(1.2)	(1.4%)	83.6	83.8	(.2)	(0.2%)	8.7	10.3%
Capital Expenditures and Facility Costs	53.9	55.8	(2.0)	(3.7%)	53.9	53.9	(.0)	(0.1%)	1.9	3.6%
Research	23.0	23.2	(.2)	(0.9%)	19.0	19.6	(.6)	(3.3%)	3.6	18.3%
Patient Costs	.3	.3	-	-	.3	.3	-	-	-	-
<b>Total Expenses</b>	<b>\$528.0</b>	<b>\$523.6</b>	<b>\$4.5</b>	<b>0.8%</b>	<b>\$486.4</b>	<b>\$482.4</b>	<b>\$4.0</b>	<b>0.8%</b>	<b>\$41.1</b>	<b>8.5%</b>
<b>Net Income</b>	<b>\$162.8</b>	<b>\$168.5</b>	<b>\$5.8</b>	<b>3.5%</b>	<b>\$141.4</b>	<b>\$142.3</b>	<b>\$.8</b>	<b>0.6%</b>	<b>\$26.3</b>	<b>18.5%</b>

THE UNIVERSITY OF NEW MEXICO

# UNM Campus FYTD as of December 31, 2022 Appropriations

*(presented in millions, figures are unaudited and uneliminated)*

	As of December 31, 2022				As of December 31, 2021				CY vs. PY Actuals	
	<i>Fiscal Year to Date</i>		<i>Variance</i>		<i>Fiscal Year to Date</i>		<i>Variance</i>		<i>Variance</i>	
	<i>Budget</i>	<i>Actuals</i>	<i>\$</i>	<i>%</i>	<i>Budget</i>	<i>Actuals</i>	<i>\$</i>	<i>%</i>	<i>\$</i>	<i>%</i>
I&G Appropriations	\$140.9	\$140.9	\$ .0	0.0%	\$109.2	\$109.2	\$ .0	0.0%	\$31.7	29.1%
RPSP Appropriations	8.1	8.1	\$ .0	0.0%	\$6.9	\$6.9	\$ .0	0.0%	\$1.2	17.7%
<b>Total State Appropriations</b>	<b>\$149.0</b>	<b>\$149.0</b>	<b>\$ .0</b>	<b>0.0%</b>	<b>\$116.1</b>	<b>\$116.1</b>	<b>\$ .0</b>	<b>0.0%</b>	<b>\$33.0</b>	<b>28.4%</b>
Local Appropriations (Mill Levy)	\$2.3	\$2.3	\$ .0	0.0%	\$2.6	\$2.6	\$ .0	0.0%	(\$ .3)	(12.1%)
<b>Total Appropriations</b>	<b>\$151.3</b>	<b>\$151.3</b>	<b>\$ .0</b>	<b>0.0%</b>	<b>\$118.6</b>	<b>\$118.6</b>	<b>\$ .0</b>	<b>0.0%</b>	<b>\$32.6</b>	<b>27.5%</b>

# Executive Summary-UNM Health and Health Sciences

- **UNM Health & Health Sciences** - The net loss as of December 31, 2022, is \$(18.1M).

- **UNM Health Sciences**

The net income is \$2.9M as of December 2022 and is primarily due to the slow ramp up of expenses in the first six months of the fiscal year. The budgeted net margin YTD through December 2022 is (\$5.6M).

- **UNM Hospitals**

UNM Hospitals has a loss of \$23.5 million through December 2022. The Hospitals are behind budget on operating revenues due to lower-than-expected patient revenues and lower than budgeted 340B pharmacy revenue. Operating expenses are higher than budget, primarily in salaries and benefits, as a result of increased staffing needs and increased use of contract nursing labor as a result of the current labor market. UNM Hospitals has applied for \$55M in FEMA assistance for COVID related contract labor costs. Of the \$55M, a total of \$9.2M was recorded in FY22 and \$6.3M in FY23 as non-operating revenue.

# Executive Summary-UNM Health and Health Sciences

- ***UNM Medical Group***

The net income for the six-months ending 12/31/2022 is \$5.2M. There was a net gain of \$2.4M coming from earnings in the Lovelace UNM Rehabilitation Hospital. Patient service revenues are \$3.3M greater than budgeted, and pharmacy revenues from Truman Health Services are \$939k greater than budgeted.

- ***UNM Sandoval Regional Medical Center***

The December 2022 YTD Net Loss is \$(2.8M) and is primarily due to RN contract labor costs. RN contract labor is over budget \$3.5M due to Inpatient volume surges and staffing shortages. Inpatient and Emergency Department volumes are continuing to trend up and are exceeding target. Surgical volumes are below target by 5% YTD. SRMC has recorded \$2.2M in FEMA funding.

# UNM Health and Health Sciences FYTD as of December 31, 2022

## Budget v. Actual Income Statement

*(presented in millions, figures are unaudited and uneliminated)*

	As of December 31, 2022				As of December 31, 2021				CY vs. PY Actuals	
	<u>Fiscal Year to Date</u>		<u>Variance</u>		<u>Fiscal Year to Date</u>		<u>Variance</u>		<u>Variance</u>	
	<u>Budget</u>	<u>Actuals</u>	<u>\$</u>	<u>%</u>	<u>Budget</u>	<u>Actuals</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Patient Services	\$1,055.2	\$1,037.5	(\$17.7)	(1.7%)	\$989.9	\$1,012.5	\$22.6	2.3%	\$25.0	2.5%
Appropriations	131.4	130.0	(1.4)	(1.0%)	115.8	116.8	1.0	0.9%	13.2	11.3%
Research	129.6	106.5	(23.2)	(17.9%)	117.5	141.3	23.8	20.2%	(34.8)	(24.6%)
Other Operating Revenue	62.4	49.2	(13.2)	(21.2%)	48.1	60.6	12.5	25.9%	(11.4)	(18.8%)
Investment and Other Nonoperating Revenue	18.2	17.6	(.6)	(3.4%)	16.5	18.8	2.3	13.8%	(1.1)	(6.1%)
Tuition and Fees	16.9	16.9	-	-	16.2	16.2	-	-	.7	4.6%
Student Aid	-	0.8	.8	-	-	0.7	.7	-	.1	13.6%
<b>Total Revenues</b>	<b>\$1,413.8</b>	<b>\$1,358.4</b>	<b>(\$55.4)</b>	<b>(3.9%)</b>	<b>\$1,304.0</b>	<b>\$1,366.8</b>	<b>\$62.8</b>	<b>4.8%</b>	<b>(\$8.3)</b>	<b>(0.6%)</b>
Salaries and Benefits	\$689.1	\$706.9	\$17.8	2.6%	\$606.1	\$655.6	\$49.5	8.2%	\$51.4	7.8%
Patient Costs	482.4	463.9	(18.6)	(3.8%)	446.0	450.3	4.3	1.0%	13.6	3.0%
Research	119.1	90.9	(28.2)	(23.7%)	110.6	109.9	(.7)	(0.01)	(19.0)	(17.3%)
Operating Expenses	71.8	65.7	(6.1)	(8.5%)	81.4	69.9	(11.5)	(14.1%)	(4.2)	(6.0%)
Capital Expenditures and Facility Costs	50.2	48.5	(1.7)	(3.4%)	45.3	47.9	2.6	5.6%	.6	1.2%
Student Costs	-	.8	.8	-	-	0.7	.7	-	.0	3.0%
<b>Total Expenses</b>	<b>\$1,412.6</b>	<b>\$1,376.5</b>	<b>(\$36.0)</b>	<b>(2.6%)</b>	<b>\$1,289.3</b>	<b>\$1,334.2</b>	<b>\$44.9</b>	<b>3.5%</b>	<b>\$42.4</b>	<b>3.2%</b>
<b>Net Income</b>	<b>\$1.2</b>	<b>(\$18.1)</b>	<b>(\$19.3)</b>	<b>(1657.5%)</b>	<b>\$14.7</b>	<b>\$32.6</b>	<b>\$17.9</b>	<b>122.1%</b>	<b>(\$50.7)</b>	<b>(155.3%)</b>

THE UNIVERSITY OF NEW MEXICO

# UNM Health and Health Sciences FYTD as of December 31, 2022 Appropriations

*(presented in millions, figures are unaudited and uneliminated)*

	As of December 31, 2022				As of December 31, 2021				CY vs. PY Actuals	
	<u>Fiscal Year to Date</u>		<u>Variance</u>		<u>Fiscal Year to Date</u>		<u>Variance</u>		<u>Variance</u>	
	<u>Budget</u>	<u>Actuals</u>	<u>\$</u>	<u>%</u>	<u>Budget</u>	<u>Actuals</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
I&G Appropriations	\$40.2	\$40.3	\$.1	0.2%	\$35.0	\$36.4	\$1.4	4.0%	\$3.9	10.6%
RPSP Appropriations	26.0	26.4	.4	1.4%	19.7	19.8	.1	0.6%	6.6	33.3%
Cigarette Tax Revenue	1.3	1.1	(.2)	(16.9%)	1.7	1.6	(.1)	(3.7%)	(.5)	(32.7%)
<b>Total State Appropriations</b>	<b>\$67.5</b>	<b>\$67.8</b>	<b>\$.2</b>	<b>0.4%</b>	<b>\$56.4</b>	<b>\$57.8</b>	<b>\$1.4</b>	<b>2.6%</b>	<b>\$9.9</b>	<b>17.2%</b>
Local Appropriations (Mill Levy)	\$63.8	\$62.2	(\$1.6)	(2.5%)	\$59.4	\$59.0	(\$.4)	(0.7%)	\$3.2	5.5%
<b>Total Appropriations</b>	<b>\$131.4</b>	<b>\$130.0</b>	<b>(\$1.4)</b>	<b>(1.0%)</b>	<b>\$115.8</b>	<b>\$116.8</b>	<b>\$1.0</b>	<b>0.9%</b>	<b>\$13.2</b>	<b>11.3%</b>

# Key metrics – combined enterprise FY19-FY22

Metric	Description	Best practice	FY19	FY20	FY21	FY22
Primary Reserve Ratio	Unrestricted net assets/expenses	> .4	0.38	<b>0.40</b>	<b>0.44</b>	<b>0.40</b>
Net Operating Revenue Ratio	Income/Revenues	> 0	<b>0.02</b>	<b>0.04</b>	<b>0.07</b>	<b>0.03</b>
Return on Net Assets Ratio	Change in net assets/Total net assets	.03 - .04 (3-4%)	<b>0.06</b>	<b>0.07</b>	<b>0.14</b>	<b>0.12</b>
Viability Ratio	Expendable net assets/Long term debt	> 1.0	<b>1.49</b>	<b>1.79</b>	<b>2.78</b>	<b>2.14</b>

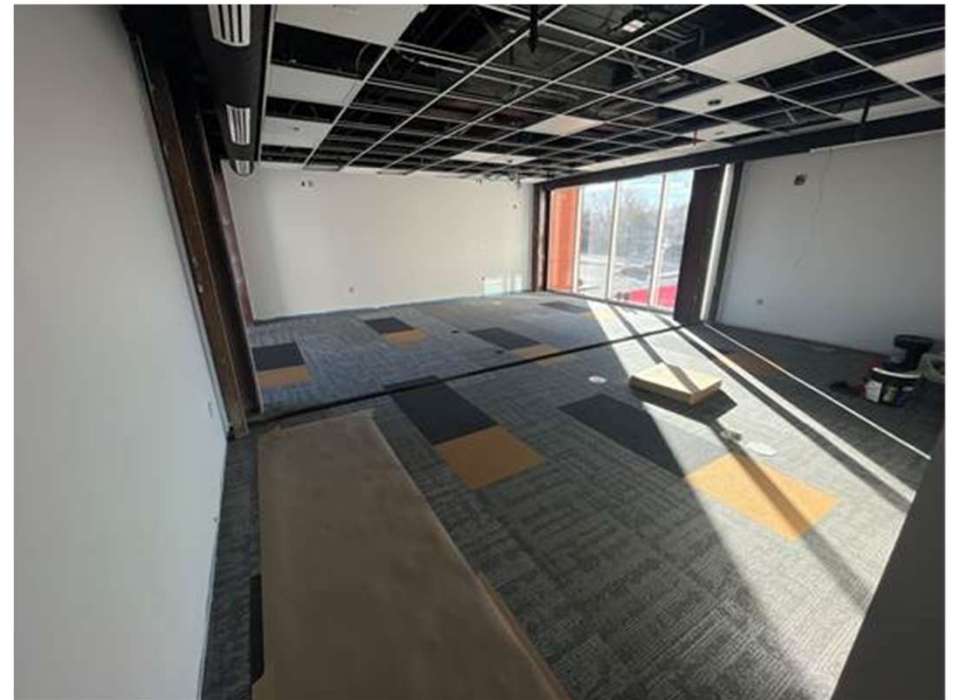
*Ratios presented are calculated without GASB adjustments included, in accordance with guidance from the Higher Learning Commission*



# Projects in Construction – UNM Campus

Project Name	Square Footage	Total Project Costs	Construction Start Date	Target Substantial Completion Date	On Schedule
UNM ROTC Renovation	20,600	\$11,417,379	09/01/2021	02/24/2023	✓
UNM Olympic Training Center	9,800	\$4,757,334	03/01/2022	02/07/2023	✓
Valencia Student Services – Fire Suppression	79,335	\$2,000,000	06/30/2022	03/31/2023	✓
Taos Klauer Campus – Water Tank	30,000	\$2,562,423	08/02/2021	12/08/2022	✓

# UNM ROTC Renovation



THE UNIVERSITY OF NEW MEXICO

# UNM Olympic Training Center



THE UNIVERSITY OF NEW MEXICO



# Projects in Construction

## UNM Health & Health Sciences

Project Name	Square Footage	Total Project Costs	Construction Start Date	Target Substantial Completion Date	Status
UNMH New Hospital Tower	689,000	\$752,124,556	07/06/2021	11/01/2024	
UNMH Comprehensive Movement Disorder Center and Senior Health Center	32,000	\$19,400,000	01/18/2021	12/5/2022	
UNMH Behavioral Health Crisis Center	48,699	\$40,000,000	07/18/2022	12/31/2023	
Interdisciplinary Substance Use and Brain Injury (ISUBI) Center	15,700	\$12,555,750	01/03/2022	2/6/2023	
College of Nursing and Public Health Excellence Building	94,000	\$43,000,000	06/03/2022	06/30/2024	

# UNMH New Hospital Tower



THE UNIVERSITY OF NEW MEXICO

# UNMH Comprehensive Movement Disorder Center and Senior Health Center



Credit: Robert Reck

THE UNIVERSITY OF NEW MEXICO



# HSC Projects



College of Nursing and Public  
Health Excellence



Behavioral Health Crisis Center



Thank You!!

THE UNIVERSITY OF NEW MEXICO



# University of New Mexico

## Quarterly Financial Actions Report

Fiscal year 2023 Date 2/7/2023

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  No

(2) Fail to make its required payments, as scheduled, to appropriate retirement system(s)? Yes  No

(3) Fail to make its payroll payments, as scheduled? Yes  No

(4) Fail to make its scheduled debt service payments? Yes  No

(5) Fail to make payments to vendors, as scheduled, due to a cash deficiency or a substantial deficiency in the payment processing system? Yes  No

(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  No

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.)

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:

1<sup>st</sup> \_\_\_ 2<sup>nd</sup>  3<sup>rd</sup> \_\_\_ 4<sup>th</sup> \_\_\_ Quarter, FY 2023

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-Finance & Facilities Date

---

Garnett S. Stokes, President Date

---

Teresa Costantinidis, Executive VP for Finance & Administration Date

# TAB 6

## #6

Project Construction Approvals (Presenter: Lisa Marbury, AVP,  
Campus Environments & Administration)



INSTITUTIONAL  
SUPPORT  
SERVICES

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

DATE: February 14, 2023

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 Resident Center Commons Renovation
2. Taos Klauer Campus South Parking Lot
3. Bratton Hall – Forum Renovations
4. Farris Engineering Center-Computer Science Collaborative Space
5. 933 Bradbury Dr. SE – HVAC Replacement Project
6. New Mexico PBS KNME-TV - Chiller Addition
7. Chicana & Chicano Studies – Exterior Courtyard Improvements

cc: A. Coburn, M. Dion, M. Bailey, C. Martinez, S. Rodgers, A. Reynolds, B. Scharmer,  
G. Skinner, Michael Pierce – PDC

A. Sena, R. Notary, D. Penasa, R. Sobieski, J. Hart – FM

T. Neale, L. Murray, A. Hernandez – RED

**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for  
STUDENT RESIDENT CENTER (SRC) COMMONS RENOVATION  
UNIVERSITY OF NEW MEXICO**

**February 14, 2023**

**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 Resident Center (SRC) Commons Renovation, Central Campus, Albuquerque, New Mexico.**

**PROJECT DESCRIPTION:**

The Student Resident Center (SRC) Commons (building #89), 15,552 gross square feet (GSF) project includes several areas of renovation on the first and second floors of the facility. First and second-floor restrooms will be brought up to code and to University standards. The mail room will be remodeled for the efficiency and functionality of the space. The first and second-floor updates will include new carpet and new modern furniture designed to promote gathering and an improved learning atmosphere, creating a reconfigurable space for meetings and student tours. A conference room space will be renovated into (4) offices for staff. The project also adds a new vestibule space to the first-floor north entrance to create a weather buffer between the external environment and the internally conditioned space. The new atrium will house an Amazon package locker system, which will allow 24-hour access to secure lockers for both the delivery companies and the package recipients.

**PROJECT RATIONALE:**

The SRC Commons is the 24/7/365 base for on-campus housing resident service operations, and this building also serves as the main office for Resident Life and Student Housing (RLSH). There have been piecemeal improvements to the building over the last 15 years, but the building as designed 30 years ago is primarily unchanged. Student and Department needs have changed significantly, requiring us to improve and update our space to match the current and forecasted future needs in addition to improving the efficiency and energy use of the building. The improvements in the building will modernize some of the core service functions offered by student housing and will provide an entry point to student housing that reflects University standards. Demonstrating care for our facilities through regular updates is an essential component of the residential experience, and the SRC Commons is a location that all residents utilize in one way or another. Not receiving approval for this project will continue to create a disconnect between the experience we want to provide students and the physical reality of the space they use.

**FUNDING:**

The total estimated Project Budget is: \$1,295,927.03

- \$1,295,927.03 is funded by Resident Life Student Housing Plant Funds

# The University of New Mexico - Central Campus



A0089 - Student  
and Resident  
Center Commons





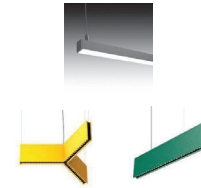
FIRST FLOOR LOUNGE EAST VIEW



FIRST FLOOR LOUNGE SOUTH VIEW



FIRST FLOOR LOBBY NORTH VIEW



LIGHT FIXTURES

COA STAMP AREA KEEP CLEAR

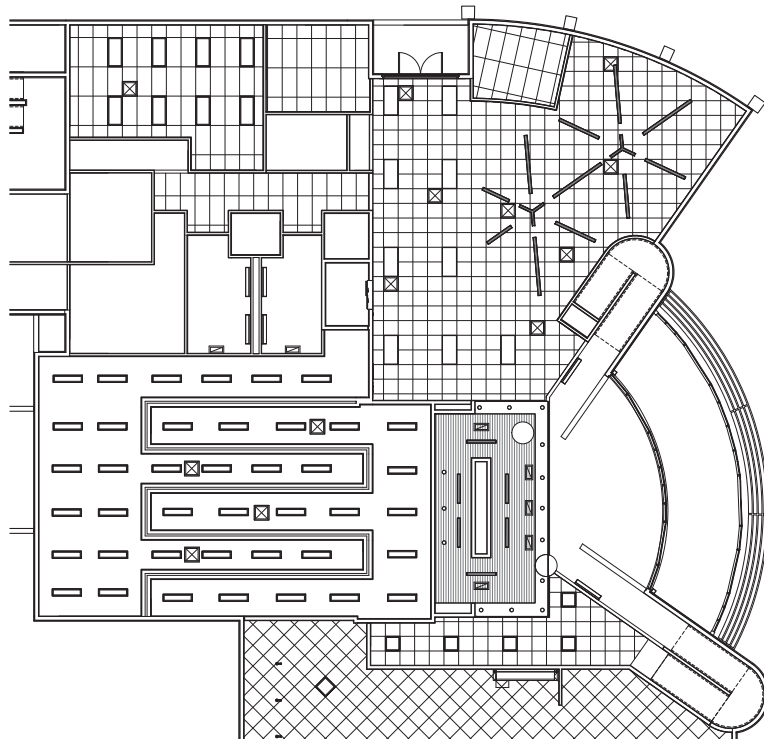
**GENERAL NOTES**

1. IF THIS SHEET IS NOT 24" X 36", THEN IT IS A REDUCED SIZE PLOT. USE GRAPHIC SCALE ACCORDINGLY.
2. FIELD VERIFY ALL EXISTING CONDITIONS ON SITE PRIOR TO FABRICATION OR CONSTRUCTION.
3. CONTRACTOR SHALL NOTIFY THE ARCHITECT OF ANY DISCREPANCIES OR CONFLICTS IN THESE DOCUMENTS.
4. ALL WALLS TO BE PAINTED FIELD COLOR U.N.O.
5. ALL GYPSUM BOARD CEILINGS TO BE PAINTED FIELD COLOR U.N.O.
6. ALL HOLLOW METAL DOOR FRAMES TO BE PAINTED.
7. ALL ACCENT POINTS ON WALLS ARE SHOWN DASH-DOT-DASH FOR LOCATION. REFER TO MATERIAL FINISH SCHEDULE FOR COLORS.
8. ALL CHANGES IN FLOOR MATERIAL TO OCCUR AT CENTER LINE OF DOOR FRAMES U.N.O.
9. PROVIDE TRANSITION STRIP AND REDUCER WHERE CHANGES IN FLOORING MATERIAL OCCURS.
10. REFERENCE MATERIAL FINISH SCHEDULE FOR CARPET INSTALLATION.
11. CONTINUE FLOOR FINISH AT ALL EXPOSED AREAS UNDER CASEWORK AND WORK SURFACES.
12. PAINT EXPOSED WALL, MOUTHE ACCESS DOORS, FRILLES, COVERPLATES AND ELECTRICAL CABINETS TO MATCH ADJACENT SURFACE(S).

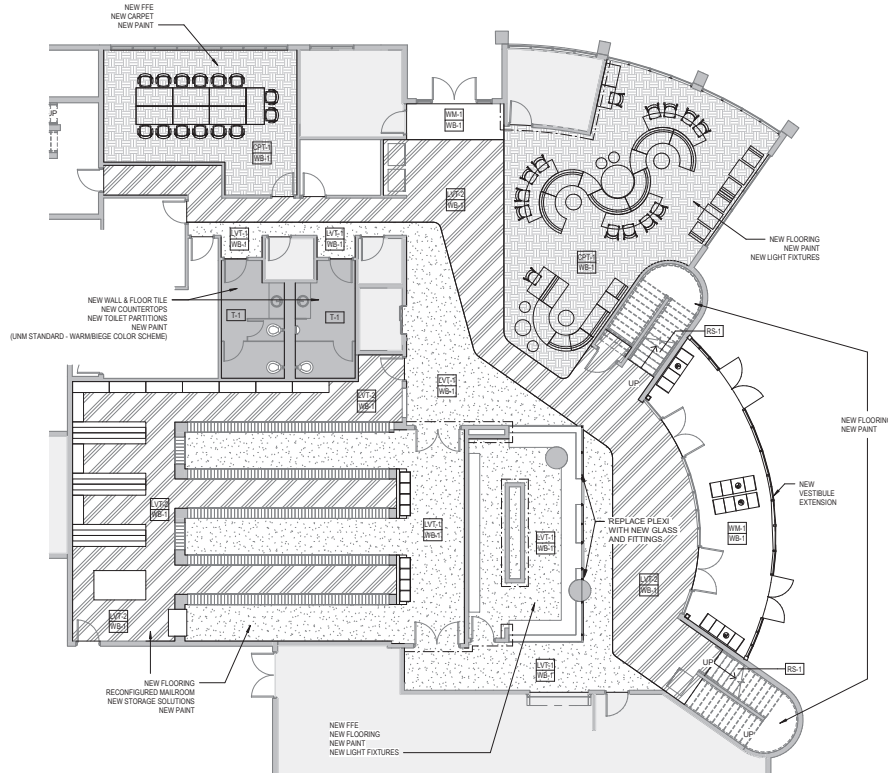


EXTERIOR VESTIBULE VIEW

TURQUOISE PAINT (ACCENT) & (PET FINISH COLOR)	SANDIA SUNSET PAINT (PET FINISH COLOR)	LOBO GRAY PAINT (ACCENT) & (DOOR FRAME)	DEW380 WHITE PAINT (FIELD)	(CPT-1) CARPET TILE	(WIM-1) WALK OFF CARPET	(LVT-2) LUXURY VINYL TILE	(LVT-1) LUXURY VINYL TILE	(RS-1) RUBBER STAIR TREAD/RISER
UPHOLSTERY	TABLE FINISH & TRIM							



2 FIRST FLOOR RCP  
1/8" = 1'-0"



1 FIRST FLOOR FINISH PLAN  
1/8" = 1'-0"

NOT FOR CONSTRUCTION

CONTRACTOR TAKE-OFF

NOT FOR CONSTRUCTION

UNM SRC COMMONS

CONTRACTOR TAKE-OFF  
ROMA AVE NE  
ALBUQUERQUE, NM 87106

NO.	DATE	DESCRIPTION
	7/18/22	DATE
	2/20/18	PROJECT #
	CT	DRAWN BY:
	EM	CHECKED BY:
COPYRIGHT: SMPC Architects © 2018		
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		

FIRST FLOOR PLANS

A-101



SECOND FLOOR LOUNGE NORTH VIEW



LIGHT FIXTURE



SANDIA SUNSET PAINT  
(PET FINISH COLOR)



UPHOLSTERY



TABLE FINISH  
& TRIM



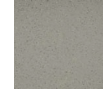
CHERRY PAINT  
(ACCENT)



LOBO GRAY PAINT  
(DOOR FRAMES)



DEW380 WHITE PAINT  
(FIELD)

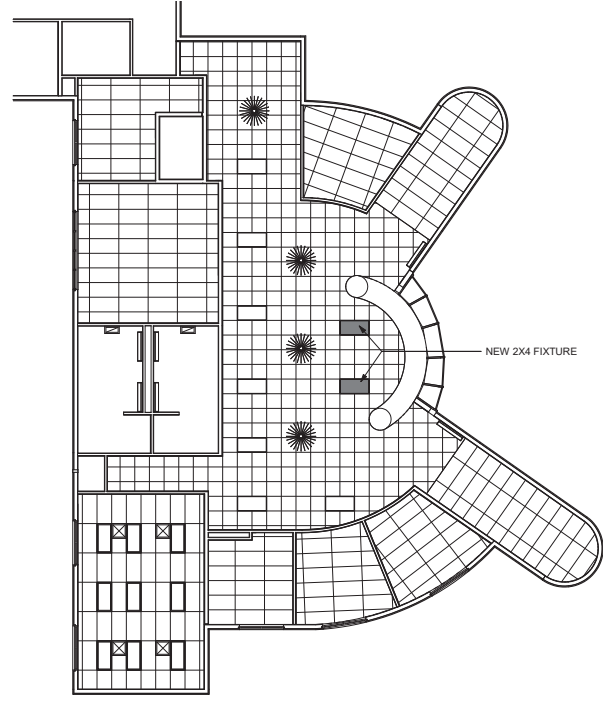


(RS-1) RUBBER  
STAIR TREAD/RISER

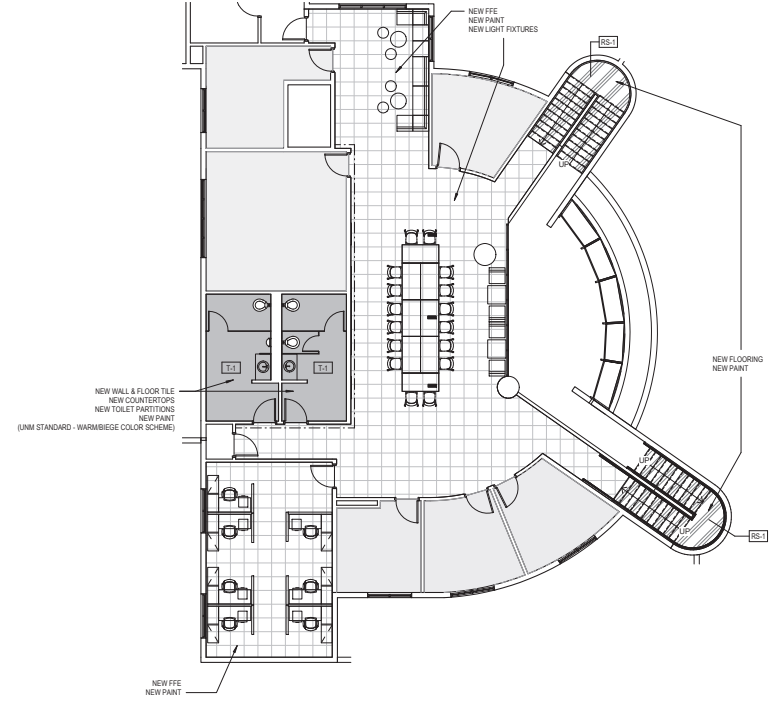
**GENERAL NOTES**

- IF THIS SHEET IS NOT 24" X 36", THEN IT IS A REDUCED SIZE PLOT. USE GRAPHIC SCALE ACCORDINGLY.
- FIELD VERIFY ALL EXISTING CONDITIONS ON SITE PRIOR TO FABRICATION OR CONSTRUCTION.
- CONTRACTOR SHALL NOTIFY THE ARCHITECT OF ANY DISCREPANCIES OR CONFLICTS IN THESE DOCUMENTS.
- ALL WALLS TO BE PAINTED FIELD COLOR U.N.O.
- ALL GYPSUM BOARD CEILINGS TO BE PAINTED FIELD COLOR U.N.O.
- ALL HOLLOW METAL DOOR FRAMES TO BE PAINTED.
- ALL ACCENT PAINTS ON WALLS ARE SHOWN DASH-DOT-DASH FOR LOCATION. REFER TO MATERIAL FINISH SCHEDULE FOR COLORS.
- ALL CHANGES IN FLOOR MATERIAL TO OCCUR AT CENTER LINE OF DOOR FRAMES U.N.O.
- PROVIDE TRANSITION STRIP AND REDUCER WHERE CHANGES IN FLOORING MATERIAL OCCURS.
- REFERENCE MATERIAL FINISH SCHEDULE FOR CARPET INSTALLATION.
- CONTINUE FLOOR FINISH AT ALL EXPOSED AREAS UNDER CASEWORK AND WORK SURFACES.
- PAINT EXPOSED WALL, MOUTHED ACCESS DOORS, FRILLES, COVERPLATES AND ELECTRICAL CABINETS TO MATCH ADJACENT SURFACE(S).

**NOT FOR CONSTRUCTION**  
  
**CONTRACTOR TAKE-OFF**  
  
**NOT FOR CONSTRUCTION**



**2 SECOND FLOOR RCP**  
1/8" = 1'-0"



**1 SECOND FLOOR FINISH PLAN**  
1/8" = 1'-0"

**UNM SRC COMMONS**  
  
 CONTRACTOR TAKE-OFF  
 ROMA AVE NE  
 ALBUQUERQUE, NM 87106

NO.	DATE	DESCRIPTION
	7/18/22	
DATE:	2/20/18	
PROJECT #:		CT
DRAWN BY:		EM
CHECKED BY:		
COPYRIGHT: SMPC Architects © 2018		

**SECOND FLOOR PLANS**

**A-102**



COA STAMP AREA KEEP CLEAR

**NOT FOR  
CONSTRUCTION**

CONTRACTOR  
TAKE-OFF

**NOT FOR  
CONSTRUCTION**



**UNM SRC COMMONS**

CONTRACTOR TAKE-OFF  
ROMA AVE NE  
ALBUQUERQUE, NM 87106

NO.	DATE	DESCRIPTION

DATE: 7/18/22

PROJECT #: 22018

DRAWN BY: Author

CHECKED BY: Checker

COPYRIGHT: SMPC Architects © 2018

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

**EXTERIOR  
VESTIBULE VIEW**

**A-901**

COA STAMP AREA KEEP CLEAR

**NOT FOR  
CONSTRUCTION**

CONTRACTOR  
TAKE-OFF

**NOT FOR  
CONSTRUCTION**

**UNM SRC COMMONS**

CONTRACTOR TAKE-OFF  
 ROMA AVE NE  
 ALBUQUERQUE, NM 87106




NO.	DATE	DESCRIPTION

DATE: 7/18/22  
 PROJECT #: 22018  
 DRAWN BY: Author  
 CHECKED BY: Checker  
 COPYRIGHT: SMPC Architects © 2018

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

FIRST FLOOR  
 LOUNGE EAST  
 VIEW

A-902



COA STAMP AREA KEEP CLEAR

**NOT FOR  
CONSTRUCTION**

CONTRACTOR  
TAKE-OFF

**NOT FOR  
CONSTRUCTION**



**UNM SRC COMMONS**

CONTRACTOR TAKE-OFF  
 ROMA AVE NE  
 ALBUQUERQUE, NM 87106

NO.	DATE	DESCRIPTION

DATE:	7/18/22
PROJECT #:	22018
DRAWN BY:	Author
CHECKED BY:	Checker

COPYRIGHT: SMPC Architects © 2018

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

FIRST FLOOR  
LOUNGE SOUTH  
VIEW

A-903

COA STAMP AREA KEEP CLEAR

**NOT FOR  
 CONSTRUCTION**

CONTRACTOR  
 TAKE-OFF

**NOT FOR  
 CONSTRUCTION**

**UNM SRC COMMONS**

CONTRACTOR TAKE-OFF  
 ROMA AVE NE  
 ALBUQUERQUE, NM 87106




NO.	DATE	DESCRIPTION

DATE: 7/18/22  
 PROJECT #: 22018  
 DRAWN BY: Author  
 CHECKED BY: Checker  
 COPYRIGHT: SMPC Architects © 2018

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  
**FIRST FLOOR  
 LOBBY NORTH  
 VIEW**

**A-904**



COA STAMP AREA KEEP CLEAR

**NOT FOR  
CONSTRUCTION**

CONTRACTOR  
TAKE-OFF

**NOT FOR  
CONSTRUCTION**



**UNM SRC COMMONS**

CONTRACTOR TAKE-OFF  
 ROMA AVE NE  
 ALBUQUERQUE, NM 87106

NO.	DATE	DESCRIPTION

DATE:	7/18/22
PROJECT #:	22018
DRAWN BY:	Author
CHECKED BY:	Checker

COPYRIGHT: SMP Architects © 2016

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

SHEET TITLE

**SECOND FLOOR  
LOUNGE NORTH  
VIEW**

**A-905**

**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for  
UNM TAOS SOUTH PARKING LOT AND SCIENCE, TECHNOLOGY,  
ENGINEERING, AND MATHEMATICS (STEM) LANDSCAPE IMPROVEMENTS  
UNIVERSITY OF NEW MEXICO**

**February 14, 2023**

**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 **South Parking Lot and STEM Landscape Improvements, Taos Klauer Campus in Taos, New Mexico**

**PROJECT DESCRIPTION:**

This project will reconstruct the South parking lot as well as landscape the area around the STEM Building on the UNM Taos Branch Klauer campus. The scope of work will include new parking lot lighting with rough-in for security cameras, stormwater infrastructure and erosion control, pedestrian and traffic safety enhancements, landscape beautification, wayfinding, and site furnishings.

**PROJECT RATIONALE:**

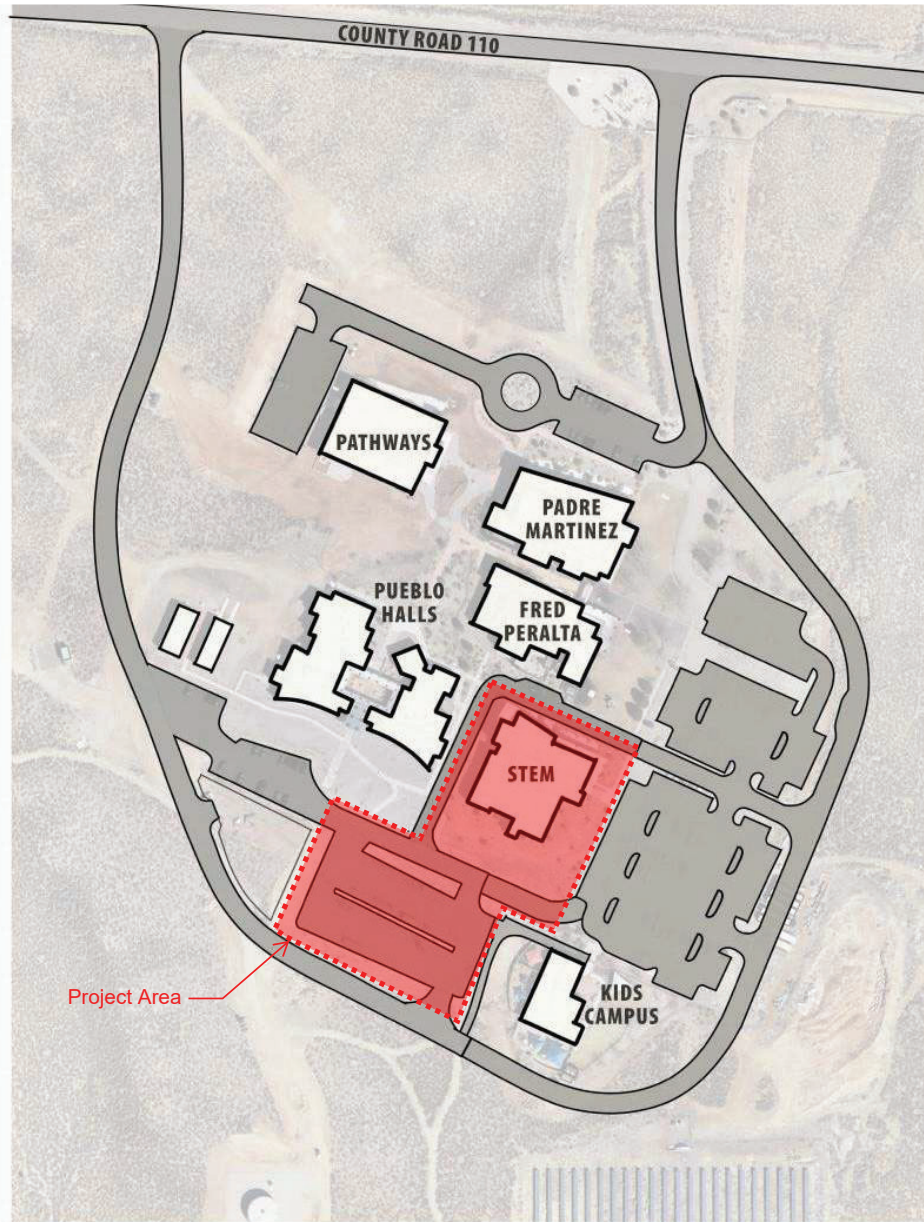
This project will address vehicular circulation, pedestrian traffic flow, accessibility issues from the parking lot to campus buildings, and inconsistent and inadequate lighting levels on the south side of campus. This project benefits students, staff, and visitors accessing the campus' South parking areas including the Children's Center. Upgrades to the parking lot will aid in snow removal as well as redirect stormwater flows to eliminate slip and fall hazards and erosion issues around the STEM Building. Not completing this project will leave these areas with erosion and slip and fall issues, which will be a hazard to students, staff, and visitors.

**FUNDING:**

The total estimated Project Budget is \$1,116,853:

- \$1,032,816 is funded from Taos County Education Gross Receipts Tax
- \$84,037 is funded from Building, Renewal, and Replacement

South Parking Lot & STEM Building  
Landscape Improvements

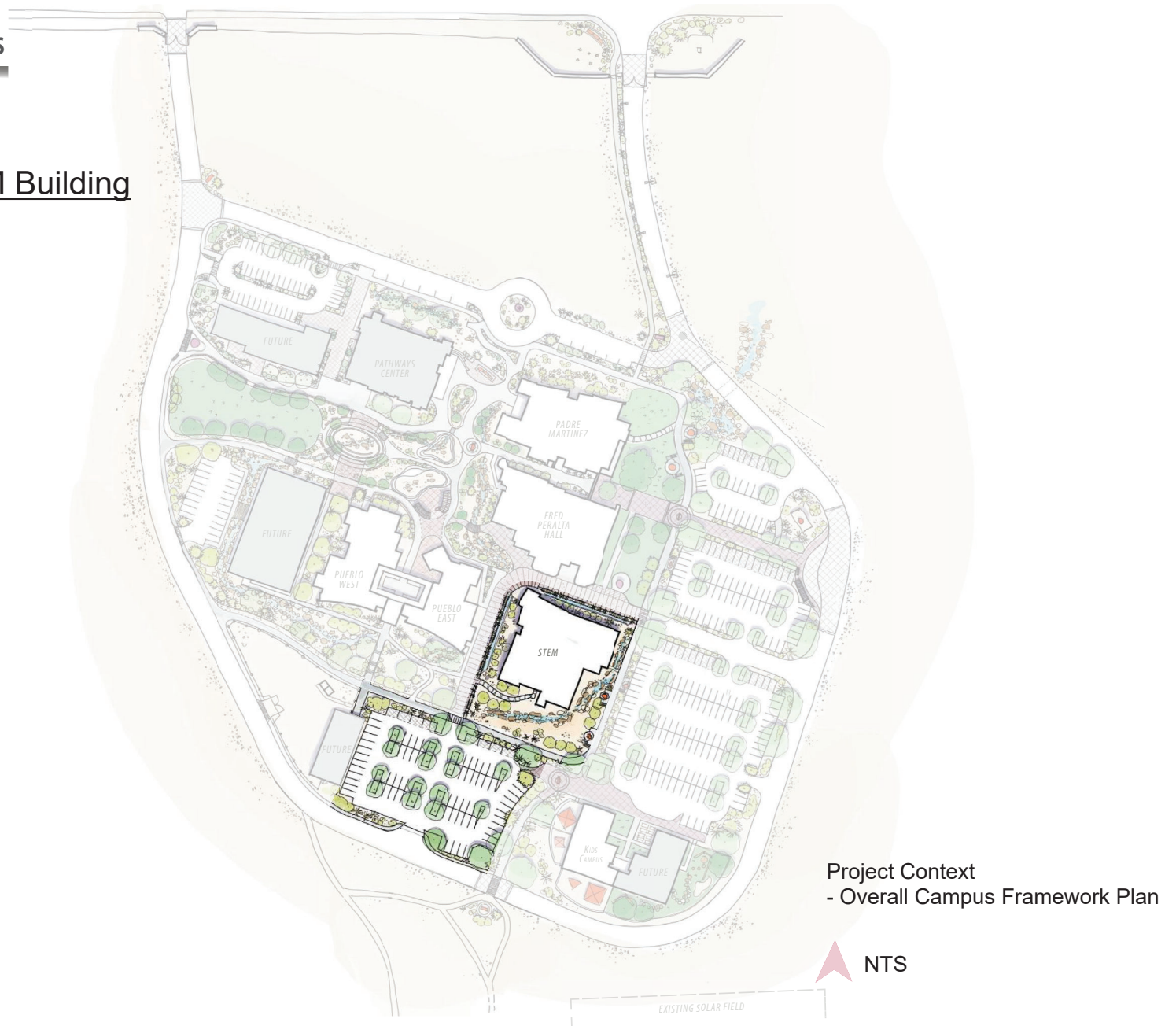


Klauer Campus Map  
NTS



## South Parking Lot & STEM Building Landscape Improvements

- Paved South Parking Lot
- Native Landscaping
- Drainage Improvements
- Water Harvesting
- Safety and Security Lighting
- Campus Kiosk Sign and Map
- Bus Shelter
- Site Furnishings





## South Parking Lot & STEM Building Landscape Improvements

- Paved South Parking Lot
- Native Landscaping
- Drainage Improvements
- Water Harvesting
- Safety and Security Lighting
- Campus Kiosk Sign and Map
- Bus Shelter
- Site Furnishings



Site Plan

**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for  
BRATTON HALL (Building #218) – FORUM RENOVATIONS  
UNIVERSITY OF NEW MEXICO  
February 14, 2023**

**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 the **Bratton Hall (Building #218) – Forum Renovations on the Albuquerque North Campus.**

**PROJECT DESCRIPTION:**

The project is located at the UNM School of Law in building #218 - Bratton Hall, Room 2400. It will remodel approximately 8,192 square feet and include new maple rotunda finishes, new floor finishes, new solid wood maple veneer doors, storefront door finishes in select areas, and new paint on walls surrounding the concourse areas. The project consists of removing the existing dark brown wood panels on the concrete rotunda and replacing them with a vertical wood maple grill panel system with sound insulation and removing and replacing selected existing dark wood doors with storefront door systems and new maple-finished solid wood doors to match the new rotunda maple finishes.

**PROJECT RATIONALE:**

The majority of the UNM School of Law is housed in Bratton Hall (building #218), and the forum is often the first impression of the School. Unlike other areas of Bratton Hall, the forum has not been updated and the current finishes reflect the design concepts of the original construction in 1969. This area hosts high-profile events throughout the year for the School of Law and serves as a gathering space for students and faculty. The new flooring and maple finishes will provide a durable, modern appearance to the forum with a continuity of door finishes throughout the space. The consequences of not approving this project are poor visibility to a high-profile and heavily frequented area for School of Law faculty, students, and the visiting public.

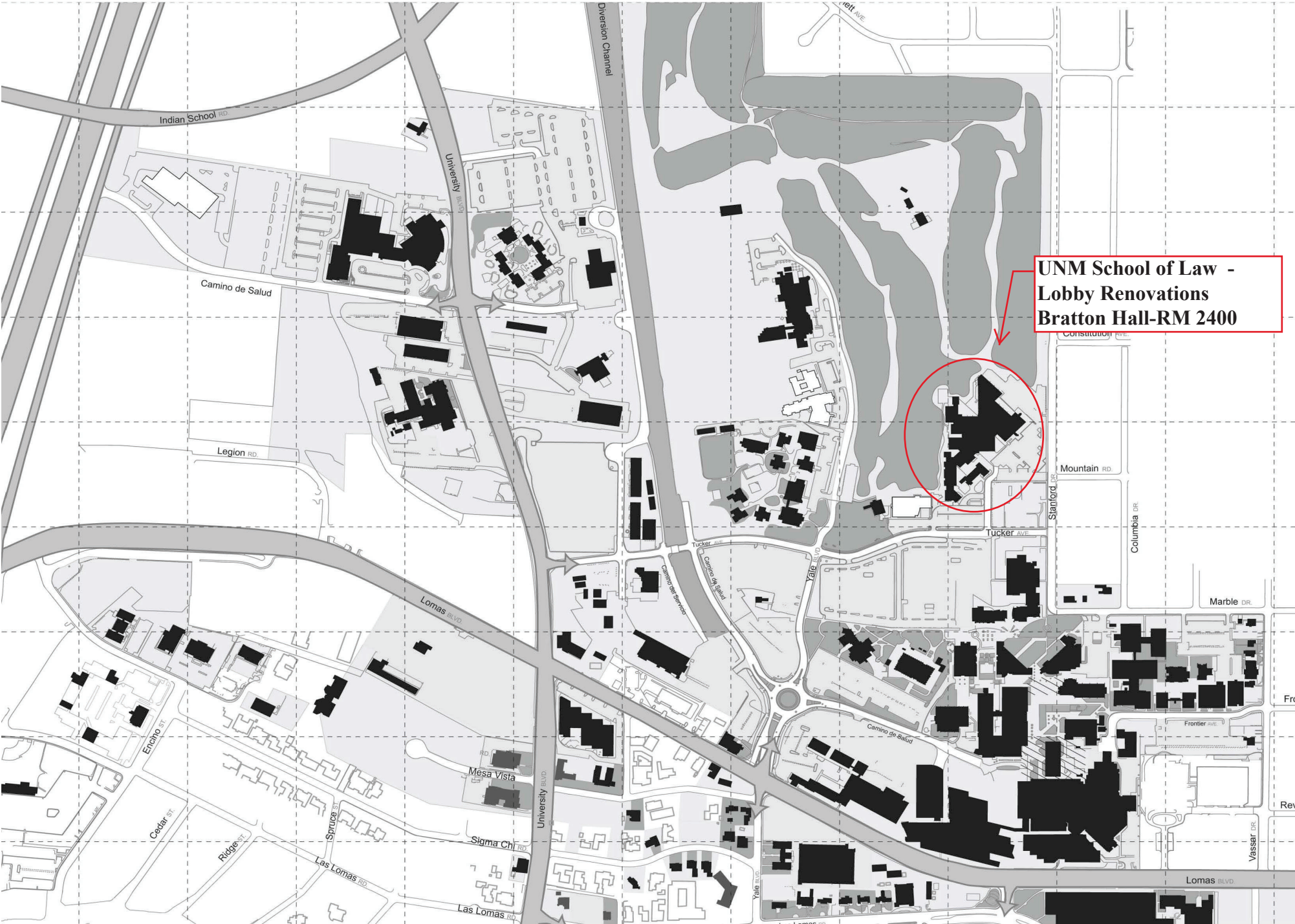
**FUNDING:**

The total estimated Project Budget is \$560,476 :

- \$560,476 is funded from Departmental Funds



# The University of New Mexico - Albuquerque: North Campus



**UNM School of Law -  
Lobby Renovations  
Bratton Hall-RM 2400**

# UNIVERSITY OF NEW MEXICO SCHOOL OF LAW FORUM RENOVATION

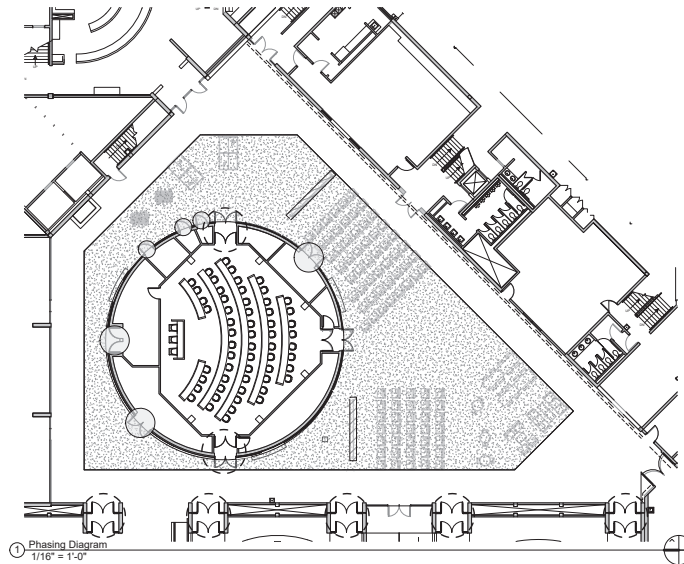
100% Design Development  
Albuquerque, NM

## GENERAL NOTES

- All work described by these documents shall be performed in full accordance with all applicable codes, ordinances & regulations adopted by national agencies, all codes adopted by the State of New Mexico, & all local entities.
- General Contractor is responsible for verifying all dimensions and existing conditions in the field. All exterior dimensions are to face of structure, Gridline, and control points. All interior dimensions are to grid lines and face of stud or concrete unless otherwise noted. Dimensions labeled as "clear" are to finish face of surface.
- All materials, finishes, manufactured items, and equipment shall be installed in full accordance with the supplier's or manufacturer's written recommendations or these documents, whichever is more stringent.
- Prior to any demolition, General Contractor shall review all salvage items with the Owner's representative.
- General Contractor shall verify location of all piping, equipment, etc. served by existing equipment to be removed. General Contractor shall remove such items only if they do not serve fixtures to remain. All piping shall be capped in a concealed location.
- The General Contractor shall coordinate the sizes of mechanical and plumbing chases and available ceiling clearances with the mechanical and plumbing drawings. Before construction any discrepancies in dimensions must be reported to the Owner's Representative immediately.
- The General Contractor shall coordinate with the Owner on all Owner-installed items and equipment.
- All plumbing fixtures shall be ANSI A117.1-2009 and ADA compliant.
- Discrepancies:** The General Contractor shall compare and coordinate the information shown on all drawings. Where in the opinion of the General Contractor a discrepancy exists, he shall promptly report it to the Architect for proper clarification or adjustment.
- Omissions:** In the event that certain features of the construction are not fully shown on the drawings, then their construction shall be the same character as the construction of similar conditions that are shown or noted on the drawings and specifications. If there is any doubt concerning the similarity of the condition, the General Contractor shall notify the Architect and request clarification.
- Changes:** The General Contractor shall inform the Owner immediately if any changes requested in the field either verbally or in writing shall impact the project schedule or budget. The Contractor shall prepare a Proposed Change Order within a reasonable agreed upon time frame for review and approval, prior to commencing the work on any proposed changes or directives. Proposed Change Orders submitted by the General Contractor after the fact shall not be accepted.
- All doors to have accessible hardware.
- The General Contractor shall verify required rough opening size for all doors and windows.
- The General Contractor shall verify that there are no conflicts between openings in walls or slabs and structure.
- The General Contractor shall provide all blocking, backing, and additional supporting structure as required for items called for in the drawings and specifications whether the blocking, backing, and additional supporting structure is specifically shown in the drawings or not.
- The General Contractor shall compare the dimensions on the Mechanical and Electrical Drawings with the dimensions shown on the Architectural Drawings before constructing any portion of the project. Any discrepancies or conflicts shall be reported to the Architect immediately.
- Contract Documents take precedence when they are more stringent than applicable codes, ordinances, standards, and statutes. Codes, ordinances, standards, and statutes take precedence when they are more stringent or conflict with drawings and specifications.
- Use of the Site:** The General Contractor's use of the site shall be fully coordinated with the Owner prior to & throughout construction.
- General Contractor shall minimize noise and dust. All trash and debris shall be removed on a daily basis.
- The General Contractor shall conduct and coordinate site meetings.
- GC to provide submittals for all fixtures and fittings.
- General Guarantee:** Neither the final certificate of payment nor any provision in the Contract Documents nor partial or entire occupancy of the project by the Owner shall constitute acceptance of work not done in accordance with the Contract Documents or relieve the contractor of liability in respect to any expressed warranties or responsibility for faulty materials or workmanship. The Contractor shall remedy all defects in the work and pay for damages to other work resulting therefrom, which shall appear within a period of one (1) year from the date of Substantial Completion of the work under the Contract. The Owner will give notice of observed defects with reasonable promptness.

## SCOPE

Bratton Hall Lobby Renovation consists of the removal of the existing dark brown wood panel on the concrete rotunda and replacing them with vertical wood grill panel system with sound insulation behind them. The addition of two 10' long colored glass walls on a free standing structural frame separating event space from student commons space. The removal and replacement of selected existing solid wood doors with store front door systems to matching existing.



## PHASING BREAKDOWN

### PHASE 1:

- - - - - New cove base on perimeter of lobby & new trim on lights
- - - - - New paint coat on walls surrounding concourse
- New door, see Plan
- ▨ Color glazed presentation wall

### PHASE 2:

- ▨ New carpet
- New interior storefront doors

## DRAWING LIST

SHEET	SHEET NAME
G000	Cover Sheet
G002	Renderings
A101	Floor Plan
A201	Elevations
D101	Existing / Demo Plans

## PROJECT INFORMATION

City Address: University of New Mexico, School of Law  
Bratton Hall  
117 Stanford Dr. NE,  
Albuquerque, NM 87106

IDO Zone District: RA/H (multi-family High Density  
Zone Atlas Page: J-16-Z  
UPC: 101605806320030710L1  
Lot: Unplatted / UNM North Campus  
Block 0000  
Subdivision: Unplatted / UNM North Campus  
Area of Renovation: 10,190 SF

## APPLICABLE CODES

- 2015 International Building Code
- 2015 New Mexico Commercial Building Code
- 2017 New Mexico Electrical Code
- 2018 New Mexico Energy Conservation Code
- 2015 New Mexico Existing Building Code
- 2021 Uniform Mechanical Code
- 2022 Uniform Administrative Code

## OCCUPANCY TYPE

304 Business - Group B

## IEBC CLASSIFICATION

ALTERATIONS - LEVEL 1  
503.1 Scope. Level 1 Alterations include the removal and replacement of the covering of materials, elements, equipment, or fixtures using new materials, elements, equipment, or fixtures that serve the same purpose.

## PROJECT TEAM

### CLIENT

University of New Mexico, School of Law  
117 Stanford Dr. NE,  
Albuquerque, NM 87106

Mike Pierce, Associate Project/Construction Manager  
University of New Mexico, Planning, Design & Construction (PDC)  
1818 Camino del Servicio, MSC07 4210  
1 University of New Mexico, Albuquerque New Mexico 87131  
e: mpierce@unm.edu  
p: 505.264.3454

Camille Carey, Dean, School of Law, Professor of Law, Karelitz Chair in Evidence and Procedure  
e: carey@law.unm.edu  
p: 505.264.3454

Krista Allen, Assistant Dean, Administrative Operations Director, Master of studies in Law Program  
e: allen@law.unm.edu  
p: 505.277.0078

Tony Anderson, Operations Manager, School of Law  
e: anderson@law.unm.edu  
p: 505.277.5063

### ARCHITECT

Sam Sterling Architecture  
924 2nd Street NW, Suite C  
Albuquerque, NM 87102  
p: 505.252.2520

Sam Sterling, AIA, Principal  
sam@samsterlingarchitecture.com

Samuel Escoto, Project Manager  
Samuel@samsterlingarchitecture.com

Shane Williams, Project Designer  
Shane@samsterlingarchitecture.com

## School of Law Lobby Renovation

117 Stanford Dr. NE,  
Albuquerque, NM 87106



Vicinity Map  
N.T.S.

ARCHITECT

SSA

Sam Sterling Architecture, LLC  
924 2nd Street NW, Suite C, Albuquerque, NM 87102-2520

CONSULTANT

KEY PLAN

**SCHOOL OF LAW FORUM  
RENOVATION**  
 UNIVERSITY OF NEW MEXICO  
 1117 Stanford Dr. NE,  
 Albuquerque, NM 87106

No.	Description	Date

REV:

PHASE: 100% DESIGN DEVELOPMENT

DATE: 10.17.2022

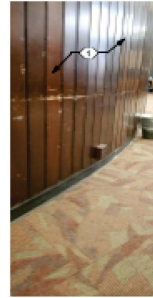
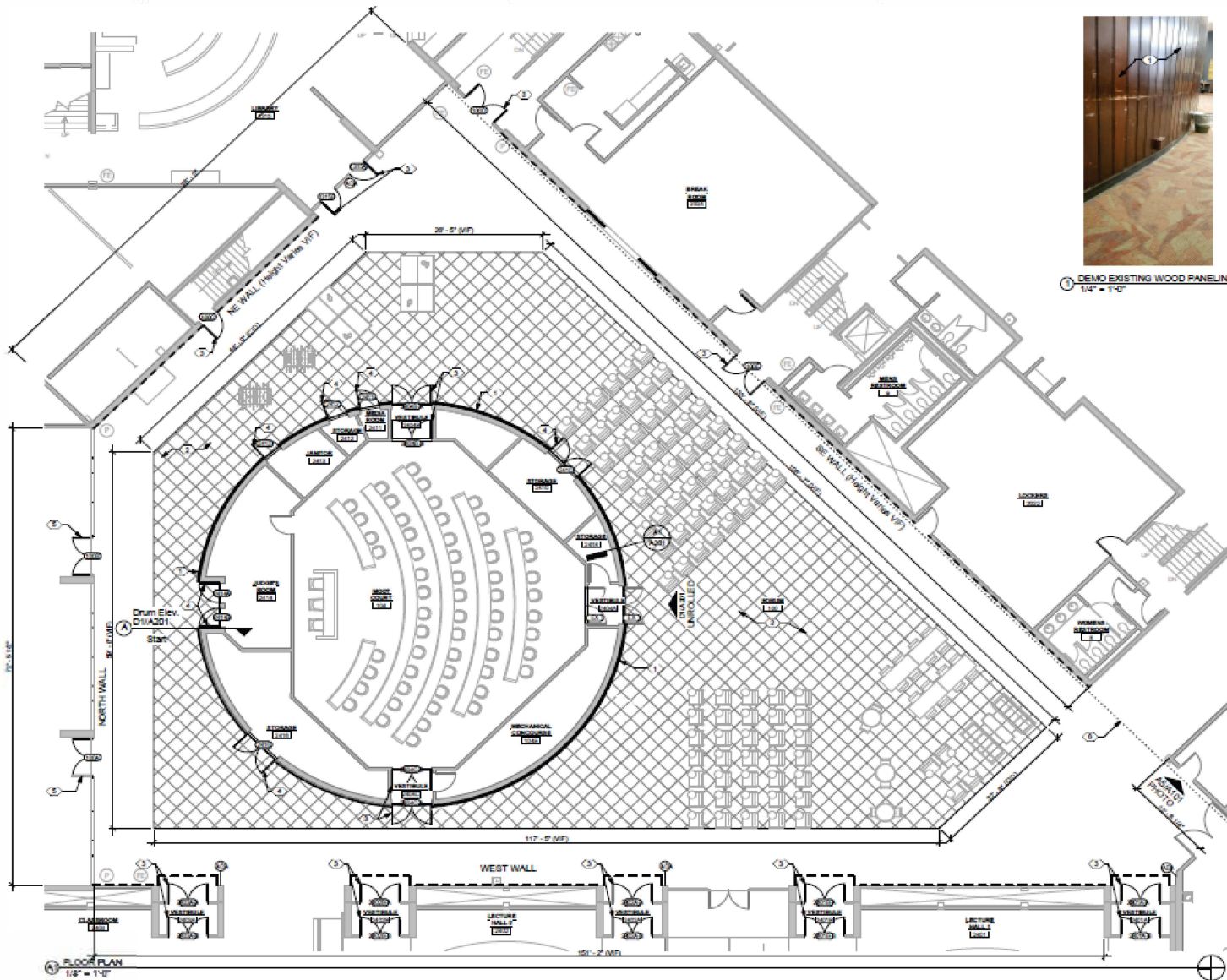
DRAWN BY: SE

CHECKED BY: Checker

**G000**  
Cover Sheet

10/18/2022 12:40:03 PM





1 DEMO EXISTING WOOD PANELING  
1/4" x 1'-0"

### GENERAL NOTES

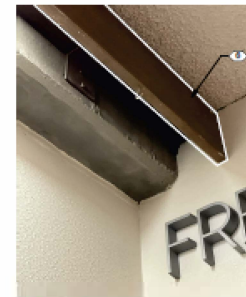
- A. All dimensions are to finish face, grilles, and control points. Dimensions labeled as 'clear' are to finish face of surface.
- B. Furniture shown for clarification. N.I.C.

### KEYNOTE LEGEND

- 1 Replace existing wood paneling with new 3/4" Wide x 2-1/4" Deep x 120" maple harvested grill 1/2" wide grill panels (8 blades / 6x5) with gray fiber backer over 1/2" medium gray polyiso acoustic panel over existing concrete drum.
- 2 Demo existing carpet and replace with new carpet tile. See Finish Schedule A201.
- 3 Replace existing door with new wood door, maple wood veneer. See Door Schedule A201.
- 4 New hollow metal door painted to match adjacent wall. See Door Schedule A201 and Finish Schedule this sheet.
- 5 Replace existing wood doors with new aluminum door. Field verify new doors will fit in existing frames. See Door Schedule A201.
- 6 Approximately 150 linear feet of wood lighting valance to be replaced with 1" x 6" solid maple wood. Match existing detail hardware and protect light fixtures, structure, components, and portions of wood to remain. Verify actual length in field. See Finish Schedule.

### LEGEND

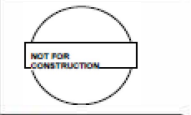
- - - - - Repaint all gyp bd. (walls, piers, and ceiling) floor to ceiling. See Finish Schedule and photo on A301.
- ..... Replace wood on lighting valance with solid maple wood (See photo AE on this sheet).



6 LIGHTING VALANCE  
1/4" x 1'-0"

SSA  
 500 North Washington, LLC  
 800.763.5818 ext. 2000 • Baltimore, MD 21204-3337

CONTRACT



KEY PLAN

**SCHOOL OF LAW FORUM -  
 MINOR IMPROVEMENTS**  
 UNIVERSITY OF NEW MEXICO  
 1117 Stanford Dr. NE,  
 Albuquerque, NM 87106

REV:  
 PHASE: 90% CONSTRUCTION DOCUMENTS  
 DATE: 10/14/2023  
 DRAWN BY: SE  
 CHECKED BY: SE

**A101**  
 Floor Plan

10/14/2023 8:59 AM



**Existing Lobby Finishes with dated carpet and paint scheme. Paneling and doors from original construction in 1969.**





UNM School of Law - October 18, 2022

SSA | sam sterling architecture, llc.





UNM School of Law - October 18, 2022

SSA | sam sterling architecture, llc.



**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for  
FARRIS ENGINEERING CENTER-COMPUTER SCIENCE (FEC-CS)  
COLLABORATIVE SPACE  
UNIVERSITY OF NEW MEXICO  
February 14, 2023**

**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 the **Farris Engineering Center-Computer Science Collaborative Space Project on the Albuquerque Central Campus.**

**PROJECT DESCRIPTION:**

This project will renovate approximately 2,160 Net Square Feet of existing shell space on the garden (basement) level of building #119 Farris Engineering Center.

The general scope of work includes the construction of a 40' section of wall with storefront glazing to create a new room (2,160 sf) in the southeast basement corner of the Farris Engineering Center. Installation of a new single hollow metal door with an electronic card reader for access control, acoustical ceiling, lighting fixtures and switches, patch & paint, LVT flooring, storage cage, and electrical service to the room. Update HVAC equipment (Fan Coil Unit, and Terminal Unit for outside air) and controls to test and balance. A reconfiguration of the fire sprinkler system and fire alarms/detection as required. Rough-in pathways for data drops and Wireless Access Points (WAP).

**PROJECT RATIONALE:**

This renovation will provide a collaboration space for Computer Science students to study class projects and coursework. Currently, the department does not have a dedicated space for such activities. This limits the ability of students to collaborate in the classroom building, which reduces the “student experience” while the Computer Science students pursue their education.

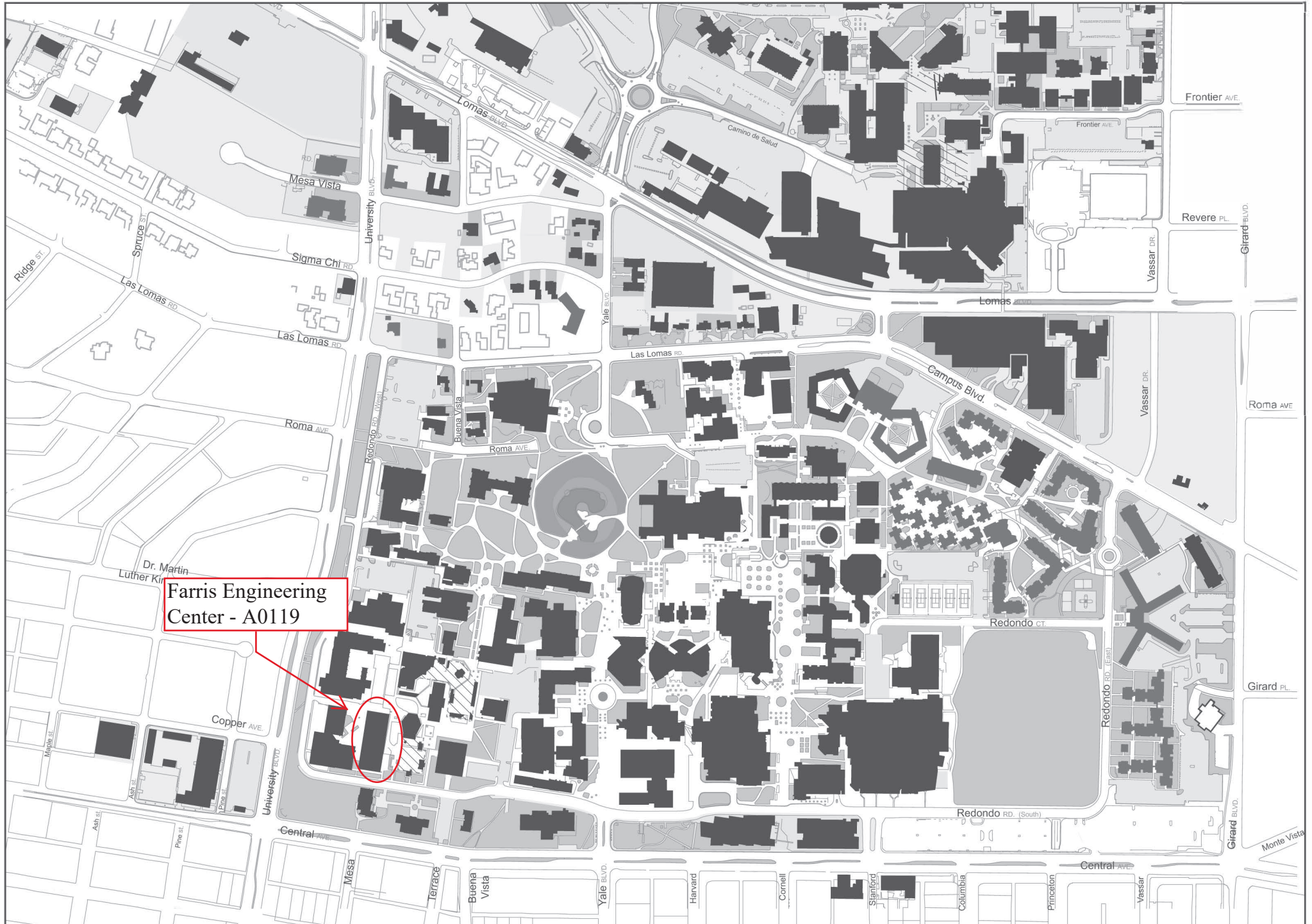
If this project is not approved, the ability of students in the Computer Science program to collaborate will continue to be limited and the lack of a dedicated collaboration space could impact the recruitment of future students to the Computer Science Department.

**FUNDING:**

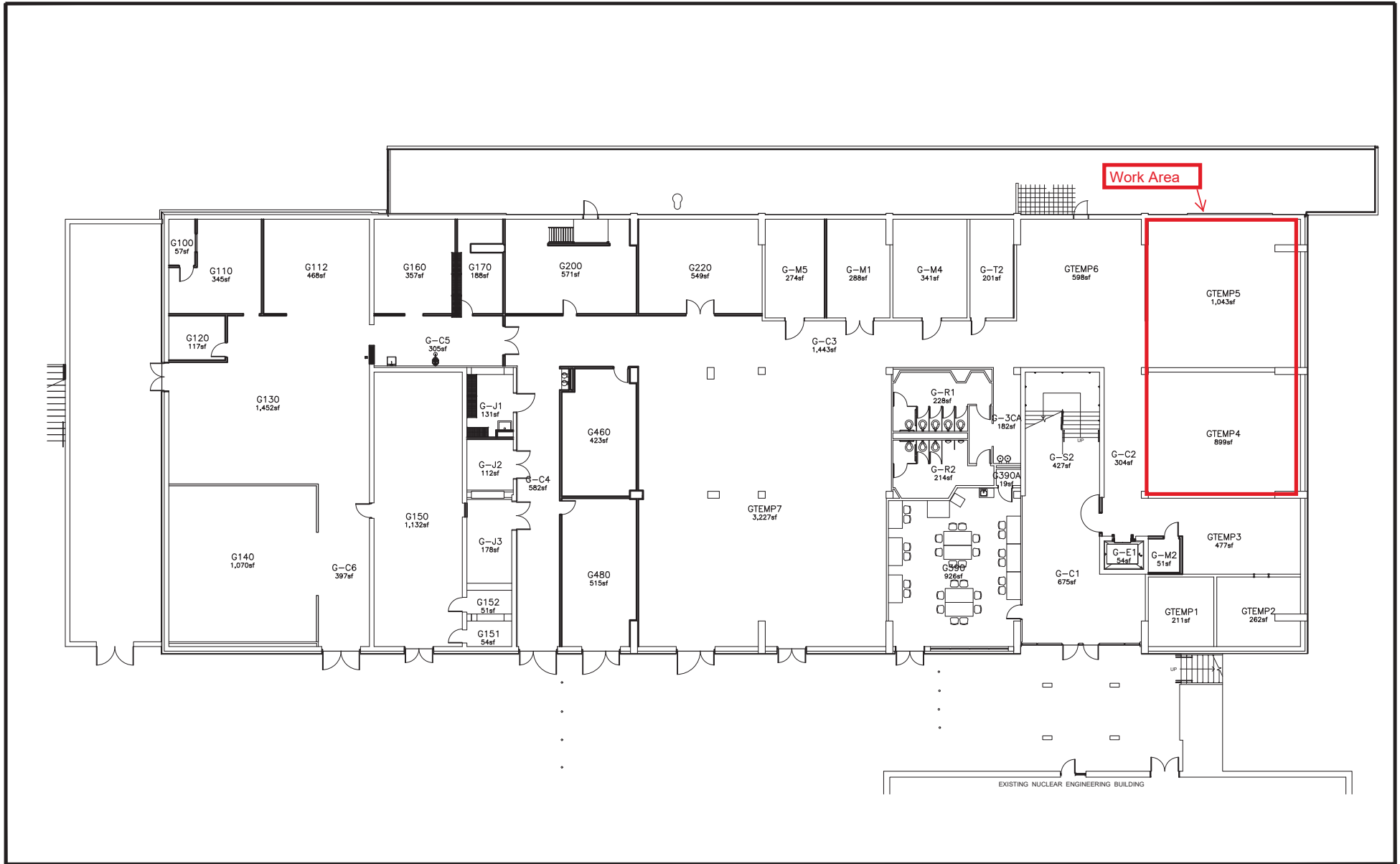
The total estimated Project Budget is \$499,998:

- \$499,998 is funded from the School of Engineering department funds

# The University of New Mexico - Central Campus



Farris Engineering  
Center - A0119

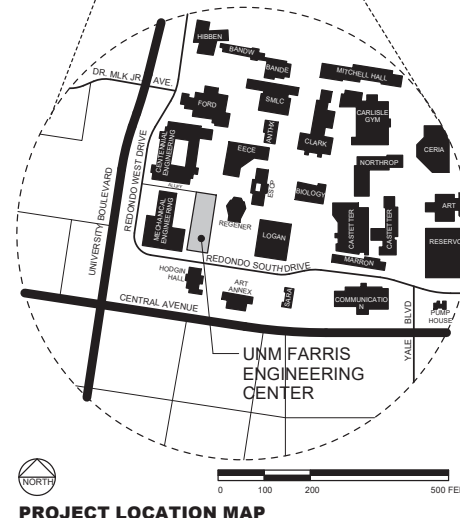




## RMKM SHEET LIST

SHEET LIST	
G001	COVER SHEET
G003	ARCHITECTURAL SPECIFICATIONS AND SYMBOLS
G-100	LEVEL G EGRESS PLAN AND ABBREVIATIONS
<b>ARCHITECTURAL</b>	
A101	CS LAB DEMOLITION & NEW CONSTRUCTION PLANS
A102	REFLECTED CEILING PLAN
A103	ADDITIVE ALTERNATE PLAN & FURNITURE PLAN
<b>MECHANICAL</b>	
M-001	MECHANICAL LEGEND
MH100	HVAC LEVEL G FLOOR PLANS - CS LAB
MP100	MECHANICAL PIPING LEVEL G FLOOR PLANS - CS LAB
M-501	MECHANICAL DETAILS, CONTROLS, AND SCHEDULES
M-601	SPECIFICATIONS
<b>ELECTRICAL</b>	
E-001	ELECTRICAL LEGEND
E-002	ELECTRICAL SPECIFICATIONS
EL100	LIGHTING LEVEL G PLANS - CS LAB
EP100	POWER LEVEL G FLOOR PLANS - CS LAB
ET100	SPECIAL SYSTEMS LEVEL G FLOOR PLANS - CS LAB
E-601	ELECTRICAL DIAGRAMS

# University of New Mexico - Main Campus FARRIS ENGINEERING CENTER CS LAB RENOVATION



PROJECT LOCATION MAP

### OWNER

University of New Mexico  
Office of Capital Projects  
1 University of New Mexico  
Albuquerque, NM 87131  
Tel. (505) 277-2236 Fax (505) 277-2238  
P.O.C. Brian Scharmer, bscharm@unm.edu

### A/E DESIGN TEAM

**Architect**  
RMKM Architecture, P.C.  
400 Gold Avenue SW, Studio 1100 Simms Tower  
Albuquerque, New Mexico 87102  
Tel. (505) 243-5454 Fax (505) 243-5858  
P.O.C. Dan Caruso, Project Manager,  
dcaruso@rmkmarch.com  
Dan Caruso, AIA, Principal-in-charge

### Mechanical/Electrical/Plumbing/Data Engineers

Bridgers & Paxton Consulting Engineers  
4600-C Montgomery Blvd. NE, Suite 200  
Albuquerque, New Mexico 87109  
Tel. (505) 883-4111 Fax (505) 888-1436  
P.O.C. Eric Conklin, EDConklin@bpce.com

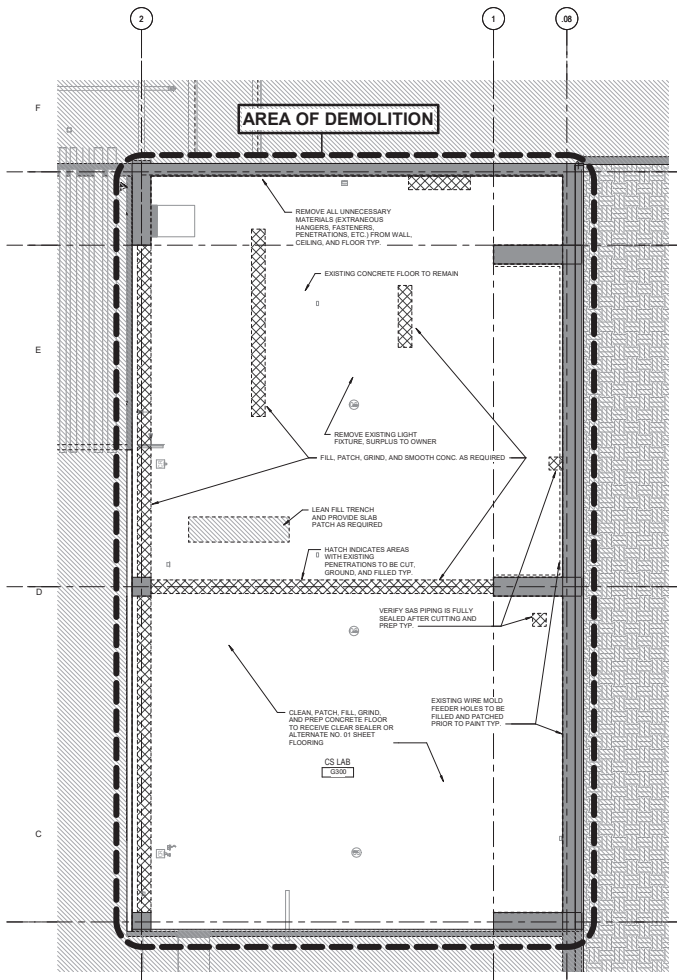
NO.	ISSUE	DATE
001	PROJECT START	
002	PROJECT STOP	
UNM CS LAB RENOVATION		
UNM Main Campus Building 119 1921 Redondo Drive South, NE		
CS LAB COVER SHEET		

100% CONSTRUCTION DOCUMENTS

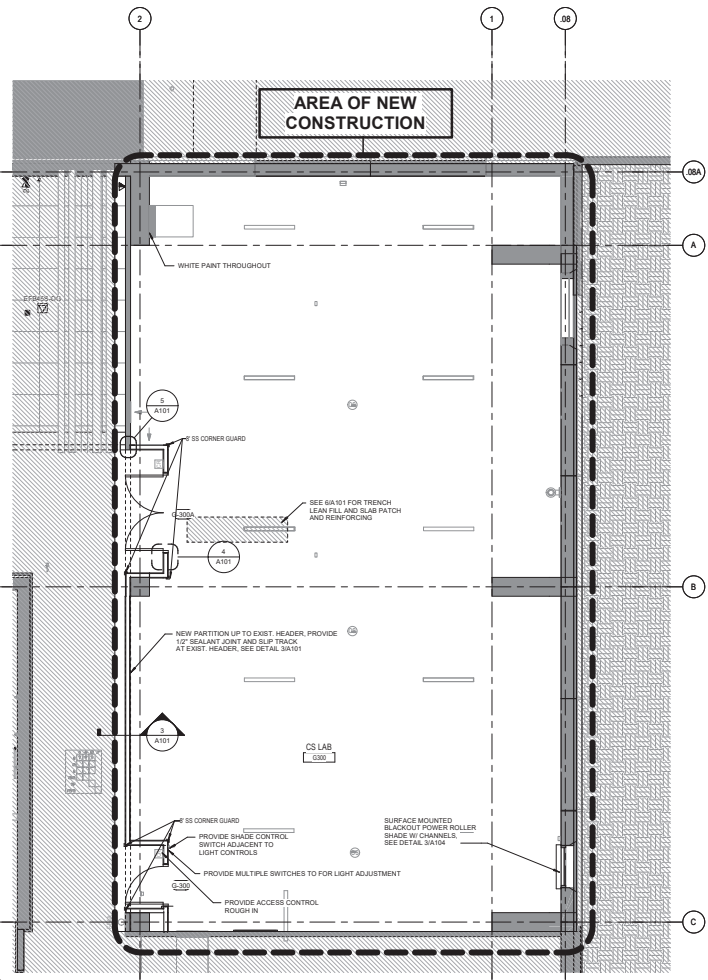
G001



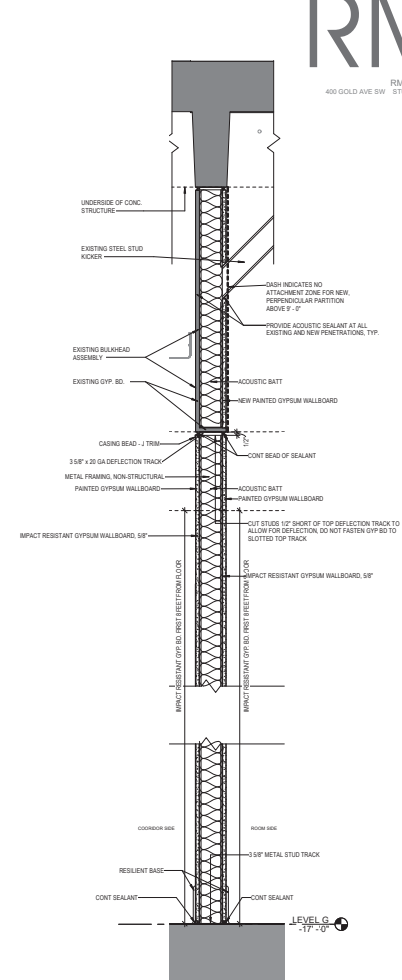




**LEVEL G FLOOR PLAN CS LAB-DEMOLITION PLAN**  
1 A101 14'4" x 14'0"



**LEVEL G FLOOR PLAN CS LAB-NEW CONSTRUCTION PLAN**  
2 A101 14'4" x 14'0"



**NEW GYPSUM PARTITION**  
3 A101 1 1/2\"/>

**GENERAL DEMOLITION NOTES**

- FIELD VERIFY AND CAREFULLY SAW CUT CONCRETE SLAB AROUND ALL EXISTING CONDUIT PENETRATIONS
- REMOVE ALL EXTERIOR COILING, PROTECTORS AND ATTACHMENTS
- CAP ALL THROUGH-WALL CONDUITS, FILL AND SEAL, AS REQUIRED TO CONCEAL ALL REMAINING ELEMENTS WITHIN CONSTRUCTION TO REMAIN
- PREPARE CONCRETE SLAB ON GRADE TO RECEIVE SELF LEVELING GEMENT BASED UNDERLAYMENT, AS INSTRUCTED BY MANUFACTURER'S RECOMMENDATIONS
- FIELD VERIFY ALL EXISTING RATED WALL CONSTRUCTION
- FIELD VERIFY ALL DIMENSIONS AND EXISTING CONDITIONS AND NOTIFY ARCHITECT OF INCONSISTENCIES

Mark	Width	Height	Glazing	Comments
G-300	7'-0"	7'-0"	SEE ELEVATION	(W01)
G-300A	12'-0"	7'-0"		(W02)

**GENERAL NEW CONSTRUCTION NOTES**

- CAP ALL EXISTING CONDUITS, FILL AND SEAL AS REQUIRED TO CONCEAL ALL REMAINING ELEMENTS WITHIN CONSTRUCTION TO REMAIN
- PREPARE CONCRETE SLAB ON GRADE TO RECEIVE SELF LEVELING GEMENT BASED UNDERLAYMENT, AS REQUIRED BY MANUFACTURER'S INSTRUCTIONS. ENSURE THAT ALL FINISHED SURFACE MEETS THE INSTALLATION REQUIREMENTS FOR NEW FLOORING PRIOR TO INSTALLATION
- NEW ELECTRICAL PENETRATIONS OF FIRE RATED ASSEMBLIES MUST BE INSPECTED. USE 811 FIRE STOPPING ASSEMBLY TO MATCH EXISTING
- COORDINATE ADDITIVE ALTERNATE FLOORING TRANSITION STRIP BETWEEN EXISTING CONCRETE SLAB ON GRADE AND NEW RUBBER SHEET FLOORING ELEVATION. ADDITIVE ALTERNATE TRANSITION STRIP MUST MEET ADA REQUIREMENTS
- FILL IN, CAP AND SEAL ALL EXISTING PENETRATIONS IN ENTIRE AREA AND CEILING
- FILL AND REINFORCE. SAW CUT PENETRATIONS FOR DETAIL. CONCRETE
- MATCH EXISTING WHITE PAINT ON ALL WALLS, CEILING, AND MEPT EXPOSED MATERIALS. FURNISH SURFACE MOUNTED ELECTRICAL ON ALL EXISTING CONCRETE WALLS
- PROVIDE SEAL AND CAPS FOR ALL ELECTRICAL CONDUIT PENETRATIONS
- PROVIDE CONCEALED PATHWAY IN FRAMED WALLS

**DOOR SCHEDULE**

**G300 - HOLLOW METAL FRAME, WOOD DOORS (PAIR) TO MATCH EXISTING REMOVED. SPECIFICATIONS:**  
FURNISH OVERHEAD STORE, OR DPE, 4 PYS LEVER SET W/IKTIE INTO EXISTING C-CLURE ACCESS CONTROL SYSTEM INCLUDING PROGRAMMING  
G300 - CHAIN LINK GATE WITH LEVER SET BOX AND STRIKE ADAPTERS

**FINISH SCHEDULE**

**FLOOR:** ADDITIVE ALTERNATE RUBBER SHEET FLOORING BASE BD. CLEAR CONCRETE SEALER  
**CEILING:** OPEN TO STRUCTURE. PAINT EXISTING CONCRETE DOCK AND ALL EXPOSED MECHANICAL, PLUMBING AND ELECTRICAL EQUIPMENT  
**WALLS:** PAINT EXISTING AND NEW CONSTRUCTION COLOR PFG WHITE, TO MATCH EXISTING  
**BASE:** CHONSONITE, WYL, BASE #90 BLACK, TO MATCH EXISTING

**DOOR HARDWARE SCHEDULE**

**HOW SET DOOR G300:**  
(1) EA ELECTRIC HINGE 888HW 4.5 X 4.5 NRP 652 IVE  
(1) EA HINGE 888HW 4.5 X 4.5 NRP 652 IVE  
(1) EA PANIC HARDWARE 43 950 888 654 L 430 842  
(1) EA SURFACE CLOSER 4111 EDA 889 LCN  
(1) EA LOCK PLATE 840 10" X 2" LOW 8-C 830 IVE  
(1) EA WALL STOP W54880CVA 630 IVE  
(1) SET SOUND SEALS 8196 X 0.8 81A 8ER  
(1) EA CARD READER BY ACCESS CONTROL INTEGRATOR +  
(1) EA DOOR CONTACT 67946 HD OR 8848 850TY - 81A 8CE  
(1) EA WIRING DIAGRAM POINT TO CONTROLLER +  
**DOOR NORMALLY CLOSED AND LOCKED. ENTRY BY VALID CREDENTIAL AT CARD READER OR BY KEY AT CYLINDER OR SWITCH IN FRING DEVICE. SHUNTS DOOR FORCED OPEN ALARM IN ACCESS CONTROL SYSTEM FREE EGRESS AT ALL TIMES.**

**HOW SET DOOR G300A:**  
(8) EA HINGE 888HW 4.5 X 4.5 NRP 652 IVE  
(8) EA PANIC HARDWARE 43 950 888 654 L 430 842  
(2) EA SURFACE CLOSER 4111 EDA 889 LCN  
(2) EA LOCK PLATE 840 10" X 2" LOW 8-C 830 IVE  
(2) EA WALL STOP W54880CVA 630 IVE  
(1) SET SOUND SEALS 8196 X 0.8 81A 8ER  
(1) SET STRIKE 81994 X 0.8 84 8ER  
**HOLD OPEN CLOSURE:**  
**HOW SET DOOR G300B:**  
(1) EA STOREROOM LOCK 28 9024 L 83 8AR  
(1) EA WIREABLE LOCK BODY (BLANK) OF HARDWARE BY GATE MANUFACTURER

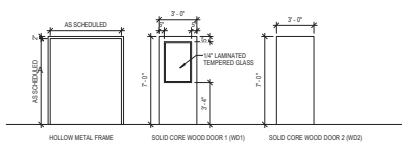
NO.	ISSUE	DATE

**UNM CS LAB RENOVATION**

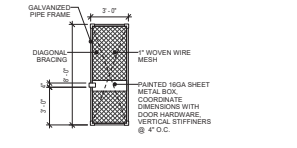
UNM Main Campus  
Building 115  
1921 Rodondo Drive South, NE

**CS LAB DEMOLITION & NEW CONSTRUCTION PLANS**

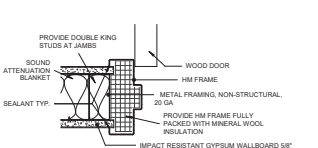
100% CONSTRUCTION DOCUMENTS  
**A101**



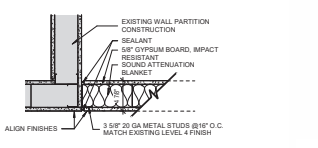
**CS LAB HMF ELEVATION**  
8 A101 14'4" x 14'0"



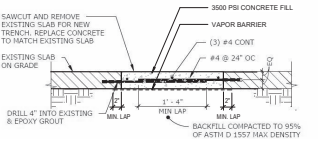
**CHAIN LINK DOOR ELEVATION**  
7 A101 14'4" x 11'0"



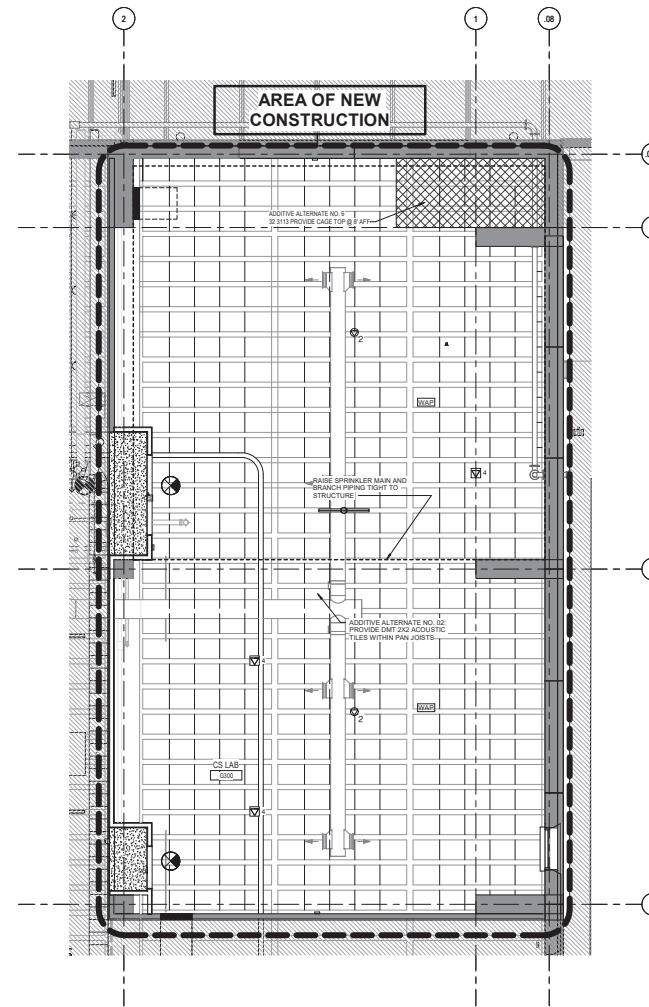
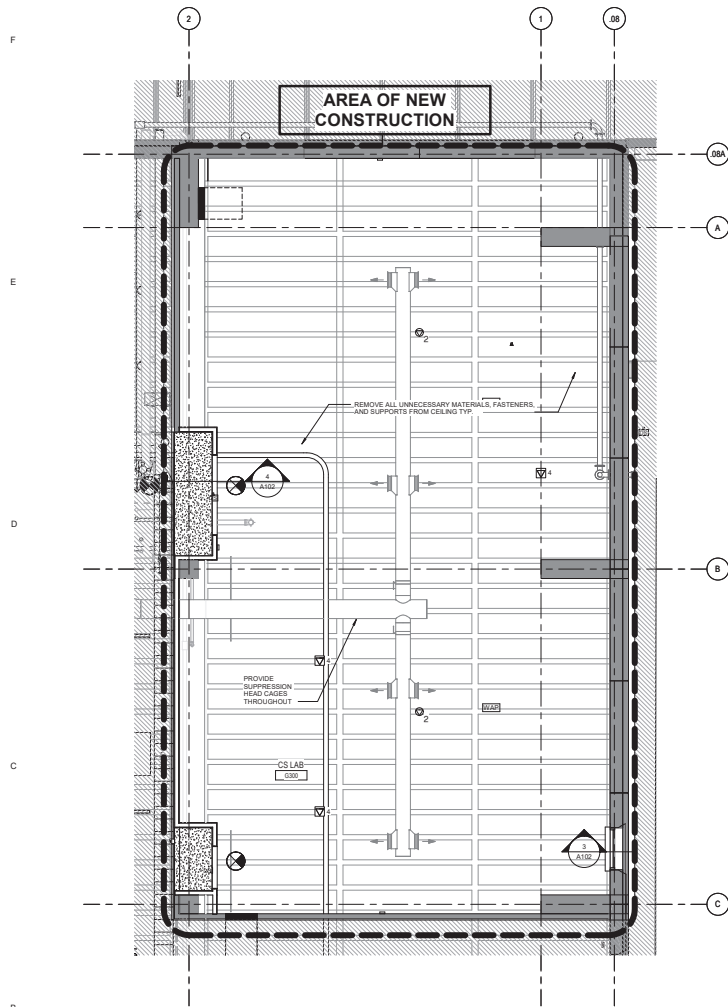
**JAMB DETAIL**  
4 A101 3' x 11'0"



**PLAN DETAIL**  
5 A101 1 1/2\"/>



**TYP. SLAB POUR BACK DETAIL**  
6 A101 1' x 14'0"

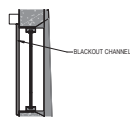


LEVEL G REFLECTED CEILING PLAN CS LAB NEW CONSTRUCTION

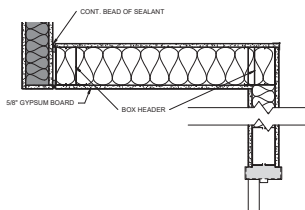
LEVEL G REFLECTED CEILING PLAN CS LAB ADDITIVE ALTERNATE

REFLECTED CEILING PLAN GENERAL NOTES

1. REMOVE ALL EXTRANEOUS CEILING CONCRETE DECK AND FLUTE ATTACHMENTS.
2. PREPARE CONCRETE DECK AND FLUTE CAVITY AS NECESSARY TO RECEIVE PAINT. CEILING WILL BE EXPOSED, PAINTED WHITE AS SCHEDULED.
3. FILL IN GAF AND SEAL ALL EXISTING PENETRATIONS IN ENTIRE AREA AND CEILING.
4. PAINT ALL NEW AND EXISTING MECHANICAL, ELECTRICAL AND PLUMBING ELEMENTS WHITE, FROM THE IN POINT TO SCHEDULED LOCATION, INCLUDING THOSE ALONG CORRIDOR G.L.C. REFER TO MEP DRAWINGS FOR TE-IN POINT AND CONTINUATION TO EXISTING MEP SYSTEMS.
5. REPAIR ANY RATED THROUGH PENETRATIONS IN SLAB ABOVE WITH 5/8" SEALANT MATERIAL TO MATCH EXISTING.
6. AT CONCRETE JOISTS, DO NOT EXCEED 5/8" PENETRATION DEPTH FOR SHOT ANCHORS OR FOR DRILLING OF OTHER TYPES OF ANCHORS. IN BEAMS AND STRUCTURAL SLABS (TOP AND BOTTOM OF SLAB) DO NOT EXCEED 1/4" PENETRATION DEPTH. DEEPER PENETRATION IS PERMITTED WHERE SCANNING WITH AN APPROVED SCANNING METHOD DETERMINES THAT REBAR AND POST-TENSIONING TENDONS WILL NOT BE AFFECTED BY ANCHOR INSTALLATION.
7. ADDITIVE ALTERNATE NO. 02: PREP PAN JOIST CEILING AREAS TO RECEIVE OMT ACOUSTIC PANELS.



WINDOW W SHADE AND BLACKOUT CHANNEL



Section SOFFIT HEAD

NO.	ISSUE	DATE

PROJECT NO. 2024-001  
The University of New Mexico

UNM CS LAB RENOVATION

UNM Main Campus  
Building 115  
1921 Rosendo Drive South, NE

REFLECTED CEILING PLAN

100% CONSTRUCTION DOCUMENTS

A102



**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for  
933 BRADBURY DR. SE - HVAC REPLACEMENT PROJECT  
UNIVERSITY OF NEW MEXICO  
February 14, 2023**

**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 **933 Bradbury Dr. SE – HVAC Replacement Project on the Albuquerque South Campus.**

**PROJECT DESCRIPTION:**

933 Bradbury Dr. SE (building #345), consists of approximately 139,242 gross square feet (GSF) located at the Science & Technology Park at the University of New Mexico (STP) on the Albuquerque South Campus. 933 Bradbury Dr. SE is managed by the UNM Real Estate Department through the Property Management Office at the STP and is responsible for leasing and maintaining the facility. 933 Bradbury houses two tenants UNM's Hospital Operations for Patients and Employees (HOPE) and The Albuquerque Institute for Mathematics and Science at the University of New Mexico (AIMS@UNM). AIMS@UNM occupies approximately 31,462 GSF of leased space within the facility, of which 15,008 GSF is impacted by this HVAC replacement.

One existing Air Handling Unit (AHU) will be replaced with eleven new high-efficiency gas-fired D/X packaged rooftop units (RTUs) and one split-system unit, providing 12 independent thermostat-controlled zones for climate control in classroom, office, server room, and common spaces. Power, natural gas lines, ductwork, and roof curbs will be modified to accommodate the installation of the new RTUs. This project has been designed by a mechanical engineer to improve efficiency and comfort for the AIMS@UNM students, staff, and faculty.

AIMS@UNM is an independent New Mexico Charter School educating students, grades six through twelve with a rigorous focus on math and science. AIMS@UNM is consistently a top-ranked school in New Mexico and top 55 nationally with a 99% graduation rate.

**PROJECT RATIONALE:**

This project provides a much-needed replacement of the original AHU installed when the building was constructed in 1965. Due to the age of the AHU, it has become functionally obsolete, parts are no longer available, and UNM can no longer maintain the unit in satisfactory working condition.

The University, as Landlord, is obligated to ensure the building systems are in working order and provide the needed heating, cooling, and ventilation to the AIMS@UNM school. Without this project, the University is at risk of being unable to meet the responsibilities of the lease agreement.

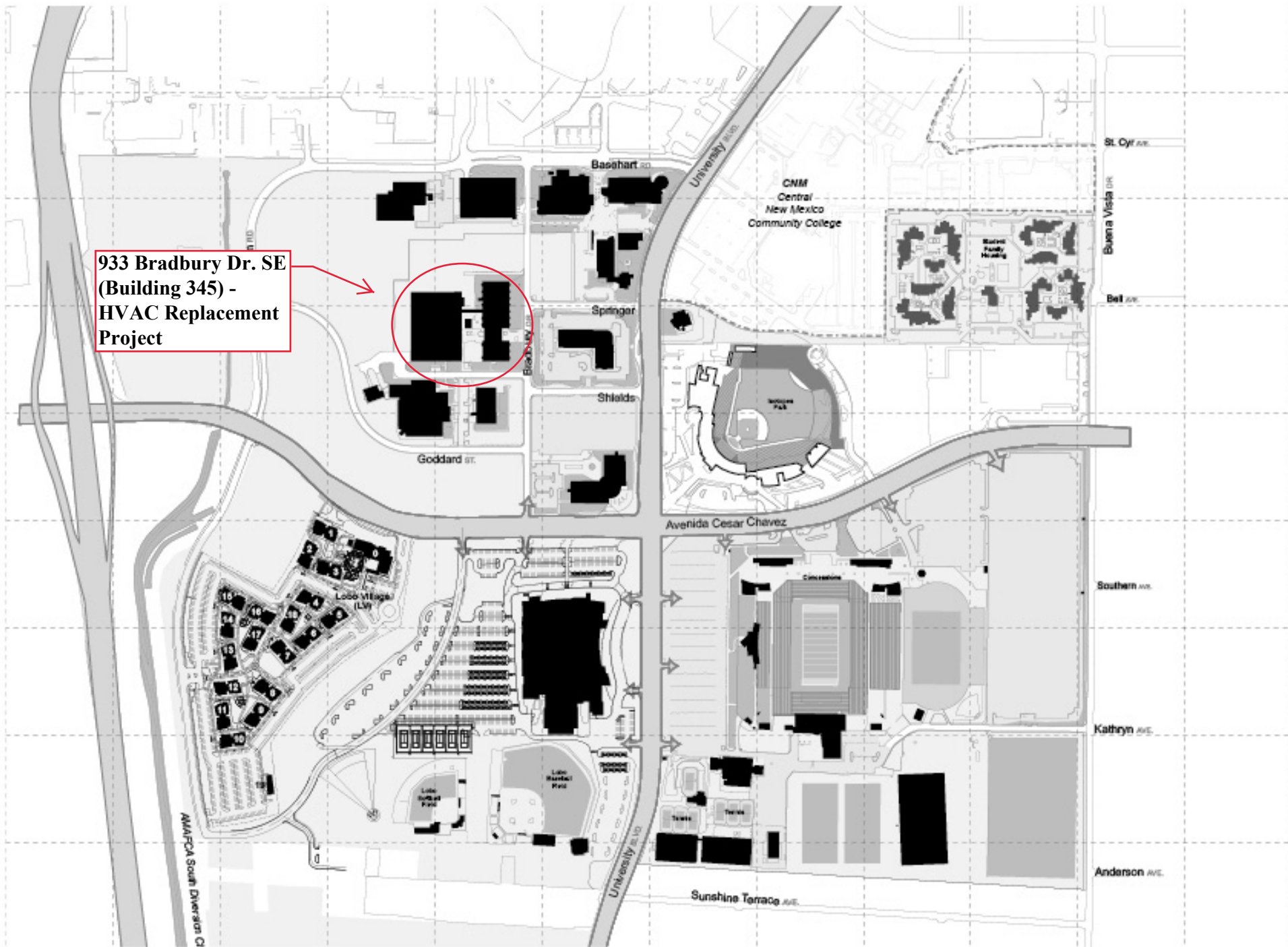
**FUNDING:**

The total estimated Project Budget is \$496,000:

- \$496,000 is funded from Real Estate Capital Funds



# The University of New Mexico - Albuquerque: South Campus



933 Bradbury Dr. SE  
(Building 345) -  
HVAC Replacement  
Project

**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for  
NEW MEXICO PBS KNME-TV (Building #217)- CHILLER ADDITION  
UNIVERSITY OF NEW MEXICO**

**February 14, 2023**

**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 New Mexico PBS KNME-TV (Building #217) - Chiller Addition on the Albuquerque North Campus.**

**PROJECT DESCRIPTION:**

The KNME-TV Studio located in building #217, is a 20,672 gross square foot facility and houses New Mexico PBS member station KNME-TV broadcast studios and offices. This project adds a new 90-ton air-cooled chiller to provide reliable and redundant cooling for the facility and its recording, production, broadcast equipment, and studios. This chiller will become the primary source for cooling and the existing chiller will serve as a backup chiller. To accommodate the installation of the new chiller an existing wall enclosure for the electrical transformer will be removed and the site graded.

**PROJECT RATIONALE:**

“New Mexico PBS’ Mission is to inform, engage, educate and connect New Mexico’s diverse communities, reflecting their interests and needs through quality programming, services, and online content that can be accessed anytime, anywhere.” The facility currently relies on a single air-cooled chiller which is at critical risk of failure and at the end of its useful life. The addition of another chiller will provide a reliable and primary source for cooling while allowing the existing chiller to become a backup source for cooling. A reliable backup source for cooling is critical to keeping the recording, production, and broadcasting equipment from overheating and fulfilling New Mexico PBS’ mission. The facility currently has a reliable backup source for electrical power through a backup generator, however, there is no backup source for cooling. If the project is not approved, the building will continue to operate on a single chiller that has had reliability issues and poses a risk of future failure. If the facility loses its cooling, there is a risk of recording, production, and broadcasting overheating which could lead to the station going off the air.

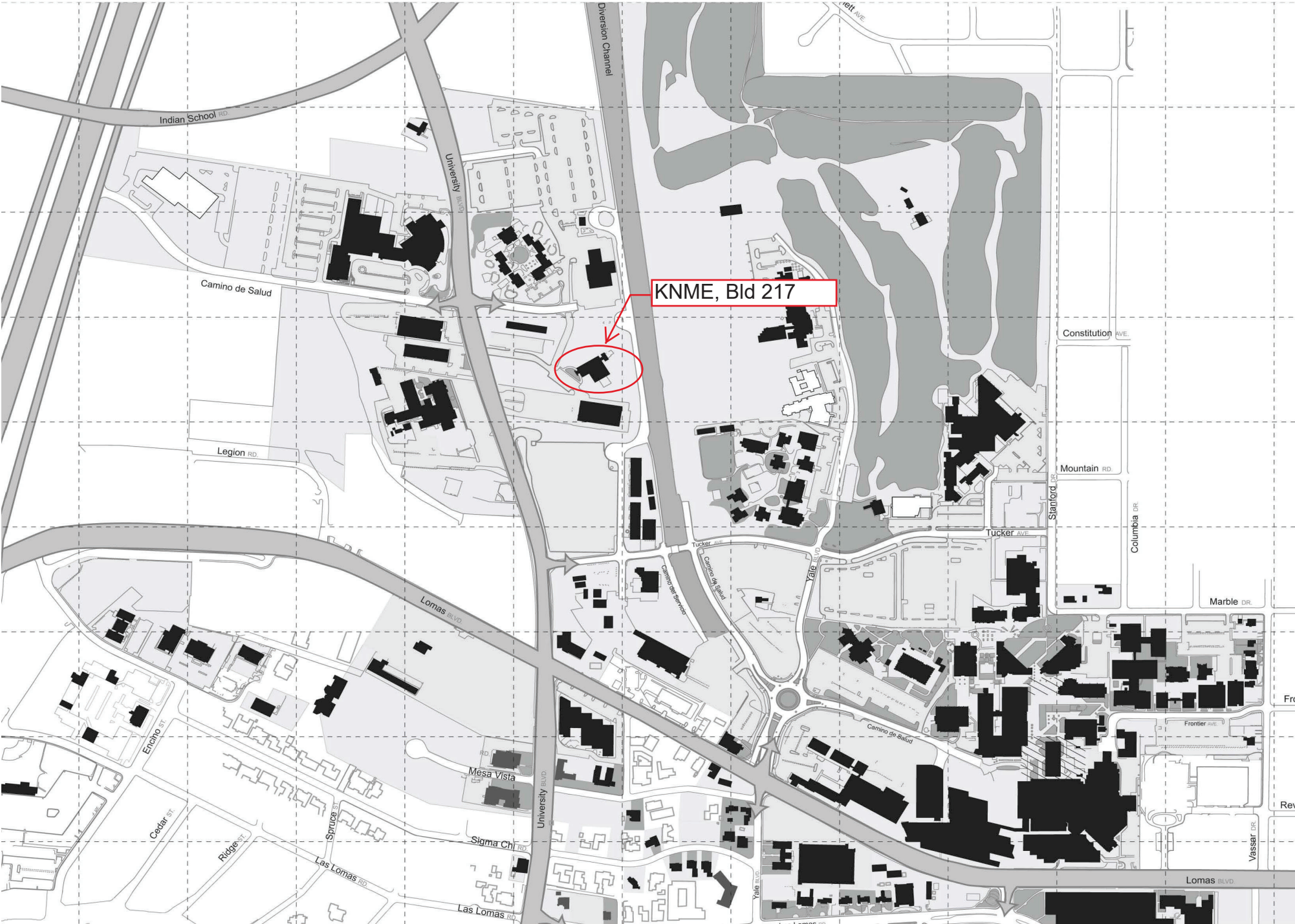
**FUNDING:**

The total estimated Project Budget is \$400,000:

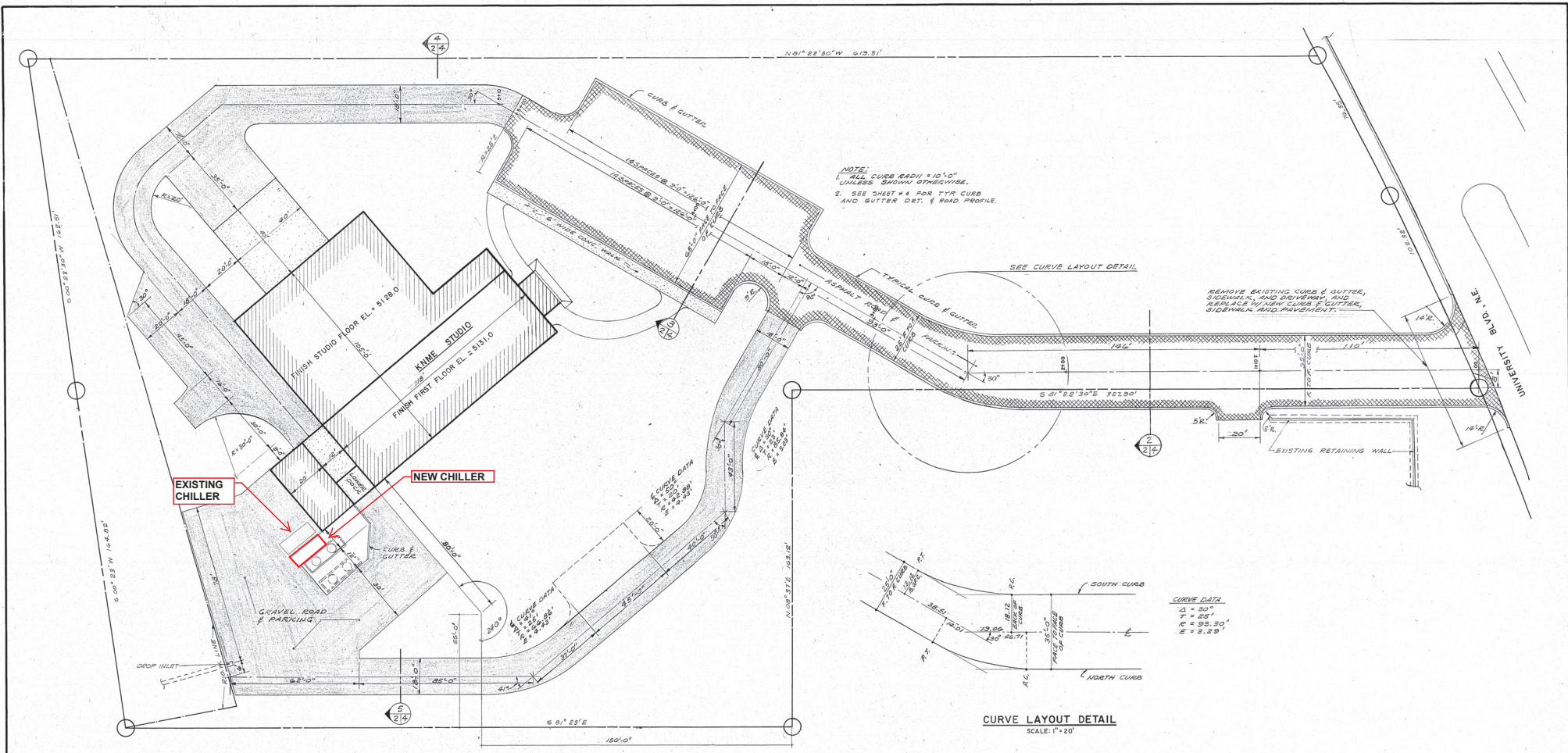
- \$400,000 is funded from Sustainability Surcharge.



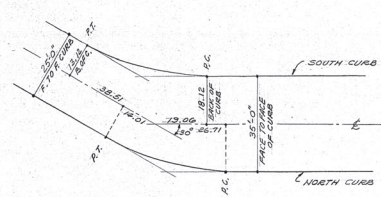
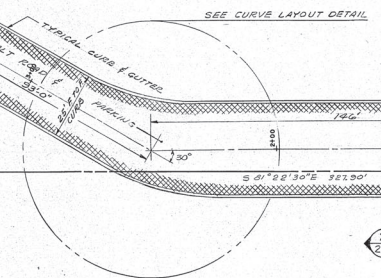
# The University of New Mexico - Albuquerque: North Campus





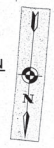


NOTE:  
 1. ALL CURB RADI 1'-10"  
 UNLESS SHOWN OTHERWISE.  
 2. SEE SHEET # 4 FOR TYP CURB  
 AND GUTTER DET. & ROAD PROFILE.



CURVE DATA  
 Δ = 80°  
 T = 25'  
 E = 33.30'  
 E = 3.25'

PAVING & LAYOUT PLAN  
 SCALE: 1" = 20'-0"



EXISTING		NEW		DESCRIPTION
[Symbol]	[Symbol]	[Symbol]	[Symbol]	BUILDING
[Symbol]	[Symbol]	[Symbol]	[Symbol]	PAVED AREA
[Symbol]	[Symbol]	[Symbol]	[Symbol]	SIDEWALKS & LANDINGS
[Symbol]	[Symbol]	[Symbol]	[Symbol]	CURBING
[Symbol]	[Symbol]	[Symbol]	[Symbol]	GRAVEL

PLOT PLAN - PAVING & LAYOUT PLAN

REVISIONS			KNME STUDIO	
REVNO	DATE	BY	ALBUQUERQUE	NEW MEXICO
			ALBUQUERQUE PUBLIC SCHOOLS - BOARD OF EDUCATION	UNIVERSITY OF NEW MEXICO - BOARD OF REGENTS
SHEET NO. 2	DATE 1-10-69	DRAWN BY J.M. S.M.C.	APPROVED J.S.C.	JOB NO 682
OF 40	NEUMER & CABANISS - ARCHITECT - ENGINEER	100 VALLEJO DR. S.E. ALBUQUERQUE, NEW MEXICO		

**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for  
CHICANA & CHICANO STUDIES – EXTERIOR COURTYARD IMPROVEMENTS  
UNIVERSITY OF NEW MEXICO**

**February 14, 2023**

**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 the **UNM Chicana & Chicano Studies – Exterior Courtyard Improvements on the Albuquerque Main Campus.**

**PROJECT DESCRIPTION:**

The project is located in the north courtyard of Building 171, Chicana & Chicano Studies, near the intersection of Yale Boulevard and Mesa Vista Boulevard. The project scope encompasses approximately 3,000 Square Feet of exterior improvements to include ADA compliance, safe access, secure pedestrian walkways, improved outdoor program space, and improved site security. The project will address access from Yale Boulevard with new ADA parking and secure walkways to the courtyard. Programming space will be updated to include a new outdoor performance platform with minor electrical & lighting improvements and updated landscaping.

**PROJECT RATIONALE:**

The existing courtyard is the remnants of a former private residence and is currently used for outdoor events and educational programming of the Chicana & Chicano Studies department. The courtyard has no ADA access, broken sidewalks from the Yale Boulevard entrance, and safety and security issues for the users. Staff, Faculty, and performers have difficulty traversing the uneven landscape with carts and equipment. The new design will improve access and reduce the number of hiding spots to enhance overall security. The consequences of not approving this project will result in reduced ADA access and continued challenges to effective educational programming for outdoor events and department initiatives.

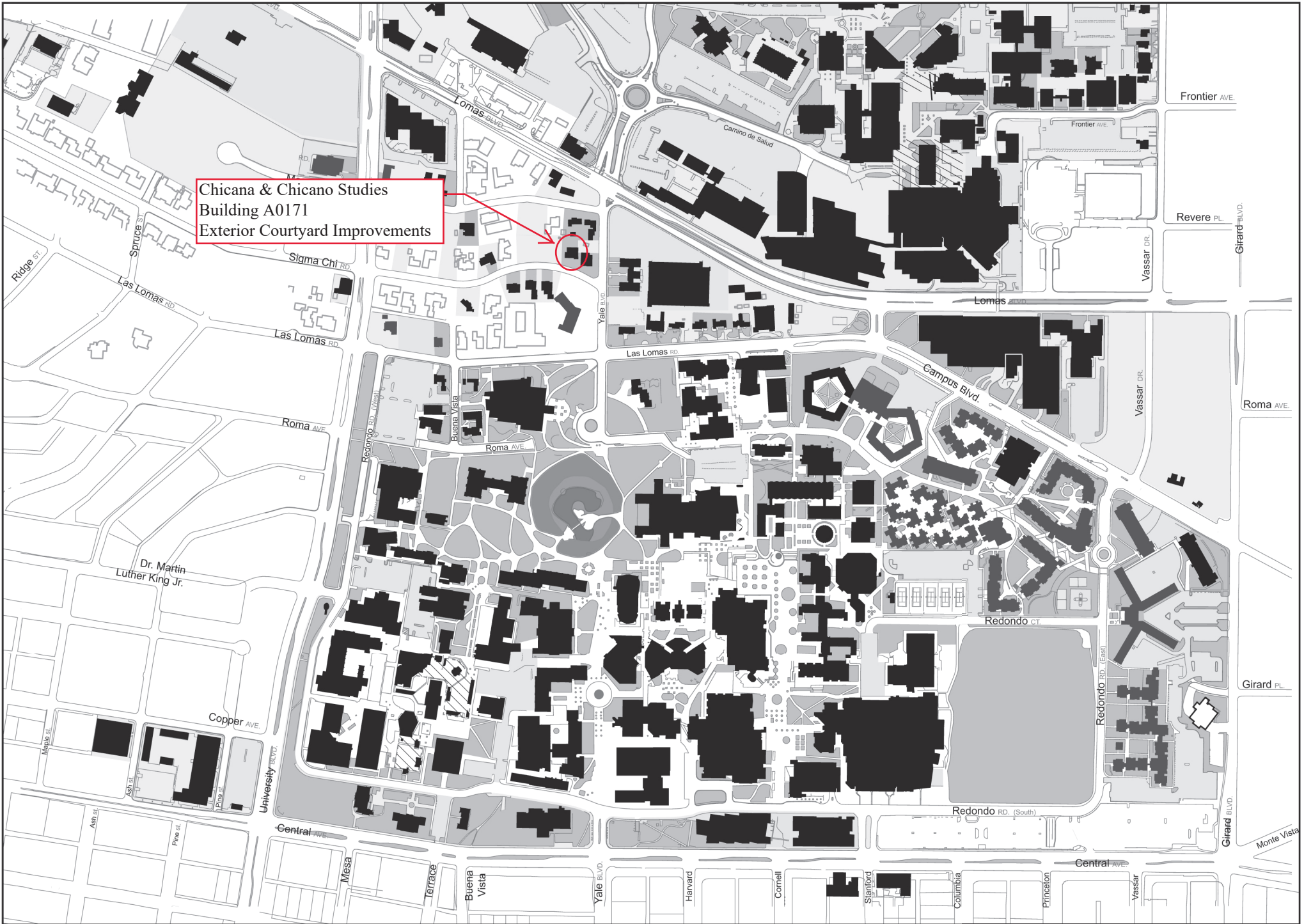
**FUNDING:**

The total estimated Project Budget is as follows \$394,863:

- \$394,863 is funded from 2021 Severance Tax Bonds (STB)

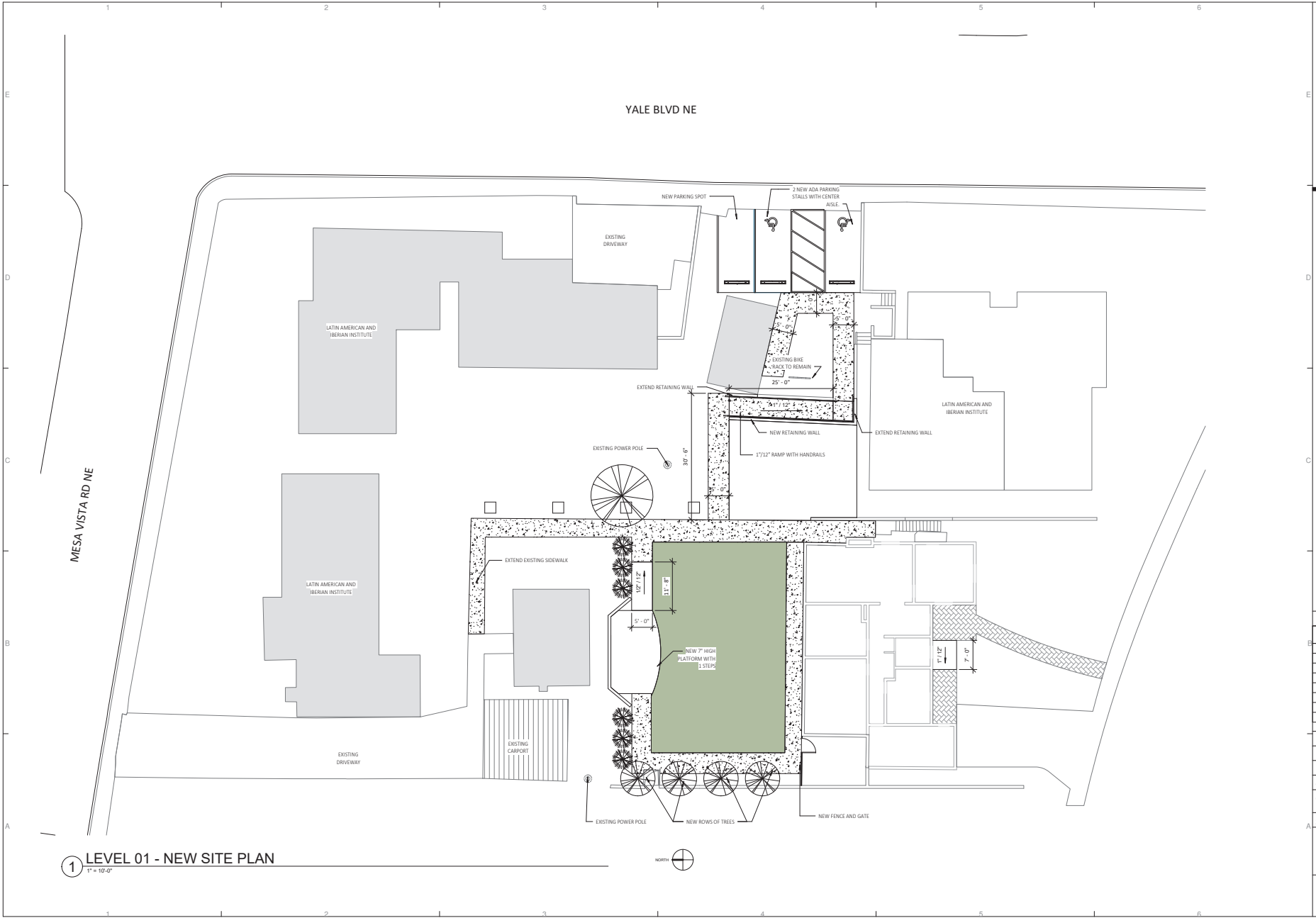


# The University of New Mexico - Central Campus



Chicana & Chicano Studies  
Building A0171  
Exterior Courtyard Improvements





1 LEVEL 01 - NEW SITE PLAN  
1" = 10'-0"



2415 PRINCETON DR. NE, SUITE E ALBUQUERQUE, NM 87107 www.designplusbo.com	DESIGN PLUS LLC
<b>NOT FOR CONSTRUCTION</b>	
UNIVERSITY OF NRE MEXICO CHICANA AND CHICANO STUDIES ADA AND EXTERIOR IMPROVEMENTS 1829 SIGMA CHI RD NE ALBUQUERQUE NM 87106	
DATE: 11/04/2022	REVISIONS
DRAWN BY: ACH	
CHECKED BY: RSE	
COPYRIGHT: DESIGN PLUS, LLC	
SHEET TITLE	
NEW SITE PLAN	
A-101	

# TAB 7

#7

Approval of Board Reappointments to UNM Rainforest  
Innovations Board of Directors (Presenter: Lisa Kuuttilla, CEO &  
Chief Economic Development Officer, UNM Rainforest Innovations)

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

**FROM:** UNM Rainforest Innovations (UNMRI)  
Board of Directors

**DATE:** February 7, 2023

**RE:** Approval of Board Reappointments: Ms. Sandra Begay, Dr. Al Romig, Jr.,  
Dr. John Stichman, and Mr. Chuck Wellborn  
Appointed by President Stokes, per the UNMRI Bylaws: Dr. Angela  
Wandinger-Ness, replacing Dr. Eric Prossnitz as the Health Sciences Campus  
(HSC) Faculty Member

---

The UNMRI Board of Directors submits for approval the reappointments of Ms. Sandra Begay, Dr. Al Romig, Jr., Dr. John Stichman, and Mr. Chuck Wellborn to its Board of Directors for a four-year term, beginning July 1, 2023 and ending June 30, 2027. These board members were recommended for reappointment by the UNMRI Nominations Committee and approved by the UNMRI Board of Directors at its January 27, 2023 board meeting, subject to Board of Regents approval.

Ms. Sandra Begay	Bio Attached
Dr. Al Romig, Jr.	Bio Attached
Dr. John Stichman	Bio Attached
Mr. Chuck Wellborn	Bio Attached

Appointed by President Stokes, per the UNMRI Bylaws for approval of Dr. Angela Wandinger-Ness, Professor in the Department of Pathology at HSC and Associate Director of Education, Training, and Mentoring with the UNM Comprehensive Cancer Center, as the Health Sciences Campus (HSC) faculty member of the UNMRI Board of Directors. Dr. Wandinger-Ness replaces Dr. Eric Prossnitz. Dr. Wandinger-Ness will serve a four-term, beginning July 1, 2023 and ending June 30, 2027. Her appointment was recommended by President Stokes, the UNMRI Nominations Committee and approved by the UNMRI Board of Directors at its January 27, 2023 board meeting, subject to Board of Regents approval.

Dr. Angela Wandinger-Ness	Recommendation Letter & Bio Attached
---------------------------	--------------------------------------

**Ms. Sandra Begay**



**Chair, UNMRI Board of Directors**  
**Principal Member of the Technical Staff, Sandia National Laboratories**  
**Regent, UNM Board of Regents**

### **Education**

BS - Civil Engineering, UNM  
MS - Structural Engineering, Stanford University

### **Business/Research Background**

Ms. Begay has worked for Sandia National Laboratory as a Principal Member of the Technical Staff beginning in 1992 and Sandia's technical efforts in the Renewable Energy Program to assist Native American tribes with renewable energy development. In 2019, Ms. Begay took a special leave of absence from Sandia to serve as Mayor Keller's former Director of the Environmental Health Department for the City of Albuquerque. Prior to this, she worked at Lawrence Livermore Laboratories and at Los Alamos National Laboratory. A former UNM Regent, she was also appointed in 2019 by Governor Lujan Grisham to the Board of Regents.

### **Particular Knowledge and Skills**

Ms. Begay is a former Executive Director of the American Indian Science and Engineering Society (AISES), former chair of the AISES Board of Directors, and the recipient of the AISES Lifetime Achievement Award. The mission of AISES is to substantially increase the representation of American Indians and Alaskan Natives in STEM studies and careers. Recently, she received the 2020 Indigenous Excellence Award from AISES for her substantial and impactful work to advance programs and opportunities for Indigenous students and professionals in STEM education and careers.

Recognized by WEPAN (Women in Engineering Programs & Advocates Network), she has served on its national Board of Directors. In 2003, Ms. Begay was awarded the Women of Color Emerald Honor for Community Service during the Third Annual Women of Color Research Sciences and Technologies Awards Conference. In 2000, Ms. Begay was the recipient of the Stanford University 2000 Multicultural Alumni of the Year Award. Other honors and awards include the Alumni Circle Award from the National Action Council for Minorities in Engineering (NACME) for her lifetime contributions to the advancement of Native American students in science, technology, engineering and math (STEM) education and careers; and the Governor's Award for Outstanding Women from the New Mexico Commission on the Status of Women. Ms. Begay is a former site mentor at UNM-Gallup for the NM Rainforest University Center program and will serve on an advisory board for the New Mexico Tribal Entrepreneurship administered by UNMRI.



**Dr. Alton D. Romig, Jr.**



**Executive Officer, National Academy of Engineering, Washington, DC**

**Education**

BS – Materials Science and Engineering, Lehigh University, *summa cum laude*

MS – Materials Science and Engineering, Lehigh University

PhD – Materials Science and Engineering, Lehigh University

**Business/Research Background**

Dr. Alton D. Romig, Jr., is the Executive Officer of the National Academy of Engineering. Under Congressional charter, the Academy provides advice to the federal government, when requested, on matters of engineering and technology. As Executive Officer, Dr. Romig is the Chief Operating Officer responsible for the program, financial and membership operations of the Academy, reporting to the President. Prior to joining the Academy, he served as Vice President and General Manager of Lockheed Martin Aeronautics Company Advanced Development Programs, better known as the Skunk Works®. Dr. Romig spent the majority of his career at Sandia National Laboratories, operated by the Lockheed Martin Corporation. He joined Sandia as a Member of the Technical Staff in 1979 and moved through a succession of R&D management positions leading to appointment as Executive Vice President in 2005. He served as the Deputy Laboratories Director and Chief Operating Officer until 2010 when he transferred to the Skunk Works.

**Particular Knowledge and Skills**

Dr. Romig graduated *summa cum laude* from Lehigh University in 1975 with a BS in Materials Science and Engineering. He received his MS and PhD in Materials Science and Engineering from Lehigh University in 1977 and 1979, respectively. Dr. Romig is a Fellow of ASM International, TMS, IEEE, AIAA and AAAS. Dr. Romig was elected to the National Academy of Engineering in 2003 and the Council of Foreign Relations in 2008. He was awarded the ASM Silver Medal for Materials Research in 1988.

**Dr. John H. Stichman**



**Secretary & Treasurer, UNMRI Board of Directors  
Executive Vice President & Deputy Laboratory Director, Sandia National Laboratories, Retired**

### **Education**

BS - Electrical Engineering, University of Wisconsin at Madison  
MS - Electrical Engineering, University of Wisconsin at Madison  
PhD - Electrical Engineering, University of Wisconsin at Madison

### **Business/Research Background**

Dr. Stichman began his career at Sandia National Laboratories in 1972. As Executive Vice President & Deputy Laboratory Director, Dr. Stichman was responsible for lab operations, staff and facilities and for developing and implementing policy. He was also responsible for the overall stewardship of the technical capabilities at Sandia and for setting, promulgating, and maintaining standards for technical activities. In addition, he was also a member of the senior executive management councils at Sandia, had particular responsibilities for transformational activities in technology and in operations and was responsible for the independent assessment of weapons' safety, security and reliability.

Prior to his appointment as Executive Vice President, Dr. Stichman was Vice President of the Weapon System Division at Sandia. In this position, he was responsible for all aspects of Sandia's nuclear weapon engineering—from concept and design development through stockpile support and weapon retirement. This division also provided significant technology and system development for a variety of national security applications, such as airborne imaging radars, remote sensors, and instrumentation and telemetry systems. Previously, Dr. Stichman was Director of the New Mexico Weapon Systems Engineering Center, Director of the Surety Components and Instrumentation Center, and a member of the technical staff in the Data Systems Division of Hughes Aircraft Company. His responsibilities have included directing the development of telemetry systems, electronic/electromechanical components, safety/security subsystems in nuclear weapons and other defense-related systems. He has also managed development of electronic systems for weapon arming and firing, flight computers, real-time imaging radars and automatic target recognition. He participated in the development and commercialization of the first implantable, programmable insulin-delivery system for treatment of diabetes.

### **Particular Knowledge and Skills**

Dr. Stichman is a senior member of the Institute of Electrical and Electronics Engineers and is registered as a professional engineer in the state of New Mexico. He has been a member of the Industrial Advisory Board of the College of Engineering at the University of Wisconsin, Madison. He is the recipient of the "Award for Exemplary Civilian Service" from the Department of the Air Force and the Gold Medal for service to the National Nuclear Security Administration. His published papers and conference presentations include the subjects of instrumentation and control, implantable medical electronics, and real-time optical computing. He holds two U.S. patents. Dr. Stichman serves on several governing and advisory boards for nonprofit agencies.

**Mr. Charles I. Wellborn**



**Former President, Science & Technology Corporation @ UNM, Retired**

**Education**

BA - Economics, UNM

JD - UNM

LLM - Corporate Law, New York University

**Business/Research Background**

Mr. Wellborn practiced corporate law in New Mexico for nearly 30 years, including serving as President of the State Bar of New Mexico in 1982. After many years of working with technology companies and promoting technology-based economic development, Mr. Wellborn took on the challenge of technology commercialization, becoming the first full-time President of STC.UNM (then Science & Technology Corporation @ UNM) in May of 1995. From 1991-1998, he served on the New Mexico Venture Capital Advisory Committee that has been instrumental in bringing five venture capital firms to New Mexico.

**Particular Knowledge and Skills**

Mr. Wellborn is a former chair of the Economic Forum, an organization comprised of the major business, governmental and educational institutions in the Albuquerque area. He was also the founding chairman of the New Mexico Small Business Investment Corporation and of the New Mexico Tax Research Institute. Mr. Wellborn currently serves as Secretary/Treasurer on the Innovate ABQ, Inc., Board of Directors.

# Rainforest Innovations

**TO:** Garnett S. Stokes, President, The University of New Mexico  
**FROM:** Sandra Begay, Chair, UNMRI Board of Directors  
**DATE:** January 10, 2023  
**SUBJECT:** Recommendation to Appoint Dr. Angela Wandinger-Ness as the Health Sciences Campus (HSC) Faculty Member to the UNMRI Board of Directors

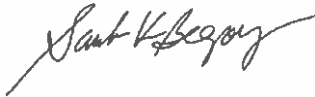
Dear President Stokes:

Dr. Eric Prossnitz's term as HSC campus faculty member on the UNMRI Board of Directors will expire on June 20, 2023. As President of The University of New Mexico, the UNMRI Bylaws authorize you to appoint for this position. As Chair of the UNMRI Board of Directors, I am recommending that Dr. Angela Wandinger-Ness, Professor in the Department of Pathology at HSC and Associate Director for Education, Training and Mentoring with the UNM Comprehensive Cancer Center, be appointed to replace Dr. Eric Prossnitz. Dr. Wandinger-Ness would serve a four-year term, beginning July 1, 2023 and ending on June 30, 2027.

If you approve the recommendation to appoint Dr. Wandinger-Ness, her appointment will be submitted to the UNMRI Board of Directors for approval at its January 27, 2023 meeting, then submitted for approval to the Regents Finance & Facilities Committee at its February 7, 2023 meeting, and submitted for final approval to the Board of Regents at its February 14, 2023 meeting.

Thank you for your consideration of this matter.

Sincerely,



Sandra Begay  
Chair, UNM Rainforest Innovations Board of Directors

cc: Elizabeth (Lisa) J. Kuuttilla  
CEO & Chief Economic Development Officer  
UNM Rainforest Innovations

APPROVED BY



Garnett S. Stokes  
President  
The University of New Mexico

1/11/2023  
Date





**Professor & Vice Chair for Research, Department of Pathology**  
**The Victor and Ruby Hansen Surface Endowed Professor in Cancer Cell Biology and Clinical Translation**  
**Associate Director for Education, Training and Mentoring**  
**Cancer Center – Cellular & Molecular Oncology**  
**University of New Mexico Health Sciences Center**

### **Education**

BS – Biochemistry, University of Massachusetts  
PhD - Biochemistry, University of California, Los Angeles  
Postdoctoral Training – European Molecular Biology Laboratory, Heidelberg, Germany

### **Business/Research Background**

Dr. Angela Wandinger-Ness has been with the Department of Pathology as a faculty member with the University of New Mexico Health Sciences Center since 1998. An expert in cell biology and protein biochemistry, Dr. Wandinger-Ness has been studying enzymes called GTPases for nearly 30 years. GTPases are molecular switches that control cell behavior, regulating how cells break down, organize, move around and attach to one another. They are the biological catalysis in cells and when their process grow awry, then cells proliferate uncontrollably. Current work is focused on advancing GTPases diagnostics and therapeutics to clinics.

### **Particular Knowledge and Skills**

Dr. Wandinger-Ness has authored over 90 peer-reviewed articles and reviews; and has eight awarded patents. She is an elected Fellow of the American Association for the Advancement of Science, served as a Visiting Professor at the Max-Planck Institute for Molecular Physiology in Dortmund, Germany, and a Research Ambassador for the German Academic Exchange Program. She is the recipient of numerous awards for excellence in research, innovation, and education. Most recently she was recognized as the 2019 Innovation Fellow by UNM Rainforest Innovations, the 2020 American Association for the Advancement of Science Lifetime Mentor, and the U.S. Presidential Awardee for Excellence in Science, Mathematics and Engineering Mentoring. She attributes her success to her abilities to communicate, engage with diverse people, and secure funding to an entrepreneurial spirit.

# TAB 8

## #8

Approval of Board Appointments and Reappointments to the Harwood Foundation Governing Board (Presenter: Scott McAdams, Chair of the Governing Board of the Harwood Foundation of UNM)

## Memorandum

TO: Board of Regents of the University of New Mexico

THROUGH: President Garnett Stokes

FROM: Scott McAdams, Chair of the Governing Board of the Harwood Foundation of the University of New Mexico

CC: Teresa Costantinidis, Executive Vice President for Administration/COO/CFO

DATE: January 16, 2022

RE: Appointments of Mary Gutierrez, Sheree Livney, Vernon Lujan and Deborah Vincent, and re-appointments of Dora Dillistone and Shawn Berman to the Harwood Foundation Governing Board

---

In May, 2007 the Board of Regents (the “Regents”) adopted resolutions (the “Delegation Resolution”) delegating to the Harwood Foundation Governing Board certain responsibility for the governance, oversight, management and operation of the UNM’s Harwood Museum.

The Delegation Resolution provides that the Regents shall appoint the members of the Harwood Board, including six (6) members appointed based on recommendations of the Harwood Board.

In November 2017, the Regents approved increasing the number of members of the Harwood Board from nine (9) members to a maximum of fifteen (15) members.

The Harwood Governing Board respectfully recommends the appointments of four new members: Mary Gutierrez, Sheree Livney, Vernon Lujan and Deborah Vincent. These new members will fill four vacant seats formerly held by Harwood Board members Sherry Parsons, Juanita Lavadie, Barbara Devane and Patricia Day.

The Harwood Board also requests the approval of a second three year terms for both Dora Dillistone and Shawn Berman on the Board this year.

We respectfully request that the Board of Regents include the appointments to the Harwood Governing Board of Ms. Gutierrez, Ms. Livney, Mr. Lujan and Ms. Vincent, and the re-appointments of Ms. Dillistone and Mr. Berman, on the agenda for the next scheduled Board of Regents meeting.

# TAB 9

## #9

Approval of Project Development Proposal and Agreement, UNM Owned Land at Yale Blvd. and Lomas Blvd. (Presenter: Kelly Ward, Exec. Dir., Lobo Development Corporation)





## Memo

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

From: Kelly S. Ward, Executive Director  
Lobo Development Corporation

Date: January 13, 2023

Re: Project Development Proposal and Agreement, UNM Owned Land at Yale Blvd  
and Lomas Blvd

---

Lobo Development Corporation is seeking approval of the attached Project Development Proposal and Agreement. The Lobo Development Corporation Board of Directors approved the Agreement on December 8, 2022.

The proposed development is a multi-tenant, mixed-use building with anticipated office, retail, and food and beverage tenants. The site is approximately .97 acres, located on Central Campus at the southeast corner of Yale Blvd and Lomas Blvd.

The UNM Foundation, Inc. will be the owner of the improvements and is expected to be the largest tenant of the new building. The Foundation currently resides in a UNM-owned building at 700 Lomas Blvd NE. The Foundation is seeking to relocate to a building more proximate to UNM and representative of the organization's stature and its role within and on behalf of UNM.

In collaboration with the Foundation, the UNM Real Estate Department, and UNM Planning, Design & Construction, LDC has identified this parcel of land as an appropriate location for the new home for the Foundation.

UNM has commenced renovation of the former Naval Sciences (ROTC) building at 720 Yale Blvd and desires additional improvements in the area to create a gateway entrance to Main Campus. The proposed site and initial development concept would integrate with UNM's vision for the campus entrance and with the current expansion of the UNM Hospital on the north side of Lomas Blvd.

Any proposed development and corresponding agreements 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 \_\_\_\_\_, 2023 (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 property subject to this agreement is approximately .97-Acres located on the southeast corner of Yale Blvd and Lomas Blvd (Attachment A). The lands are owned by the Regents of the University of New Mexico.
  - c. As provided for in Section 1.3 of the Memorandum of Agreement between the University of New Mexico Board of Regents (“UNM”) and the Lobo Development Corporation (“LDC”), LDC or UNM may present a Project Development Proposal to the other party for concurrence. LDC is initiating and offering for concurrence a Development Proposal and Agreement (“Agreement”) for the real estate development of the 3.8-acre site at the northwest corner of University Blvd and Central Ave.
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, LDC Articles of Incorporation, LDC By Laws, and the Memorandum of Agreement dated August 12, 2008 by and between the University and LDC.
3. Role of LDC. In accordance with the terms of this Agreement and in consultation and coordination with the UNM Real Estate Department, develop, implement, and manage plans for the financing, constructing and leasing of improvements on the Real Estate for the advancement of the Project.
4. LDC Intent. It is the intend of LDC to plan and execute on a mixed-use commercial development on this site that may include office, retail and University uses.
5. Coordination with the Real Estate Department of the University and other University Departments as Necessary. It is the intent of LDC to coordinate Real Estate Development efforts with the UNM Real Estate Department, other University departments and/or affiliated entities to the University as necessary.

6. No Signature Authority Granted to LDC. Notwithstanding any provision of URPEDA or this Agreement, LDC shall not have the authority or power to bind the University under any third party agreement or encumber or lease the Real Estate. All agreements with third parties that impose obligations on the University or that encumber or lease the Real Property shall be authorized and signed on behalf of the University by the University President or the Senior Vice President for Finance and Administration.
  
7. Revenue and Expenses of Project and LDC. Except through written agreement between the Regents and LDC, entered into after the Effective Date, UNM will not provide funding for the Proposal. All revenues derived from the Proposal, 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.
  
8. 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.
  
9. Approvals. This Agreement was approved by the Regents on \_\_\_\_\_, 2023, and by the Board of Directors of LDC on December 8, 2022.

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: \_\_\_\_\_





Imagery ©2022 Maxar Technologies, U.S. Geological Survey, Map data ©2022 Google 20 ft





site plan  
1" = 20'



# TAB 10

## #10

Approval of Consolidated Investment Fund Investment Policy  
Amendment (Presenters: Kenny Stansbury, CFO, UNMF and Paul  
Cassidy, Investment Committee Chair, UNMF)



**DATE:** February 14, 2023

**TO:** The Board of Regents of the University of New Mexico

**FROM:** The Board of Trustees of the University of New Mexico Foundation

**CC:** President Garnett Stokes  
Mallory Reviere

**RE:** Revision to Consolidated Investment Fund Investment Policy

**Motion Summary: Consolidated Investment Fund Investment Policy Amendment**

**RECOMMENDATION**

The UNM Foundation Board of Trustees recommend approval of a Consolidated Investment Fund Investment (CIF) Investment Policy amendment. The revisions are shown both in “track changes” and as a “clean copy.”

The recommendation adds an Environmental, Social and Governance section to the CIF Investment Policy. This new policy section was developed by the Environmental, Social and Governance (ESG) Subcommittee of the UNM Foundation Investment Committee.

The ESG Subcommittee operated as a single purpose advisory committee to the UNM Foundation Investment Committee to review and recommend revisions as deemed to be prudent to the “Responsible Investing” section of the Consolidated Investment Fund (CIF) Investment Policy. The subcommittee reviewed relevant ESG investing policies, best practices, fiduciary responsibility requirements, and stakeholder input. Based on the review, the subcommittee developed recommendations consistent with with the duties and obligations set forth in (1) The Uniform Prudent Investment of Institutional Funds Act, NMSA 1978 Sections 46-9A-1 *et seq.*; (2) NMSA 1978 Section 21-1-38; (3) NMSA 1978 Section 6-8-10; and (4) The Uniform Prudent Investor Act, NMSA 1978 Sections 45-7-601, *et seq.*. At the conclusion of the review, the ESG Subcommittee reviewed UNM stakeholder written feedback about the policy language and finalized a policy recommendation after considering stakeholder feedback.

The revised CIF Policy also includes other policy changes developed by the CIF Investment advisors (NEPC), the Investment Committee Chair and UNM Foundation CFO, and shared with the Investment Committee at the August 2022 meeting for review and feedback.

## **RATIONALE**

- **Environmental, Social and Governance section changes:**
  - The ESG Subcommittee developed the revisions to the ESG subcommittee over the past year, considering input from peers, industry experts, and UNM stakeholders
  - The revised ESG policy language is modeled after the NM State Investment Council (NMSIC) ESG policy, which was one of many peer policies the subcommittee reviewed during the policy development process
  - The ESG language in the revised policy defines and incorporates environmental, social and governance risks and opportunities into the investment process
  - ESG considerations will be integrated into investment decisions through investment manager due diligence conducted by the Investment Committee and the Investment Consultant.
    - The Investment consultant (NEPC) has an ESG risk and opportunity analysis process in place and this analysis will be incorporated into the evaluation of CIF investments
  - The policy highlights the Investment Committee's fiduciary duty to invest the assets solely in the interest of the University and for the benefit of the University.
  
- **Asset allocation and other policy changes:**
  - Developed by NEPC, the Investment Committee Chair and UNM Foundation CFO, and shared with the Investment Committee at the August 2022 meeting for review and feedback
  - Asset Allocation Ranges and Portfolio Rebalancing
    - Expands ranges for fixed income, private investments and marketable alternatives to allow greater flexibility in portfolio construction
    - Clarifies policy when market value changes cause assets classes to be outside of the policy range
  - Other policy changes
    - Adds table of contents and section numbers for easier document navigation
    - Clarifies responsibilities for Investment Committee, UNM Foundation CFO, Investment Consultant, and Investment Managers
    - Updates titles of responsible officials to match current job titles

## **JOINT APPROVAL REQUIRED**

In accordance with the Consolidated Investment Fund Investment Policy, all revisions to the Policy require joint approval by the University of New Mexico Board of Regents and the UNM Foundation Board of Trustees.

- On December 8, 2022, the UNM Foundation Investment Committee approved the amendment.
- On December 9, 2022, the UNM Foundation Board of Trustees approved the amendment.



# CONSOLIDATED INVESTMENT FUND INVESTMENT POLICY



THE UNIVERSITY OF  
NEW MEXICO®



THE UNIVERSITY OF  
NEW MEXICO  
FOUNDATION

THE UNIVERSITY OF NEW MEXICO

THE UNIVERSITY OF NEW MEXICO FOUNDATION, INC.

~~July 14, 2020~~ February 14, 2023

# Contents

<u>1.</u> Investment Philosophy	3
<u>2.</u> Investment Objectives & Policies	3
Return Goal	<u>3</u>
Return Measurement	4
Preservation of Capital	4
Cash Reserves	4
Risk	4
Asset Allocation	4
Portfolio Rebalancing	6
Manager Concentration Limits	6
Spending Distribution	6
Development Funding Allocation	7
<u>Environmental, Social, and Governance (ESG) Considerations</u>	7
Donor Directed Investments	8
<u>3.</u> Authority & Responsibility	8
UNM Board of Regents	8
UNM Board of Trustees	<u>9</u>
The Investment Committee	<u>9</u>
The University of New Mexico <del>Senior</del> <u>Executive</u> Vice President for Finance and Administration	9
The University of New Mexico Chief Financial Officer	9
The Investment Consultant	<u>10</u>
The Investment Managers	10
The Investment Custodian	11
<u>4.</u> Performance Measurement & Reporting	11
Performance Measurement	11
<u>5.</u> Conflict of Interest	12

## CONSOLIDATED INVESTMENT FUND POLICY STATEMENT

In accordance with Sections 21-1-38.B(1)(b) and 21-1-38.B(2), New Mexico Statutes Annotated 1978, the University of New Mexico Board of Regents (the “Board of Regents”) has designated the University of New Mexico Foundation Investment Committee (the “Investment Committee”) to act as the official Advisory Committee to oversee and manage the investment of both the University of New Mexico (the “University”)’s and the University of New Mexico Foundation, Inc. (the “Foundation”)’s endowment funds. The combined endowment assets of the University and the Foundation are known as the Consolidated Investment Fund (the “CIF”). The Investment Committee will apply the standards of conduct described in Sections 6-8-10 and 46-9A-1 through 46-9-12, NMSA 1978, in managing the CIF, subject to the standards set forth herein.

In accepting this responsibility, the Investment Committee agrees to follow the Consolidated Investment Fund Investment Policy (the “Policy”), which has been approved by the Board of Regents pursuant to Section 21-1-38.B(1)(c), NMSA 1978 and the Investment Committee of the Board of Trustees of the Foundation.

The Policy is to be effective ~~July 14, 2020~~(Enter new date) and supersedes all previous versions.

The Policy governs the investment of gifts and donations to the University or the Foundation in the form of endowments, ~~as well as~~ quasi-endowments, ~~and other investments established by the Board of Regents~~, with long-term ~~benefit~~ objectives. All common endowment and quasi-endowment funds of the University and the Foundation will be managed through the CIF. Participants in the CIF will receive units in the pooled fund. At all times the Policy shall recognize and implement all legally enforceable restrictions and directions that may have been placed on gifts by donors and the Policy shall comply with all applicable laws and shall be changed as necessary to comply with changes in applicable law or legal advice.

### 1. INVESTMENT PHILOSOPHY

The CIF has a long-term investment horizon, and allocates its assets accordingly. ~~It is recognized that a~~ strategic long-term asset allocation plan implemented in a consistent and disciplined manner ~~along with that is consistent with~~ the long and short-term needs of the University in carrying out its educational mission will be the major determinant of the CIF’s investment performance.

The assets will be managed on a total return basis. The Policy also recognizes the importance of preservation of capital. It is appropriate to consider alternative investment strategies if such strategies are in the CIF’s best interest on a risk-adjusted basis and are consistent with sufficient liquidity and investment risks that are prudent and reasonable, given the prevailing capital market conditions.

Risk management of the investment program is focused on understanding both the investment and operational risks to which the CIF is exposed. The objective is to minimize operational risks and realize an appropriate return for the investment risks that the Investment Committee is willing to accept.

### 2. INVESTMENT OBJECTIVES AND POLICIES

**Return Goal:** The long-term objective of the CIF is to earn a return sufficient to preserve the purchasing power of the CIF for future generations, as well as to provide for current needs and strategic investments. As a result, the goal is to achieve ~~a~~ long-term annual total return, net of management and custodial fees, that equals

or exceeds the annual Spending Distribution, the annual Development Funding Allocation, and inflation as measured by the U.S. Department of Labor All Urban Consumer Price Index “CPI-U”.

**Return Measurement:** To achieve the Return Goal, the CIF assets will be invested to generate a total return consisting of market appreciation and depreciation and/or dividend and interest income. While there cannot be complete assurance that the Return Goal will be realized, it is believed that the likelihood of realization is enhanced by diversifying the assets of the CIF. Over time, the Policy will aim to achieve the Return Goal while maintaining acceptable risk levels. To accomplish this goal, the CIF will diversify assets among several differentiated asset classes. The following objectives are designed to support achievement of the Return Goal and are net of (after) investment expense:

- Total CIF assets should achieve an long-term annualized nominal rate of return equal to or greater than that of the Return Goal.
- In general, active managers will be expected to provide returns greater than their appropriate benchmark, net of fees, while utilizing acceptable risk levels. In contrast, passive managers will be expected to provide returns nearly identical to the appropriate benchmark, before reasonable fees, with no more volatility than the benchmark.

**Preservation of Capital:** Consistent with their respective investment styles and philosophies, investment managers shall make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.

**Cash Reserves:** In accordance with the CIF’s long-term investment horizon, a fully invested position should be maintained for the overall portfolio with minimal, but sufficient cash reserves to meet all current spending and capital calls.

**Risk:** ~~It is important that risk is defined~~All investments carry some degree of risk, which should be considered so that the CIF assets are managed in a manner consistent with investment objectives and strategies. ~~The policy defines risk as~~Some of the key investment risks are the following:

- Overall Investment Risk - the probability of not maintaining purchasing power over the CIF's investment time horizon, net of spending and investment expenses.
- Operational Risk - the potential of loss arising from deficiencies in internal controls, human errors, physical systems failures and other business execution risks.
- Cash Flow Risk - the probability of not achieving the CIF's short term cash flow requirements.
- Compliance Risk - non-compliance with applicable State of New Mexico statutes concerning the investment of public funds.
- Interest Rate Risk - the potential for fluctuations in bond prices due to changes in interest rates and/or a duration/liability mismatch.
- Credit Risk - the possibility that a bond issuer will fail to make timely payment of either interest or principal to the portfolio.
- Reinvestment Risk - the possibility that the proceeds of a maturing or called security will be reinvested at lower yields as a result of a general interest rate decline in the bond market.
- Liquidity Risk - the possibility that the liquidity of the market for a security may decline thereby making it more difficult to dispose of the security promptly; presenting difficulties in valuation of the security; or causing the security to experience greater price volatility.

**Asset Allocation:** Asset allocation is the single most important decision which affects the CIF. ~~Investment research has determined that a significant portion of a portfolio’s investment behavior~~The primary driver of investment returns can be attributed to (1) the asset classes/styles which are employed by the portfolio, and (2) the weighting of each asset class/style. Given its importance, the asset allocation will be reviewed at least quarterly-annually and revised as necessary.

- The asset allocation shall be determined taking into consideration a comprehensive allocation study completed by the Investment Consultant and taking into consideration the asset allocations of peer institutions as published in the NACUBO-Commonfund Study of Endowments.
- The asset allocation shall be designed to give balance to the overall structure of the investment program over a long-term horizon.
- Asset allocation decisions will not be based on market timing. However, some factors may impact the policy allocation, thereby requiring an asset allocation review and possible rebalancing. Some of these factors may include a change in the assessment of the intermediate and long-term outlook for different types of asset classes and styles or a major divergence in the performance of the different asset classes and styles.
- In consultation with the Investment Consultant, specific target asset allocations may be established by the Investment Committee within the minimum and maximum ranges of the Policy to address current economic and/or market conditions while taking into account investments in University strategic priorities.

Assets shall be invested within the following maximum and minimum ranges for each asset class:

<b>Percent of Total Assets</b>		
<b>Asset Class</b>	<b>Minimum</b>	<b>Maximum</b>
Domestic Equity <sup>1</sup>	10%	50%
International Equity <sup>1</sup>	10%	40%
Fixed Income/Cash	<del>5</del> 10%	50%
<del>Illiquid</del> Real Assets	0%	15%
Private Investments	0%	<del>20</del> 30%
Marketable Alternatives	<del>5</del> 0%	20%
Investments in University Strategic Priorities <sup>2</sup>	0%	10.5%

<sup>1</sup> The combined maximum allocation to domestic and international equities shall not exceed 70% at any point in time.

<sup>2</sup> Investments in University Strategic Priorities include the following:

**Direct Investments in University Strategic Priorities:** Up to 10% of total CIF assets may be invested in University projects, subject to the following requirements:

1. Investments must be structured as a loan to the University or a University component unit.
2. Investments must have a defined payback term.
  - A. Open-ended investments are not allowed.
  - B. Maximum investment term is 10 years.
3. Maximum investment in each project is 5% of total CIF assets, measured at the time of the loan approval.
4. The interest rate must take into consideration:
  - A. The expected return of the CIF (as estimated by the Investment Consultant),
  - B. The loan term, and
  - C. The risk of the proposed investment.



5. Prior to consideration by the Investment Committee, the University's Senior-Executive Vice President for Finance and Administration must certify on behalf of the University President that the project is a University Strategic Priority.
6. Prior to consideration by the Investment Committee, the Foundation's CFO must certify that the proposed investment meets the criteria outlined in paragraphs 1-5, above.
7. Investments require Investment Committee approval based on the criteria outlined in paragraphs 1-5, above. To avoid any potential for or appearance of a conflict of interest, University officials who are voting members of the Investment Committee will not vote on the approval of loans to the University or any University component unit.

**UNM Rainforest Innovations Co-Investments:** Up to 0.5% of total CIF assets may be invested by the University of New Mexico's technology transfer nonprofit corporation, UNM Rainforest Innovations, in qualifying early stage venture capital investments. An investment will be considered a qualifying early stage venture capital investment if:

1. the investment is in a company created to utilize technologies transferred by UNM Rainforest Innovations;
2. the investment is matched on at least a 1 to 1 basis by a co-investor with experience in early stage capital ventures; and
3. UNM Rainforest Innovations has conducted due diligence on its own or in concert with a co-investor; and
4. UNM Rainforest Innovations provides the Investment Committee with reports regarding each specific early stage venture selected and quarterly updates thereafter to monitor the progress of the venture and the performance of the investment.

The University of New Mexico Foundation Investment Committee is not responsible for the evaluation, selection or management of any early stage venture capital investments made by UNM Rainforest Innovations with Consolidated Investment Fund assets.

It is anticipated that long-range returns for early stage venture capital investments will be equal to or better than the long-range expected return for the Consolidated Investment Fund.

**Portfolio Rebalancing:** It is desirable to rebalance the CIF's holdings periodically to minimize deviations from the Policy's asset allocation mix. The Investment Consultant shall inform the Investment Committee at the close of any quarter in which rebalancing the CIF is necessary. The Investment Committee shall review and approve any rebalancing actions and the Investment Consultant shall assist as needed in implementing such actions. If an asset class exceed the maximum limit defined herein, no new investments will be added to that asset class.

**Manager Concentration Limits:** The Investment Consultant shall identify at the close of each quarter any actively managed investments which are in excess of 5% of total assets. The Investment Committee shall consider whether the concentration in these accounts warrants rebalancing towards a goal of 5%.

Passively managed investments and investments in University Strategic Priorities in excess of 5% will be identified in quarterly reports and monitored for compliance with asset allocation limits.

**Spending Distribution:** The Policy aims to distribute on an annual basis a percentage, established as discussed below, of the average market value of the CIF at the calendar year-end of the previous 20 quarters (the "Spending Distribution"). The Spending Distribution amount-rate shall not exceed 6% nor be less than 4% of the 20-quarter average market value per unit. The Policy allows for the Spending Distribution regardless of whether the fair market value of an individual account exceeds its historic gift value, unless otherwise precluded by the donor or by law. This practice is consistent with the Uniform Prudent Management of Institutional Funds Act, and recognizes that not spending from an endowment is likely to be contrary to a donor's intent to

provide current benefits for the designated purpose. The Investment Committee shall establish at its first meeting of each calendar year the Spending Distribution to be used for the following fiscal year. The Investment Committee shall strive to maintain a Spending Distribution which achieves intergenerational equity, so today's beneficiaries do not unfairly benefit at the expense of future beneficiaries. In addition to considering this Policy and the objectives as stated above, the Investment Committee shall consider, if relevant, the following items in their annual deliberations to determine a reasonable Spending Distribution:

- The net rate of return earned by the CIF in each of the five most recent fiscal years.
- The net real (after adjusting for inflation as measured by the CPI-U) rate of return earned by the CIF in each of the five most recent fiscal years.
- Payout rates established by other university endowments as published in the NACUBO-Commonfund Study of Endowments.
- Other resources available to University and any unusual or extraordinary circumstances impacting these resources (tuition revenues, State appropriations, etc.).
- The extent to which programs benefiting from the Spending Distribution rely on these funds to achieve their goals and objectives.
- Recommendations from the CFO.
- The Spending Distribution in effect at the time of deliberations.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return of the CIF per the most recent asset allocation study.
- Significant inflows to and outflows from the CIF (if any)

**Development Funding Allocation (the "DFA"):** The Board of Regents and the Board of Trustees have agreed that a fair and reasonable uniform basis point fee applicable to all endowment accounts is an appropriate means to assist the operations of the Foundation. The DFA does not provide support for any direct costs of investing and administering the CIF, such as investment consultant fees, custodial fees and investment manager fees. These costs are assigned directly to the CIF. The DFA is subject to review and approval by the Board of Trustees and the Board of Regents as necessary.

The following items shall be considered in establishing a reasonable DFA:

- Any external costs including the Investment Consultant, custodian, and investment manager fees of managing the CIF.
- The internal (i.e., accounting, fund raising, information systems, gift administration) costs to raise funds for, manage the assets of and provide stewardship for the CIF.
- Cost Recovery Fee rates established by other university endowments if published in the NACUBO-Commonfund Study of Endowments.
- Recommendations from the CFO.
- The Development Funding Allocation in effect at the time of deliberations.
- The impact on the Spending Distribution.

**Environmental, Social, and Governance (ESG) Considerations**~~Responsible Investing: "Responsible Investing" prescribes adopting investment policies and practices such as socially responsible investing (SRI) which avoids certain securities or industries through negative screening according to defined ethical guidelines and/or environmental, social and governance investing (ESG) which integrates those factors into the investment analysis to the extent that they impact investment performance. The CIF's assets have been donated by generous donors to support UNM's mission first and foremost, not to adhere to defined ethical guidelines or incorporate environmental, social and governance factors. UNM's mission is "... to serve as New Mexico's flagship institution of higher learning through demonstrated and growing excellence in teaching, research, patient care, and community service."~~ The Investment Committee considers the endowment to be an economic

resource in advancing UNM's mission and defines its fiduciary responsibility as investing and managing the endowment assets as set forth in the Policy. The CIF's assets shall be invested for the long-term using a diversified approach with the principal goal of generating an attractive return to provide continued support to UNM at a commensurate and acceptable level of risk. Implementation is guided by the concept of complementary managers who are responsible for specific asset categories and management styles in a diversified portfolio. ~~Investment strategies shall not be altered or modified for reasons unrelated to achieving this objective.~~

The CIF has a long-term investment horizon and recognizes that the successful management of the CIF is linked to global economic growth. Consistent with its fiduciary responsibilities, the CIF seeks to invest in managers and underlying assets that strive for long-term sustainability in their operations. As such, the Investment Committee will consider ESG factors which present material business risks or opportunities. ESG considerations will be integrated into investment decisions through investment manager due diligence conducted by the Investment Committee and the Investment Consultant.

ESG may encompass a wide range of factors, such as but not limited to:

- *Environmental:* how a fund or its investments performs as environmental stewards (energy efficiency, waste management, pollution, natural resource conservation, climate change, sustainability, water usage, consumer protection, biodiversity, deforestation, environmental risks, and treatment of animals)
- *Social:* how a fund or its investments manages relationships with employees, vendors, stakeholders and locales in which they operate (business relationships, vendors' values, ethics, philanthropy, employee engagement, community relations, volunteerism, labor standards/working conditions, employee health & safety, gender, diversity, equity & inclusion, human rights, customer satisfaction, data protection & privacy)
- *Governance:* how a fund and the entities in which it invests handles leadership, compensation, audits/audit committee structure, internal controls and investor rights (accurate and transparent accounting techniques, limited partner committee roles, conflict of interest policies, avoidance of corruption & other illegal practices, board composition, & proper government relations/lobbying & political contributions standards)

The Policy and its implementation shall be subject at all times to applicable law and to the fiduciary duties of the Board of Regents and Investment Committee, including without limitation the duty to manage and invest the assets solely in the interest of the University and for the exclusive benefit of providing financial benefits to the University.

**Donor Directed Investments:** The UNM Foundation's Gift Acceptance Committee will consider requests from donors who approach the Foundation with a desire to support the important work of UNM and express an interest in having their endowment or quasi-endowment gifts invested in a cause-related way. If the donor's gift is accepted, the Foundation's Investment Committee will strive to identify an appropriate endowment investment vehicle outside the CIF to meet the donor's concerns while ~~insuring~~ensuring that the University's goals, objectives and values are maintained. The restriction or designation of a particular donor shall not be imposed on any other gifts or endowment assets.

Previous donations invested within the CIF will not be considered for divestment from the CIF and reinvestment outside the CIF.

### 3. AUTHORITY AND RESPONSIBILITY

#### University of New Mexico Board of Regents

The Board of Regents shall review the performance of the Investment Committee and the CIF at least annually. The Board of Regents shall approve annually, along with the Board of Trustees:

- The Investment Policy and any changes thereto.
- The Development Funding Allocation basis point fee.
- The Investment Consultant and its fees.

### **University of New Mexico Foundation Board of Trustees**

In accordance with the bylaws of the Foundation, the Board of Trustees shall appoint an Investment Committee. The Board of Trustees shall approve, along with the Board of Regents:

- The Investment Policy and any changes thereto.
- The Development Funding Allocation basis point fee.
- The Investment Consultant and its fees.

### **The Investment Committee**

The Investment Committee has fiduciary responsibility for directing and monitoring the investment of the CIF, and is authorized to retain and solicit recommendations of qualified professionals including the CFO, Investment Consultant and Investment Managers.

The Investment Committee's responsibilities include:

- Recommending an Investment Consultant and the [terms of the](#) contract.
- Selecting an Investment Custodian and approving the [terms of the](#) contract.
- Approving [investment products for inclusion in the CIF portfolios](#).[all CIF investment decisions \(investment purchases, redemptions, capital commitments, etc.\).](#)
- Monitoring the CIF investments [based on the guidelines described in this policy, and](#) for compliance with all laws, rules and regulations, including but not limited to the Management of Charitable Funds Act as implemented by the State of New Mexico from time to time.
- Developing an investment policy for approval by the Board of Trustees to include an asset allocation model taking into consideration the appropriate rates of return and risk for each asset class.
- Reviewing performance at both the manager and portfolio level on a periodic basis and, if necessary, instructing the CFO and/or the Investment Consultant to conduct additional due diligence on any investment manager/product.
- Rebalancing the CIF in accordance with the asset allocation ranges.
- Providing regular reports to the Board of Trustees and to the Board of Regents, including recommendations with respect to any suggested changes in investment policies.

### **The University of New Mexico [Senior-Executive](#) Vice President for Finance and Administration**

The [Senior-Executive](#) Vice President for Finance and Administration serves as voting member of the Investment Committee. Additional responsibilities include:

- Certifying Strategic Priorities on behalf of the University President; and
- Certifying requests for direct investments in University Strategic Priorities for compliance with the CIF investment policy, prior to consideration by the Investment Committee.

### **The UNM Foundation's Chief Financial Officer**

The UNM Foundation's CFO serves as an advisor to the Investment Committee, and shall assist the Investment Committee as needed in carrying out their responsibilities noted above. Additional responsibilities of the CFO include:

- Implementing Investment Committee decisions as directed;
- Working directly with the Investment Consultant as needed;
- Preparing an annual report on the CIF, including performance and allocation information important to the donor community;
- Coordinating agenda items with the Investment Committee Chair and scheduling meetings of the Investment Committee such that all important matters are brought to the Committee's attention in a timely fashion;
- Reviewing and executing, in consultation with legal counsel, all offering documents for new investment products approved by the Investment Committee; and
- ~~Providing the Investment Committee with reports comparing investment performance and asset allocation with the NACUBO-Commonfund Study of Endowments; and~~
- Certifying requests for direct investments in University Strategic Priorities for compliance with the CIF investment policy, prior to consideration by the Investment Committee.

### **The Investment Consultant**

The Investment Consultant is responsible for providing advice to the Investment Committee as follows:

- Reviewing the asset allocation as appropriate and no less than annually.
- Monitoring the portfolios to ensure that assets remain within the designated ranges as specified in the asset allocation models, and recommending appropriate actions to address situations outside the designated ranges.
- Providing written comments and recommendations on the Policy as needed, but on no less than an annual basis.
- Assisting in selecting, monitoring, and replacing investment managers and products.
- Monitoring the CIF investments based on the guidelines described in this policy
- Recommending appropriate benchmarks and peer groups with which to monitor selected investment managers.
- Providing written quarterly reports no less than quarterly to the Investment Committee on investment products and managers, including departures of key personnel, style drift, changes in investment process and any other matter requiring the Investment Committee's attention including a recommendation that an investment manager be retained or terminated.
- Disclosing any fee relationships with investment managers, advertisers, placement agents or other providers of service for the CIF.
- Presenting reports to the Board of Regents and the Board of Trustees as needed.
- Providing the Investment Committee with reports comparing investment performance and asset allocation with the NACUBO-Commonfund Study of Endowments; and
- Reviewing all offering documents for new investment products prior to submission to the CFO for signature.

### **The Investment Managers**

Investment managers shall, subject to the note regarding commingled funds:



- Act as responsible fiduciaries in all matters involving their management of CIF assets and comply with all applicable laws, rules and regulations.
- Report all activity to the CFO and Investment Consultant on a timely basis as agreed, but in no event will such report be provided on less than a quarterly basis. Such reports shall include a comparison of performance with the agreed-upon benchmark, and might include details about the holdings and strategies of the applicable product.
- Vote, or cause to be voted, all proxies on securities held by the CIF.
- Provide CFO with copies of audited financial statements covering the investment product in a timely manner.
- Make presentations to the Investment Committee when and as requested.
- Maintain a strict adherence to the mandate under which they were engaged.
- Provide CFO and Investment Consultant with a written report within five business days of the following matters: (a) change in ownership or legal entity status; (b) change in key personnel, including a change in anyone on the product portfolio management team; (c) change in investment philosophy or style; (d) civil or criminal charges filed against the firm by a regulator.
- Disclose any fee relationship with the investment consultant, advertisers, placement agents or other providers of service for the CIF.

Commingled funds pool the monies of multiple investors. Investors have a direct ownership interest in the fund, not in the underlying securities of the fund. Examples include mutual funds, bank collective funds, hedge funds, limited partnerships, and other similar investment vehicles. Since the duties and responsibilities of a commingled fund investment manager are set forth in the fund's governing documents, the requirements for investment managers described here may not apply to such commingled funds. The investment consultant, investment committee, and/or legal counsel shall evaluate a commingled fund investment manager's duties and responsibilities to investors as set forth in the fund's governing documents and that evaluation should be a factor in the determination of the suitability of the investment for the CIF.

### **The Investment Custodian:**

The Investment Custodian shall:

- Provide monthly reports detailing investment holdings and account transactions within **15** business days following the end of each month and an annual report summarizing the following within 15 business days following each fiscal year end.
- Establish and maintain an account(s) for each Investment Manager of the portfolio as requested by the CFO.
- Provide all normal custodial functions including security safekeeping, collection of income, settlement of trades, collection of proceeds of maturing securities, daily investment of uninvested cash, etc., effect trades, if applicable, manage securities lending program, if applicable.
- Prepare additional accounting reports as requested by the CFO or Investment Consultant.

## **4. PERFORMANCE MEASUREMENT AND REPORTING**

### **Performance Measurement**

The performance of the CIF will be reviewed at least annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the investment policy for achieving these objectives. In consideration of the CIF's goals and objectives, several standards will be utilized in evaluating

investment performance as opposed to a single measure. These standards reflect several aspects of investment performance, including the specific objectives and the market indices used to measure the performance of individual Managers.

- **TOTAL FUND PERFORMANCE:** The total fund's performance should be compared to the CIF's return goal, to a portfolio benchmark consisting of a weighted average of the underlying asset class benchmarks, and to The Investment Committee expects the total assets under management to perform in the upper quartile of an acceptable comparable peer universe, over a market cycle or a three to five year period if shorter.
- **ASSET CLASS LEVEL PERFORMANCE:** Each asset class approved by the Investment Committee will have an intermediate term benchmark that is investable and a longer term should be compared to a clearly defined and if possible investable benchmark that represents the investment objective in that asset class's inclusion in the portfolio reflects the addressable universe in that specific asset class.
- **INVESTMENT MANAGER PERFORMANCE:** Each Investment Manager's performance should be compared to a clearly defined and if possible investable benchmark that reflects the addressable universe of that specific investment strategy. compare favorably over comparable periods to that of other Investment Managers of a like style and discipline. The Investment Managers shall have discretion to invest a portion of the assets in cash reserves when they deem it appropriate. However, the Investment Managers will be evaluated against their peers and their predetermined benchmarks on the performance of the total funds under their direct management.

## 5. CONFLICT OF INTEREST

All persons responsible for investment decisions or who are involved in the management of the Foundation or who are consulting to, or providing any advice whatsoever to the Investment Committee, shall disclose in writing at the beginning of any discussion or consideration by the Investment Committee, any relationships, material beneficial ownership, or other material interest(s) which the person has or may reasonably be expected to have, with respect to any investment issue under consideration. The Investment Committee will require such persons to remove themselves from the decision-making process.

Any members of the Investment Committee responsible for investment decisions or who are involved in the management of the Foundation shall refuse any remuneration, commission, gift, favor, service or benefit that might influence them in the discharge of their duties, except as disclosed in writing to and agreed upon in writing by the Investment Committee. The intent of this provision is to eliminate conflicts of interest between committee membership and the Foundation. Failure to disclose any material benefit shall be grounds for immediate removal from the Investment Committee. This provision shall not preclude the payment of ordinary fees and expenses to the Foundation's custodian(s), Investment Managers, or Investment Consultant in the course of their services on behalf of the Foundation.

**CONSOLIDATED INVESTMENT FUND INVESTMENT POLICY**



**THE UNIVERSITY OF  
NEW MEXICO®**



**THE UNIVERSITY OF  
NEW MEXICO®  
FOUNDATION**

**THE UNIVERSITY OF NEW MEXICO**

**THE UNIVERSITY OF NEW MEXICO FOUNDATION, INC.**

**February 14, 2023**

## Contents

1. Investment Philosophy	3
2. Investment Objectives & Policies	3
Return Goal	3
Return Measurement	4
Preservation of Capital	4
Cash Reserves	4
Risk	4
Asset Allocation	4
Portfolio Rebalancing	6
Manager Concentration Limits	6
Spending Distribution	6
Development Funding Allocation	7
Environmental, Social, and Governance (ESG) Considerations	7
Donor Directed Investments	8
3. Authority & Responsibility	8
UNM Board of Regents	8
UNM Board of Trustees	9
The Investment Committee	9
The University of New Mexico Executive Vice President for Finance and Administration	9
The University of New Mexico Chief Financial Officer	9
The Investment Consultant	10
The Investment Managers	10
The Investment Custodian	11
4. Performance Measurement & Reporting	11
Performance Measurement	11
5. Conflict of Interest	12



## CONSOLIDATED INVESTMENT FUND POLICY STATEMENT

In accordance with Sections 21-1-38.B(1)(b) and 21-1-38.B(2), New Mexico Statutes Annotated 1978, the University of New Mexico Board of Regents (the “Board of Regents”) has designated the University of New Mexico Foundation Investment Committee (the “Investment Committee”) to act as the official Advisory Committee to oversee and manage the investment of both the University of New Mexico (the “University”)’s and the University of New Mexico Foundation, Inc. (the “Foundation”)’s endowment funds. The combined endowment assets of the University and the Foundation are known as the Consolidated Investment Fund (the “CIF”). The Investment Committee will apply the standards of conduct described in Sections 6-8-10 and 46-9A-1 through 46-9-12, NMSA 1978, in managing the CIF, subject to the standards set forth herein.

In accepting this responsibility, the Investment Committee agrees to follow the Consolidated Investment Fund Investment Policy (the “Policy”), which has been approved by the Board of Regents pursuant to Section 21-1-38.B(1)(c), NMSA 1978 and the Investment Committee of the Board of Trustees of the Foundation.

The Policy is to be effective (Enter new date) and supersedes all previous versions.

The Policy governs the investment of gifts and donations to the University or the Foundation in the form of endowments, quasi-endowments, and other investments with long-term objectives. All common endowment and quasi-endowment funds of the University and the Foundation will be managed through the CIF. Participants in the CIF will receive units in the pooled fund. At all times the Policy shall recognize and implement all legally enforceable restrictions and directions that may have been placed on gifts by donors and the Policy shall comply with all applicable laws and shall be changed as necessary to comply with changes in applicable law or legal advice.

### 1. INVESTMENT PHILOSOPHY

The CIF has a long-term investment horizon, and allocates its assets accordingly. A strategic long-term asset allocation plan implemented in a consistent and disciplined manner that is consistent with the long and short-term needs of the University in carrying out its educational mission will be the major determinant of the CIF’s investment performance.

The assets will be managed on a total return basis. The Policy also recognizes the importance of preservation of capital. It is appropriate to consider alternative investment strategies if such strategies are in the CIF’s best interest on a risk-adjusted basis and are consistent with sufficient liquidity and investment risks that are prudent and reasonable, given the prevailing capital market conditions.

Risk management of the investment program is focused on understanding both the investment and operational risks to which the CIF is exposed. The objective is to minimize operational risks and realize an appropriate return for the investment risks that the Investment Committee is willing to accept.

### 2. INVESTMENT OBJECTIVES AND POLICIES

**Return Goal:** The long-term objective of the CIF is to earn a return sufficient to preserve the purchasing power of the CIF for future generations, as well as to provide for current needs and strategic investments. As a result, the goal is to achieve a long-term annual total return, net of management and custodial fees, that equals or exceeds the annual Spending Distribution, the annual Development Funding Allocation, and inflation as measured by the U.S. Department of Labor All Urban Consumer Price Index “CPI-U”.

**Return Measurement:** To achieve the Return Goal, the CIF assets will be invested to generate a total return consisting of market appreciation and depreciation and dividend and interest income. While there cannot be complete assurance that the Return Goal will be realized, it is believed that the likelihood of realization is enhanced by diversifying the assets of the CIF. Over time, the Policy will aim to achieve the Return Goal while maintaining acceptable risk levels. To accomplish this goal, the CIF will diversify assets among several differentiated asset classes. The following objectives are designed to support achievement of the Return Goal and are net of (after) investment expense:

- Total CIF assets should achieve a long-term annualized nominal rate of return equal to or greater than that of the Return Goal.
- In general, active managers will be expected to provide returns greater than their appropriate benchmark, net of fees, while utilizing acceptable risk levels. In contrast, passive managers will be expected to provide returns nearly identical to the appropriate benchmark, before reasonable fees, with no more volatility than the benchmark.

**Preservation of Capital:** Consistent with their respective investment styles and philosophies, investment managers shall make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.

**Cash Reserves:** In accordance with the CIF's long-term investment horizon, a fully invested position should be maintained for the overall portfolio with minimal, but sufficient cash reserves to meet all current spending and capital calls.

**Risk:** All investments carry some degree of risk, which should be considered so that the CIF assets are managed in a manner consistent with investment objectives and strategies. Some of the key investment risks are the following:

- Overall Investment Risk - the probability of not maintaining purchasing power over the CIF's investment time horizon, net of spending and investment expenses.
- Operational Risk - the potential of loss arising from deficiencies in internal controls, human errors, physical systems failures and other business execution risks.
- Cash Flow Risk - the probability of not achieving the CIF's short term cash flow requirements.
- Compliance Risk - non-compliance with applicable State of New Mexico statutes concerning the investment of public funds.
- Interest Rate Risk - the potential for fluctuations in bond prices due to changes in interest rates and/or a duration/liability mismatch.
- Credit Risk - the possibility that a bond issuer will fail to make timely payment of either interest or principal to the portfolio.
- Reinvestment Risk - the possibility that the proceeds of a maturing or called security will be reinvested at lower yields as a result of a general interest rate decline in the bond market.
- Liquidity Risk - the possibility that the liquidity of the market for a security may decline thereby making it more difficult to dispose of the security promptly; presenting difficulties in valuation of the security; or causing the security to experience greater price volatility.

**Asset Allocation:** Asset allocation is the single most important decision which affects the CIF. The primary driver of investment returns can be attributed to (1) the asset classes/styles which are employed by the portfolio, and (2) the weighting of each asset class/style. Given its importance, the asset allocation will be reviewed at least annually and revised as necessary.

- The asset allocation shall be determined taking into consideration a comprehensive allocation study completed by the Investment Consultant and taking into consideration the asset allocations of peer institutions as published in the NACUBO-Commonfund Study of Endowments.
- The asset allocation shall be designed to give balance to the overall structure of the investment program over a long-term horizon.
- Asset allocation decisions will not be based on market timing. However, some factors may impact the policy allocation, thereby requiring an asset allocation review and possible rebalancing. Some of these factors may include a change in the assessment of the intermediate and long-term outlook for different types of asset classes and styles or a major divergence in the performance of the different asset classes and styles.
- In consultation with the Investment Consultant, specific target asset allocations may be established by the Investment Committee within the minimum and maximum ranges of the Policy to address current economic and/or market conditions while taking into account investments in University strategic priorities.

Assets shall be invested within the following maximum and minimum ranges for each asset class:

<b>Percent of Total Assets</b>		
<b>Asset Class</b>	<b>Minimum</b>	<b>Maximum</b>
Domestic Equity <sup>1</sup>	10%	50%
International Equity <sup>1</sup>	10%	40%
Fixed Income/Cash	5%	50%
Real Assets	0%	15%
Private Investments	0%	30%
Marketable Alternatives	0%	20%
Investments in University Strategic Priorities <sup>2</sup>	0%	10.5%

<sup>1</sup> The combined maximum allocation to domestic and international equities shall not exceed 70% at any point in time.

<sup>2</sup> Investments in University Strategic Priorities include the following:

**Direct Investments in University Strategic Priorities:** Up to 10% of total CIF assets may be invested in University projects, subject to the following requirements:

1. Investments must be structured as a loan to the University or a University component unit.
2. Investments must have a defined payback term.
  - A. Open-ended investments are not allowed.
  - B. Maximum investment term is 10 years.
3. Maximum investment in each project is 5% of total CIF assets, measured at the time of the loan approval.
4. The interest rate must take into consideration:
  - A. The expected return of the CIF (as estimated by the Investment Consultant),
  - B. The loan term, and
  - C. The risk of the proposed investment.

5. Prior to consideration by the Investment Committee, the University's Executive Vice President for Finance and Administration must certify on behalf of the University President that the project is a University Strategic Priority.
6. Prior to consideration by the Investment Committee, the Foundation's CFO must certify that the proposed investment meets the criteria outlined in paragraphs 1-5, above.
7. Investments require Investment Committee approval based on the criteria outlined in paragraphs 1-5, above. To avoid any potential for or appearance of a conflict of interest, University officials who are voting members of the Investment Committee will not vote on the approval of loans to the University or any University component unit.

**UNM Rainforest Innovations Co-Investments:** Up to 0.5% of total CIF assets may be invested by the University of New Mexico's technology transfer nonprofit corporation, UNM Rainforest Innovations, in qualifying early stage venture capital investments. An investment will be considered a qualifying early stage venture capital investment if:

1. the investment is in a company created to utilize technologies transferred by UNM Rainforest Innovations;
2. the investment is matched on at least a 1 to 1 basis by a co-investor with experience in early stage capital ventures; and
3. UNM Rainforest Innovations has conducted due diligence on its own or in concert with a co-investor; and
4. UNM Rainforest Innovations provides the Investment Committee with reports regarding each specific early stage venture selected and quarterly updates thereafter to monitor the progress of the venture and the performance of the investment.

The University of New Mexico Foundation Investment Committee is not responsible for the evaluation, selection or management of any early stage venture capital investments made by UNM Rainforest Innovations with Consolidated Investment Fund assets.

It is anticipated that long-range returns for early stage venture capital investments will be equal to or better than the long-range expected return for the Consolidated Investment Fund.

**Portfolio Rebalancing:** It is desirable to rebalance the CIF's holdings periodically to minimize deviations from the Policy's asset allocation mix. The Investment Consultant shall inform the Investment Committee at the close of any quarter in which rebalancing the CIF is necessary. The Investment Committee shall review and approve any rebalancing actions and the Investment Consultant shall assist as needed in implementing such actions. If an asset class exceed the maximum limit defined herein, no new investments will be added to that asset class.

**Manager Concentration Limits:** The Investment Consultant shall identify at the close of each quarter any actively managed investments which are in excess of 5% of total assets. The Investment Committee shall consider whether the concentration in these accounts warrants rebalancing towards a goal of 5%.

Passively managed investments and investments in University Strategic Priorities in excess of 5% will be identified in quarterly reports and monitored for compliance with asset allocation limits.

**Spending Distribution:** The Policy aims to distribute on an annual basis a percentage, established as discussed below, of the average market value of the CIF at the calendar year-end of the previous 20 quarters (the "Spending Distribution"). The Spending Distribution rate shall not exceed 6% nor be less than 4% of the 20-quarter average market value per unit. The Policy allows for the Spending Distribution regardless of whether the fair market value of an individual account exceeds its historic gift value, unless otherwise precluded by the donor or by law. This practice is consistent with the Uniform Prudent Management of Institutional Funds Act, and recognizes that not spending from an endowment is likely to be contrary to a donor's intent to provide

current benefits for the designated purpose. The Investment Committee shall establish at its first meeting of each calendar year the Spending Distribution to be used for the following fiscal year. The Investment Committee shall strive to maintain a Spending Distribution which achieves intergenerational equity, so today's beneficiaries do not unfairly benefit at the expense of future beneficiaries. In addition to considering this Policy and the objectives as stated above, the Investment Committee shall consider, if relevant, the following items in their annual deliberations to determine a reasonable Spending Distribution:

- The net rate of return earned by the CIF in each of the five most recent fiscal years.
- The net real (after adjusting for inflation as measured by the CPI-U) rate of return earned by the CIF in each of the five most recent fiscal years.
- Payout rates established by other university endowments as published in the NACUBO-Commonfund Study of Endowments.
- Other resources available to University and any unusual or extraordinary circumstances impacting these resources (tuition revenues, State appropriations, etc.).
- The extent to which programs benefiting from the Spending Distribution rely on these funds to achieve their goals and objectives.
- Recommendations from the CFO.
- The Spending Distribution in effect at the time of deliberations.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return of the CIF per the most recent asset allocation study.
- Significant inflows to and outflows from the CIF (if any)

**Development Funding Allocation (the “DFA”):** The Board of Regents and the Board of Trustees have agreed that a fair and reasonable uniform basis point fee applicable to all endowment accounts is an appropriate means to assist the operations of the Foundation. The DFA does not provide support for any direct costs of investing and administering the CIF, such as investment consultant fees, custodial fees and investment manager fees. These costs are assigned directly to the CIF. The DFA is subject to review and approval by the Board of Trustees and the Board of Regents as necessary.

The following items shall be considered in establishing a reasonable DFA:

- Any external costs including the Investment Consultant, custodian, and investment manager fees of managing the CIF.
- The internal (i.e., accounting, fund raising, information systems, gift administration) costs to raise funds for, manage the assets of and provide stewardship for the CIF.
- Cost Recovery Fee rates established by other university endowments if published in the NACUBO-Commonfund Study of Endowments.
- Recommendations from the CFO.
- The Development Funding Allocation in effect at the time of deliberations.
- The impact on the Spending Distribution.

**Environmental, Social, and Governance (ESG) Considerations** The Investment Committee considers the endowment to be an economic resource in advancing UNM's mission and defines its fiduciary responsibility as investing and managing the endowment assets as set forth in the Policy. The CIF's assets shall be invested for the long-term using a diversified approach with the principal goal of generating an attractive return to provide continued support to UNM at a commensurate and acceptable level of risk. Implementation is guided by the concept of complementary managers who are responsible for specific asset categories and management styles in a diversified portfolio



The CIF has a long-term investment horizon and recognizes that the successful management of the CIF is linked to global economic growth. Consistent with its fiduciary responsibilities, the CIF seeks to invest in managers and underlying assets that strive for long-term sustainability in their operations. As such, the Investment Committee will consider ESG factors which present material business risks or opportunities. ESG considerations will be integrated into investment decisions through investment manager due diligence conducted by the Investment Committee and the Investment Consultant.

ESG may encompass a wide range of factors, such as but not limited to:

- *Environmental*: how a fund or its investments performs as environmental stewards (energy efficiency, waste management, pollution, natural resource conservation, climate change, sustainability, water usage, consumer protection, biodiversity, deforestation, environmental risks, and treatment of animals)
- *Social*: how a fund or its investments manages relationships with employees, vendors, stakeholders and locales in which they operate (business relationships, vendors' values, ethics, philanthropy, employee engagement, community relations, volunteerism, labor standards/working conditions, employee health & safety, gender, diversity, equity & inclusion, human rights, customer satisfaction, data protection & privacy)
- *Governance*: how a fund and the entities in which it invests handles leadership, compensation, audits/audit committee structure, internal controls and investor rights (accurate and transparent accounting techniques, limited partner committee roles, conflict of interest policies, avoidance of corruption & other illegal practices, board composition, & proper government relations/lobbying & political contributions standards)

The Policy and its implementation shall be subject at all times to applicable law and to the fiduciary duties of the Board of Regents and Investment Committee, including without limitation the duty to manage and invest the assets solely in the interest of the University and for the exclusive benefit of providing financial benefits to the University.

**Donor Directed Investments:** The UNM Foundation's Gift Acceptance Committee will consider requests from donors who approach the Foundation with a desire to support the important work of UNM and express an interest in having their endowment or quasi-endowment gifts invested in a cause-related way. If the donor's gift is accepted, the Foundation's Investment Committee will strive to identify an appropriate endowment investment vehicle outside the CIF to meet the donor's concerns while ensuring that the University's goals, objectives and values are maintained. The restriction or designation of a particular donor shall not be imposed on any other gifts or endowment assets.

Previous donations invested within the CIF will not be considered for divestment from the CIF and reinvestment outside the CIF.

### 3. AUTHORITY AND RESPONSIBILITY

#### University of New Mexico Board of Regents

The Board of Regents shall review the performance of the Investment Committee and the CIF at least annually. The Board of Regents shall approve annually, along with the Board of Trustees:

- The Investment Policy and any changes thereto.
- The Development Funding Allocation basis point fee.
- The Investment Consultant and its fees.

## **University of New Mexico Foundation Board of Trustees**

In accordance with the bylaws of the Foundation, the Board of Trustees shall appoint an Investment Committee. The Board of Trustees shall approve, along with the Board of Regents:

- The Investment Policy and any changes thereto.
- The Development Funding Allocation basis point fee.
- The Investment Consultant and its fees.

## **The Investment Committee**

The Investment Committee has fiduciary responsibility for directing and monitoring the investment of the CIF, and is authorized to retain and solicit recommendations of qualified professionals including the CFO, Investment Consultant and Investment Managers.

The Investment Committee's responsibilities include:

- Recommending an Investment Consultant and the terms of the contract.
- Selecting an Investment Custodian and approving the terms of the contract.
- Approving all CIF investment decisions (investment purchases, redemptions, capital commitments, etc.).
- Monitoring the CIF investments based on the guidelines described in this policy, and for compliance with all laws, rules and regulations, including but not limited to the Management of Charitable Funds Act as implemented by the State of New Mexico from time to time.
- Developing an investment policy for approval by the Board of Trustees to include an asset allocation model taking into consideration the appropriate rates of return and risk for each asset class.
- Reviewing performance at both the manager and portfolio level on a periodic basis and, if necessary, instructing the CFO and/or the Investment Consultant to conduct additional due diligence on any investment manager/product.
- Rebalancing the CIF in accordance with the asset allocation ranges.
- Providing regular reports to the Board of Trustees and to the Board of Regents, including recommendations with respect to any suggested changes in investment policies.

## **The University of New Mexico Executive Vice President for Finance and Administration**

The Executive Vice President for Finance and Administration serves as voting member of the Investment Committee. Additional responsibilities include:

- Certifying Strategic Priorities on behalf of the University President; and
- Certifying requests for direct investments in University Strategic Priorities for compliance with the CIF investment policy, prior to consideration by the Investment Committee.

## **The UNM Foundation's Chief Financial Officer**

The UNM Foundation's CFO serves as an advisor to the Investment Committee, and shall assist the Investment Committee as needed in carrying out their responsibilities noted above. Additional responsibilities of the CFO include:

- Implementing Investment Committee decisions as directed;
- Working directly with the Investment Consultant as needed;
- Preparing an annual report on the CIF, including performance and allocation information important to the donor community;

- Coordinating agenda items with the Investment Committee Chair and scheduling meetings of the Investment Committee such that all important matters are brought to the Committee's attention in a timely fashion;
- Reviewing and executing, in consultation with legal counsel, all offering documents for new investment products approved by the Investment Committee; and
- Certifying requests for direct investments in University Strategic Priorities for compliance with the CIF investment policy, prior to consideration by the Investment Committee.

### **The Investment Consultant**

The Investment Consultant is responsible for providing advice to the Investment Committee as follows:

- Reviewing the asset allocation as appropriate and no less than annually.
- Monitoring the portfolios to ensure that assets remain within the designated ranges as specified in the asset allocation models, and recommending appropriate actions to address situations outside the designated ranges.
- Providing written comments and recommendations on the Policy as needed, but on no less than an annual basis.
- Assisting in selecting, monitoring, and replacing investment managers and products.
- Monitoring the CIF investments based on the guidelines described in this policy
- Recommending appropriate benchmarks and peer groups with which to monitor selected investment managers.
- Providing written quarterly reports no less than quarterly to the Investment Committee on investment products and managers, including departures of key personnel, style drift, changes in investment process and any other matter requiring the Investment Committee's attention including a recommendation that an investment manager be retained or terminated.
- Disclosing any fee relationships with investment managers, advertisers, placement agents or other providers of service for the CIF.
- Presenting reports to the Board of Regents and the Board of Trustees as needed.
- Providing the Investment Committee with reports comparing investment performance and asset allocation with the NACUBO-Commonfund Study of Endowments; and
- Reviewing all offering documents for new investment products prior to submission to the CFO for signature.

### **The Investment Managers**

Investment managers shall, subject to the note regarding commingled funds:

- Act as responsible fiduciaries in all matters involving their management of CIF assets and comply with all applicable laws, rules and regulations.
- Report all activity to the CFO and Investment Consultant on a timely basis as agreed, but in no event will such report be provided on less than a quarterly basis. Such reports shall include a comparison of performance with the agreed-upon benchmark, and might include details about the holdings and strategies of the applicable product.
- Vote, or cause to be voted, all proxies on securities held by the CIF.
- Provide CFO with copies of audited financial statements covering the investment product in a timely manner.
- Make presentations to the Investment Committee when and as requested.
- Maintain a strict adherence to the mandate under which they were engaged.

- Provide CFO and Investment Consultant with a written report within five business days of the following matters: (a) change in ownership or legal entity status; (b) change in key personnel, including a change in anyone on the product portfolio management team; (c) change in investment philosophy or style; (d) civil or criminal charges filed against the firm by a regulator.
- Disclose any fee relationship with the investment consultant, advertisers, placement agents or other providers of service for the CIF.

Commingled funds pool the monies of multiple investors. Investors have a direct ownership interest in the fund, not in the underlying securities of the fund. Examples include mutual funds, bank collective funds, hedge funds, limited partnerships, and other similar investment vehicles. Since the duties and responsibilities of a commingled fund investment manager are set forth in the fund's governing documents, the requirements for investment managers described here may not apply to such commingled funds. The investment consultant, investment committee, and/or legal counsel shall evaluate a commingled fund investment manager's duties and responsibilities to investors as set forth in the fund's governing documents and that evaluation should be a factor in the determination of the suitability of the investment for the CIF.

### **The Investment Custodian:**

The Investment Custodian shall:

- Provide monthly reports detailing investment holdings and account transactions within **15** business days following the end of each month and an annual report summarizing the following within 15 business days following each fiscal year end.
- Establish and maintain an account(s) for each Investment Manager of the portfolio as requested by the CFO.
- Provide all normal custodial functions including security safekeeping, collection of income, settlement of trades, collection of proceeds of maturing securities, daily investment of uninvested cash, etc., effect trades, if applicable, manage securities lending program, if applicable.
- Prepare additional accounting reports as requested by the CFO or Investment Consultant.

## **4. PERFORMANCE MEASUREMENT AND REPORTING**

### **Performance Measurement**

The performance of the CIF will be reviewed at least annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the investment policy for achieving these objectives. In consideration of the CIF's goals and objectives, several standards will be utilized in evaluating investment performance as opposed to a single measure. These standards reflect several aspects of investment performance, including the specific objectives and the market indices used to measure the performance of individual Managers.

- **TOTAL FUND PERFORMANCE:** The total fund's performance should be compared to the CIF's return goal, to a portfolio benchmark consisting of a weighted average of the underlying asset class benchmarks, and to an acceptable comparable peer universe, over a market cycle or a three to five year period if shorter.
- **ASSET CLASS LEVEL PERFORMANCE:** Each asset class approved by the Investment Committee should be compared to a clearly defined and if possible investable benchmark that reflects the addressable universe in that specific asset class.

- **INVESTMENT MANAGER PERFORMANCE:** Each Investment Manager’s performance should be compared to a clearly defined and if possible investable benchmark that reflects the addressable universe of that specific investment strategy.

## **5. CONFLICT OF INTEREST**

All persons responsible for investment decisions or who are involved in the management of the Foundation or who are consulting to, or providing any advice whatsoever to the Investment Committee, shall disclose in writing at the beginning of any discussion or consideration by the Investment Committee, any relationships, material beneficial ownership, or other material interest(s) which the person has or may reasonably be expected to have, with respect to any investment issue under consideration. The Investment Committee will require such persons to remove themselves from the decision-making process.

Any members of the Investment Committee responsible for investment decisions or who are involved in the management of the Foundation shall refuse any remuneration, commission, gift, favor, service or benefit that might influence them in the discharge of their duties, except as disclosed in writing to and agreed upon in writing by the Investment Committee. The intent of this provision is to eliminate conflicts of interest between committee membership and the Foundation. Failure to disclose any material benefit shall be grounds for immediate removal from the Investment Committee. This provision shall not preclude the payment of ordinary fees and expenses to the Foundation’s custodian(s), Investment Managers, or Investment Consultant in the course of their services on behalf of the Foundation.



# TAB 11

## #11

UNM Rainforest Innovations Annual Meeting of the Member  
a. Acceptance of the FY 2021-22 Annual Report and Audit Report  
(Presenter: Lisa Kuuttila, CEO & Chief Economic Development  
Officer, UNM Rainforest Innovations)



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

# ANNUAL REPORT TO UNM REGENTS

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

February 7, 2023

# OUTLINE

- ❖ UNM Rainforest Innovations Board, Staff and Interns
- ❖ FY 2022 Audit Results
- ❖ FY 2022 Accomplishments
  - Technology Transfer
  - Corporate Engagement
  - Economic Development
  - Board Retreat: Future Scenario Planning

# 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. Richard Luarkie



Dr. Gregg L. Mayer



Mr. Robert Nath



Dr. David L. Perkins



Dr. Eric Prossnitz



Mr. Alex O. Romero



Dr. Alton Romig, Jr.



Ms. Kimberly Sanchez Rael



Dr. Garnett S. Stokes



Dr. John C. Stormont

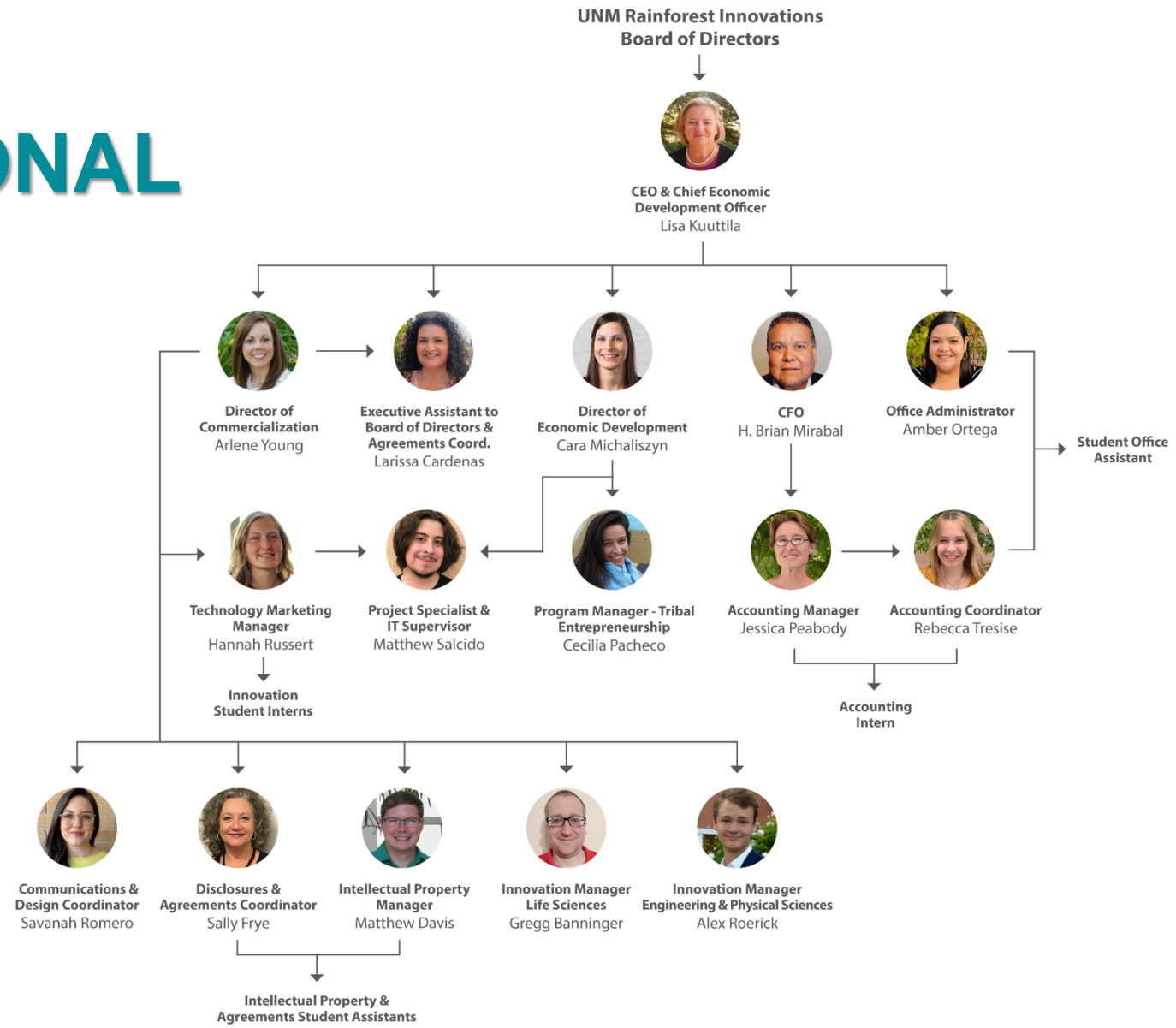


Mr. Charles Wellborn



Dr. Douglas Ziedonis

# STAFF ORGANIZATIONAL CHART





# UNM RAINFOREST INNOVATIONS STAFF SERVICE

*Employees and their UNM  
Rainforest Innovations  
service anniversary dates*

<b>Lisa Kuuttila</b>	<i>June 2003 (19 years)</i>
<b>Cara Michaliszyn</b>	<i>May 2006* (16 years)</i>
<b>Arlene Mirabal</b>	<i>June 2013 (9 years)</i>
<b>Matthew Davis</b>	<i>June 2013* (9 years)</i>
<b>Amber Ortega</b>	<i>August 2015 (7 years)</i>
<b>Savanah Romero</b>	<i>May 2016* (6 years)</i>
<b>Cecilia Pacheco</b>	<i>April 2017* (5 years)</i>
<b>Alex Roerick</b>	<i>April 2017* (5 years)</i>
<b>Jessica Peabody</b>	<i>May 2018* (4 years)</i>
<b>Hannah Russert</b>	<i>September 2018* (4 years)</i>
<b>Gregg Banninger</b>	<i>May 2019 (3 years)</i>
<b>Matthew Salcido</b>	<i>March 2021* (1 year)</i>
<b>Larissa Cardenas</b>	<i>April 2021 (1 year)</i>
<b>Rebecca Tresise</b>	<i>June 2021* (1 year)</i>
<b>H. Brian Mirabal</b>	<i>November 2021 (&lt; 1 year)</i>
<b>Sally Frye</b>	<i>February 2022 (&lt; 1 year)</i>

*\* includes employment as student intern*

# UNM RAINFOREST INNOVATIONS STUDENT INTERNS

FY 2022 Q1-Q4

## CURRENT:

- ❖ **Lauren Bailey** (School of Engineering)
  - Working on BS in Nuclear Engineering
- ❖ **Taniela Cox** (Anderson School of Management)
  - Working on MS in Accounting, Professional Track
- ❖ **Alissia Haagenstad** (College of Arts & Sciences)
  - Working on BS in Biochemistry, Minor in Management
- ❖ **Kiera Hanley** (College of Arts & Sciences)
  - Working on BS in Biology, Minor in Sustainability Studies
- ❖ **Ariana Nava** (College of Arts & Sciences)
  - Working on BS in Economics & Psychology
- ❖ **Nicole Nimeh** (School of Architecture & Planning)
  - Working on BS in Environmental & Civil Engineering, Minor in Community & Regional Planning
- ❖ **Kirsten Rainwater** (College of Arts & Sciences)
  - Working on BS in Nursing and Psychology
- ❖ **Dharish Totiger** (Anderson School of Management)
  - Working on MS in Business Administration (MBA) and Information Systems & Assurance (MS ISA)

## ❖ **Christie Vessels (Valencia Campus)**

- Working on Associate's in Information Technologies

## FORMER:

- ❖ **Kaitlin Bunzel** (College of Education)
  - Working on BS in Secondary Education
- ❖ **Payton Fowler** (College of Arts and Sciences)
  - Working BS in Economics & Psychology
- ❖ **Jenny Le** (Anderson School of Management)
  - Working on BS in Accounting & Marketing, Minor in Economics
- ❖ **Tina Memarian** (College of Arts & Sciences)
  - Working on BS in Chemistry & International Studies
- ❖ **Sheyla Miramontes** (School of Engineering)
  - Working on BS in Electrical Engineering
- ❖ **Matthew Salcido** (School of Engineering)
  - Working on BS in Computer Engineering
- ❖ **Pranil Sangroula** (Anderson School of Management)
  - Working on MS in Accounting (MACCT) and Information Systems & Assurance (MS ISA)

# UNM RAINFOREST INNOVATIONS STUDENT INTERNS

*Where are they now?*

❖ Since 2002, over 150 UNM students have been a part of the student intern program.

❖ Here is a sample of former interns' current positions:

- Nicolai Archuleta, Millennial Methods
- Alexandra (Andrego) Adams, Sandia National Labs
- Sarina Baldoni, Owner of Finance Snack (local start-up)
- Elizabeth Champion, Bernalillo County
- Monique Chavez, German & Associates, LLC
- Athena Christodoulou, Udorami (local start-up)
- Max De Azevedo, General Counsel, New Mexico Department of Cultural Affairs
- Isaac Estrada, Office of Technology Transfer, University of Miami
- Mark Horlbeck, Sandia National Labs
- Sierra Hunter, Space and Missile Systems Center, U.S. Space Force
- Kameron Kramer, Kramer Law Firm, PC
- Dorian (McKenzie) Rader, NMA Ventures
- Bhavya Pandey Wingert, Houlihan Lokey
- Amy Patterson, Sandia National Labs
- Paulina San Millian, Intersect Illinois
- Shari King, Project ECHO
- Andrew Pascoe, U.S. Department of Defense

- Michael Sanchez, Entrepreneur
- Rachel Timmins, Gentry Law Firm
- Nikolas Torres, Sandia National Labs
- Kymbra Williams, UNM
- Julia Wise, NM SBA, LANL
- Nick Wolf, Wolf Patent Services
- Ergin Yildiz, Wells Fargo Bank
- Laura Meurer, Sandia National Labs
- Jenn Tran, Sandia National Labs
- Yoojin Park, Intel Corporation
- Jessica Moose, Santa Fe Business Incubator
- Achyut Warriar, Guardant Health
- Max Preissler, Raytheon Missiles & Defense
- Christian Slough, Build with Robots
- Jason Belvin, Sandia National Labs
- Meghan Garvey, Gibbons-White, Inc.

**Staff who were interns:** ❖ Matthew Salcido

❖ Cara Michaliszyn

❖ Rebecca Tresise

❖ Matthew Davis

❖ Cecilia Pacheco

❖ Savannah Romero

❖ Jessica Peabody

❖ Alex Roerick

❖ Hannah Russert



**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, 2022 and 2021

(With Report of Independent Auditors Thereon)

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

**Table of Contents**

	<b>Page</b>
Official Roster (unaudited)	i
Report of Independent Auditors	1
Management’s Discussion and Analysis (unaudited)	4
Basic 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
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>	25
Summary of Auditor’s Results (as Required by 2.2.2.10 NMAC (L)(1)(f))	27
Schedule of Findings	28
Schedule of Prior Year Findings	30
Exit Conference	31



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

Official Roster (unaudited)

June 30, 2022

**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. Larissa Cardenas	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
Mr. 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
Dr. 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 Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of UNM Rainforest Innovations (the Corporation), which comprise the statements of financial position as of and for the years ended June 30, 2022 and 2021, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of UNM Rainforest Innovations as of June 30, 2022 and 2021, and the respective changes in net position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

During the year ended June 30, 2022, the Corporation adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, which modified the presentation of the financial statements by recognition of certain lease assets and liabilities for lessee leases that previously were classified as operating leases and recognized as outflows of resources based on the payment provisions of the contract. As discussed in Note 2 to the financial statements, implementation of GASB 87 impacted previously reported fiscal year 2021 balances. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022 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 22, 2022

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

Management's Discussion and Analysis (unaudited)

June 30, 2022 and 2021

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, 2022, 2021, and 2020.

**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**

	<b>June 30</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
		<i>(as restated)</i>	
Current assets	\$ 17,877,858	22,549,315	11,167,715
Capital assets, net	843,140	1,000,147	32,879
Investment in stock	3,626	1,750	1,735
Total assets	<u>\$ 18,724,624</u>	<u>23,551,212</u>	<u>11,202,329</u>
Current liabilities	\$ 6,168,201	7,959,210	3,579,384
Noncurrent liabilities	644,356	785,005	-
Net position			
Investment in capital assets	843,140	1,000,147	32,879
Unrestricted	<u>11,068,927</u>	<u>13,806,850</u>	<u>7,590,066</u>
Total liabilities and net position	<u>\$ 18,724,624</u>	<u>23,551,212</u>	<u>11,202,329</u>
Operating revenues	\$ 8,415,120	57,767,707	56,375,187
Operating expenses	<u>9,360,800</u>	<u>52,250,628</u>	<u>50,005,387</u>
Operating (loss) income	<u>(945,680)</u>	<u>5,517,079</u>	<u>6,369,800</u>
Nonoperating (loss) income	<u>(1,949,250)</u>	<u>1,666,973</u>	<u>247,177</u>
Change in net position	<u>(2,894,930)</u>	<u>7,184,052</u>	<u>6,616,977</u>
Net position, beginning of year	<u>14,806,997</u>	<u>7,622,945</u>	<u>1,005,968</u>
Net position, end of year	<u>\$ 11,912,067</u>	<u>14,806,997</u>	<u>7,622,945</u>



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

Management's Discussion and Analysis (unaudited)

June 30, 2022 and 2021

***Financial Position***

The Corporation's current assets decreased by \$4,671,457 as of June 30, 2022 to \$17,877,858 compared to \$22,549,315 as of June 30, 2021; and 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. The increase from fiscal year 2021 to fiscal year 2022 was primarily attributable to several fully-paid license agreements entered into during 2022.

Current liabilities decreased by \$1,791,009 as of June 30, 2022 to \$6,168,201 compared to \$7,959,210 as of June 30, 2021; and increased by \$4,240,394 as of June 30, 2021 to \$7,819,778 compared to \$3,579,384 as of June 30, 2020. The change from fiscal year 2021 to fiscal year 2022 is primarily attributable to the increase in the liability due to UNM as of June 30, 2022 associated with several fully-paid license agreements entered into during the year.

***Capital Assets***

Capital asset purchases during fiscal years 2022, 2021, and 2020 were \$11,811, \$12,373, and \$7,850, respectively, for buildings, software, leasehold improvements, computer equipment, and furniture and had depreciation expense of \$12,414, \$9,596, and \$8,011, respectively. A right-to-use asset of \$1,120,895 and offsetting lease liability was recorded as of July 1, 2021 for the implementation of GASB Statement No. 87 - Leases. Amortization of the right-to-use asset for the fiscal years ended 2022 and 2021 was \$156,404 and \$156,404, respectively.

***Comparison of Fiscal 2022 to Fiscal 2021 Results of Operations***

Total operating revenues decreased by \$49,352,587 from \$57,767,707 in fiscal year 2021 to \$8,415,120 for fiscal year 2022. The majority of the decrease is primarily attributable to a decrease in new fully-paid license agreements executed in fiscal year 2022.

Total operating expenses decreased by \$42,841,574 for fiscal year 2022 compared to fiscal year 2021. The decrease was primarily attributable to less legal expenses incurred related to new fully-paid settlement license agreements entered into during fiscal year 2022.

***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.

***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.

**UNM RAINFOREST INNOVATIONS**  
(A Blended Component Unit of the University of New Mexico)  
Management's Discussion and Analysis (unaudited)  
June 30, 2022 and 2021

**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, 2022 and 2021

<b>Assets</b>	<b>2022</b>	<b>2021</b> <i>(as restated)</i>
Current assets:		
Cash and cash equivalents	\$ 2,943,383	9,148,216
Investments	10,278,353	12,646,362
Accounts receivable, net	4,643,879	754,737
Prepaid expenses	12,243	-
Total current assets	17,877,858	22,549,315
Capital assets:		
Furniture and equipment	216,498	256,336
Right-to-use lease asset	1,120,895	1,120,895
Total capital assets at historical cost	1,337,393	1,377,231
Less accumulated depreciation and amortization	(494,253)	(377,084)
Total capital assets, net	843,140	1,000,147
Investment in stock	3,626	1,750
Total assets	\$ 18,724,624	23,551,212
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 3,836,980	233,299
Due to University of New Mexico	546,570	4,425,383
Accrued royalty sharing, net	1,251,301	1,018,038
Lease liability, current portion	140,650	139,432
Accrued expenses	392,700	2,143,058
Total current liabilities	6,168,201	7,959,210
Noncurrent liabilities:		
Lease liability, net of current portion	644,356	785,005
Total liabilities	6,812,557	8,744,215
Net position:		
Investment in capital assets	843,140	1,000,147
Unrestricted	11,068,927	13,806,850
Total net position	11,912,067	14,806,997
Total liabilities and net position	\$ 18,724,624	23,551,212

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, 2022 and 2021

	<b>2022</b>	<b>2021</b> <i>(as restated)</i>
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	354,390	624,287
Licensing and royalties, net (Notes 3)	5,633,653	54,521,482
Rental income	41,910	90,825
Other	351,167	497,113
Total operating revenues	8,415,120	57,767,707
Operating expenses:		
Patent costs incurred	1,289,504	1,594,415
Licensing distributions (Note 3)	874,275	12,002,640
Depreciation and amortization	168,818	166,000
Economic development initiative	439,212	614,249
General and administrative (Note 3)	6,588,991	37,873,324
Total operating expenses	9,360,800	52,250,628
Operating (loss) income	(945,680)	5,517,079
Nonoperating revenues (expenses):		
Interest income	458,330	164,578
Interest expense	(7,488)	(8,070)
Net (decrease) increase in fair value of investments	(2,400,092)	1,510,465
Total nonoperating (loss) income	(1,949,250)	1,666,973
Change in net position	(2,894,930)	7,184,052
Net position, beginning of year	14,806,997	7,622,945
Net position, end of year	\$ 11,912,067	14,806,997

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, 2022 and 2021

	<b>2022</b>	<b>2021</b> <i>(as restated)</i>
Cash flows from operating activities:		
Receipts from licensees	\$ 1,744,511	54,168,113
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	354,390	628,762
Receipts from other	351,167	497,113
Receipts for economic development initiatives funding revenue from UNM	288,000	288,000
Receipt of rental income	41,910	90,825
Receipts for co-investment funding from UNM	-	189,993
Payment to start up companies for co-investment funding	-	(189,993)
Payment for prepaid expenses	(12,243)	-
Payment for patent costs incurred	(1,289,504)	(1,594,415)
Payment for licensing distribution expense	(4,519,825)	(7,876,530)
Payments to suppliers and employees	(5,174,880)	(38,373,289)
Net cash (used) provided by operating activities	(6,470,474)	9,574,579
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(11,811)	(12,373)
Payments on leases	(146,919)	(204,528)
Net cash used in capital and related financing activities	(158,730)	(216,901)
Cash flows from investing activities:		
Investments purchased	(2,314,932)	(7,814,729)
Investment proceeds	2,741,179	741,093
Investment in stock	(1,876)	(15)
Net cash provided (used) by investing activities	424,371	(7,073,651)
Net change in cash and cash equivalents	(6,204,833)	2,284,027
Cash and cash equivalents, beginning of year	9,148,216	6,864,189
Cash and cash equivalents, end of year	\$ 2,943,383	9,148,216
Reconciliation of operating income to net cash (used) provided by operating activities:		
Operating (loss) income	\$ (945,680)	5,517,079
Adjustments to reconcile to net cash (used) provided by operating activities:		
Depreciation	168,818	166,000
Bad debt expense	432,296	103,324
Changes in operating assets and liabilities:		
Accounts receivable, net	(4,321,438)	(452,218)
Prepaid expenses	(12,243)	-
Accounts payable	3,603,681	(14,052)
Due to University of New Mexico	(3,878,813)	3,998,198
Accrued royalty sharing, net	233,263	127,912
Accrued expenses	(1,750,358)	128,336
Net cash (used) provided by operating activities	\$ (6,470,474)	9,574,579

See accompanying notes to financial statements.



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

Notes to Financial Statements  
Years Ended June 30, 2022 and 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, 2022, the governing board consisted of 29 members, including 11 members of certain officers and faculty of UNM, the President of the Corporation, and 18 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.

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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

**(b) Impact of Recently Issued Accounting Standards**

GASB Statement No. 87 – Leases (GASB 87) defines a lease as a contract that conveys control of the right to use another Corporation’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 adopted GASB 87 during the year ended June 30, 2022, using the retrospective approach. The Corporation evaluated contracts that were formerly accounted for as operating leases to determine whether they meet the definition of a lease as defined in GASB 87. Implementation of GASB 87 impacted previously reported fiscal year 2021 balances. The Corporation has one contract to lease office space (see Note 6) that meets the definition of a lease and the Corporation calculated and recognized a right-to-use asset of \$1,120,895 and lease liability of \$1,120,895 as of July 1, 2021. A reconciliation of the previous balances with the GASB 87 adjustments are shown below:

	2021		
	Original Amount	Lease Adjustment	Restated Amount
<b>Assets</b>			
Right-to-use lease asset	\$ -	\$ 1,120,895	\$ 1,120,895
Accumulated depreciation and amortization	(220,680)	(156,404)	(377,084)
<b>Liabilities</b>			
Lease liability, current portion	-	139,432	139,432
Lease liability, net of current portion	-	785,005	785,005
Net position	14,766,943	40,054	14,806,997
<b>Expenses</b>			
General and administrative	38,077,852	(204,528)	37,873,324
Depreciation and amortization	9,596	156,404	166,000
Interest expense	-	8,070	8,070
Change in net position	7,143,998	40,054	7,184,052

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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

**(c) 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.

**(d) 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.

**(e) 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 years 2022 and 2021, management wrote off \$0 and \$103,324, respectively, deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. There were no recoveries in fiscal years 2022 or 2021. There was an allowance for doubtful accounts of \$434,494 and \$2,198 as of June 30, 2022 and 2021, 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.

**(f) 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. Right-to-use assets are amortized over the lesser of the lease term of the useful life of the leased asset. 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.

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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

**(g) Leases**

The Corporation recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed \$25,000 that meet the definition of another than short-term lease. The Corporation uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the Corporation's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

**(h) 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.

**(i) 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 leases is recognized on a month-to-month basis according to lease terms. The Corporation enters into various short-term monthly agreements with venture lab tenants for virtual and physical space. The Corporation recorded \$41,910 and \$90,825 of rental/occupancy income associated with these agreements in fiscal years 2022 and 2021, respectively.

Accounts receivable, net was \$4,643,879 and \$754,737 as of June 30, 2022 and 2021, respectively. For the fiscal years ended June 30, 2022 and 2021, the Corporation had bad debt expense related to royalties and licenses of \$197,813 and \$98,849, respectively. For the fiscal years ended June 30, 2022 and 2021, the Corporation had \$234,483 and \$4,475 of bad debt expense related to patent cost reimbursement, respectively. Total bad debt expense is included in general and administrative expense on the accompanying statements of revenues, expenses, and changes in net position.

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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

**(j) 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 Corporation as unrelated business taxable income. The Corporation had no unrelated business taxable income during the years ended June 30, 2022 and 2021.

**(k) 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.

**(l) 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.

**(m) 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, 2022 and 2021.

Unrestricted net position represents liquid assets available for use.

**(3) License and Patent Monetization Agreements**

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 years 2022 and 2021, certain patent settlement claims resulted in one and three fully-paid license agreements, respectively. The fully-paid license agreements grant a non-exclusive, irrevocable, non-transferable, world-wide license under the licensed patents. The Company incurred \$3,805,487 and \$45,131,032 in fiscal years 2022 and 2021, respectively, in associated fees and distributions included in general and administrative expenses and licensing distributions on the accompanying statements of revenues, expense, and changes in net position.

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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

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, 2022 and 2021, \$546,570 and \$4,425,383, respectively, are owed to UNM for UNM's share of licensing distributions.

**(4) Cash, Cash Equivalents, and Investments**

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents:		
Cash on deposit at financial institution	\$ 2,383,842	8,840,547
Cash equivalents not considered deposits:		
Money market accounts	559,541	307,569
Petty cash	-	100
Total cash and cash equivalents	\$ 2,943,383	9,148,216
Investments:		
Mutual funds:		
Domestic fixed income	\$ 2,897,376	3,206,189
International fixed income	91,207	120,220
Domestic equity	4,833,645	5,867,004
International equity	2,456,125	3,452,949
Total investments	\$ 10,278,353	12,646,362

**(a) Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a financial institution failure, the Corporation'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.



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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

The following schedule details the Corporation's deposit accounts at June 30, 2022:

<u>Bank Name/ Account</u>	<u>Account Type</u>	<u>Financial Statement Balance</u>	<u>Outstanding Checks</u>	<u>Bank Balance</u>
Bank of the West:				
Operating	Checking	\$ 2,383,842	78,569	\$ 2,462,411
TIAA:				
Money market account	Money market	559,541	-	559,541
				<u>3,021,952</u>
Less FDIC insurance				(250,000)
Less SIPC insurance				<u>(250,000)</u>
Uninsured and uncollateralized at June 30, 2022				<u>\$ 2,521,952</u>

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

<u>Bank Name/ Account</u>	<u>Account Type</u>	<u>Financial Statement Balance</u>	<u>Outstanding Checks</u>	<u>Bank Balance</u>
Bank of the West:				
Operating	Checking	\$ 8,840,547	213,911	\$ 9,054,458
TIAA:				
Money market account	Money market	307,569	-	307,569
				<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>

**(b) Investment Policy**

The Corporation's investment objective option is "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.

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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

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  
Years Ended June 30, 2022 and 2021

The Corporation had the following investments and maturities at June 30, 2022 and 2021.

Investment Type	June 30, 2022					
	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	\$ 2,897,376	—	311,846	2,447,044	138,486	—
International bond mutual funds	91,207	—	—	—	91,207	—
	<u>\$ 2,988,583</u>	<u>—</u>	<u>311,846</u>	<u>2,447,044</u>	<u>229,693</u>	<u>—</u>
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>

The following tables provide information on the credit ratings associated with the Corporation's investments in debt securities at June 30, 2022 and 2021.

Investment Type	June 30, 2022									
	Fair Value	AAA	AA	A	BBB	BB	B	Below B	NR	Not Available
Fixed income:										
Domestic bond mutual funds	\$ 2,897,376	297,053	1,719,312	748,901	—	—	132,110	—	—	—
International bond mutual funds	91,207	—	—	—	91,207	—	—	—	—	—
	<u>\$ 2,988,583</u>	<u>297,053</u>	<u>1,719,312</u>	<u>748,901</u>	<u>91,207</u>	<u>—</u>	<u>132,110</u>	<u>—</u>	<u>—</u>	<u>—</u>
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>

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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

**(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:

	2022	2021
Realized gains	\$ 130,473	70,133
Unrealized losses	(2,530,565)	1,440,332
Net (decrease) increase in fair value of investments	\$ (2,400,092)	1,510,465

**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  
Years Ended June 30, 2022 and 2021

The Corporation has the following recurring fair value measurements as of June 30, 2022:

	<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	\$ 2,897,376	2,897,376	—	—
International fixed income	91,207	91,207	—	—
Domestic equity	4,833,645	4,833,645	—	—
International equity	<u>2,456,125</u>	<u>2,456,125</u>	<u>—</u>	<u>—</u>
Total investments	<u>\$ 10,278,353</u>	<u>10,278,353</u>	<u>—</u>	<u>—</u>

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	<u>3,452,949</u>	<u>3,452,949</u>	<u>—</u>	<u>—</u>
Total investments	<u>\$ 12,646,362</u>	<u>12,646,362</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, 2022 and 2021

**(5) Capital Assets**

Changes in capital asset balances for the years ended June 30 were as follows:

	<b>2022</b>			
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets:				
Furniture and equipment	\$ 256,336	11,811	(51,649)	216,498
Right-to-use asset	1,120,895	—	—	1,120,895
Accumulated depreciation and amortization				
Furniture and equipment	(220,680)	(12,414)	51,649	(181,445)
Right-to-use asset	(156,404)	(156,404)	—	(312,808)
Capital assets, net	<u>\$ 1,000,147</u>	<u>(157,007)</u>	<u>—</u>	<u>843,140</u>
	<b>2021</b>			
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets:				
Furniture and equipment	\$ 310,388	12,373	(66,425)	256,336
Right-to-use asset	—	1,120,895	—	1,120,895
Accumulated depreciation and amortization				
Furniture and equipment	(277,509)	(9,596)	66,425	(220,680)
Right-to-use asset	—	(156,404)	—	(156,404)
Capital assets, net	<u>\$ 32,879</u>	<u>967,268</u>	<u>—</u>	<u>1,000,147</u>

The Corporation recognized amortization expense of \$156,404 and \$156,404 and depreciation expense of \$12,414 and \$9,596 for the years ended June 30, 2022 and 2021, respectively.

The Corporation has evaluated the right-to-use asset for impairment and determined there was no impairment for the years ended June 30, 2022 and 2021.

**(6) Leases**

The Corporation entered into a noncancellable occupancy agreement with UNM for lease of office space, effective August 15, 2017, as amended on February 28, 2021, with an end date of August 31, 2027. There are no residual value guarantees included in the measurement of the Corporation's lease liability nor recognized as an expense for the years ended June 30, 2022 and 2021. The Corporation does not have any commitments that were incurred at the commencement of the leases. No termination penalties were incurred during the years ended June 30, 2022 and 2021.



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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

The change in lease liability for the years ended June 30 is as follows:

<b>2022</b>			
<b>Beginning Balance</b>	<b>Increases</b>	<b>Payments</b>	<b>Ending Balance</b>
\$ 924,437	—	(139,431)	785,006
<b>2021</b>			
<b>Beginning Balance</b>	<b>GASB 87 Implementation</b>	<b>Payments</b>	<b>Ending Balance</b>
\$ —	1,120,895	(196,458)	924,437

Future principal and interest lease payments required as of June 30, 2022, are as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 140,650	\$ 6,270	\$ 146,920
2024	141,879	5,041	146,920
2025	155,491	3,761	159,252
2026	159,335	2,384	161,719
2027	160,727	993	161,720
2028	26,924	29	26,953
	\$ 785,006	\$ 18,478	\$ 803,484

**(7) Commitments and Contingencies**

**(a) 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.

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

Notes to Financial Statements  
Years Ended June 30, 2022 and 2021

**(b) 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 2022 and 2021, 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.

**(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 2022 and 2021, the Corporation matched employee contributions up to 12.4% of the employee's base salary commensurately. Employer contributions are immediately vested. The Corporation's contributions were \$149,403 and \$132,558 in fiscal years 2022 and 2021, respectively. Employee contributions were \$153,664 and \$90,282 in fiscal years 2022 and 2021, 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 \$237,512 and \$1,863,650 in fiscal years 2022 and 2021, respectively. Equity incentive awards may also be provided to eligible employees in shares of start-up company common or preferred stock. The total shares of various companies awarded to employees for various companies during fiscal years 2022 and 2021 were 10,487 and 5,993, respectively.

**(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.

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

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

**(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 2022, the Corporation approved no new proposals from start-up companies.



## **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 (the Corporation), which comprise the statement of net position as of and for the year ended June 30, 2022, 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 22, 2022.

### **Report on 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 Corporation'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. We did identify a deficiency in internal control described in the schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

### **Report on 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*.

### **UNM Rainforest Innovations' Response to Findings**

UNM Rainforest Innovations' response to the finding identified in our audit is described in the accompanying schedule of findings and responses as item 2022-001. UNM Rainforest Innovations' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mess Adams LLP*

Albuquerque, New Mexico  
September 22, 2022

**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, 2022

**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  No

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, 2022

**2022-001 Financial Close and Reporting Process (Material Weakness)**

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

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

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

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

**Effect** – Misstatements of the financial statements and untimely financial reporting.

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

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

Schedule of Findings

Year Ended June 30, 2022

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

**Responsible Persons** – UNMRI Chief Executive Officer, Chief Financial Officer

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

Schedule of Prior Year Findings

Year Ended June 30, 2022

No prior audit findings

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

Exit Conference

Year Ended June 30, 2022

An exit conference was held on September 13, 2022. 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

Gregg Mayer, Board Member

Ellen Fisher, Board Member

John Stichman, Board Member

H. Brian Mirabal, CFO

**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.

# PRESIDENT'S REPORT FY 2022

## FY 2022 ACCOMPLISHMENTS

# TECHNOLOGY TRANSFER

## METRICS



# TECHNOLOGY TRANSFER

## Metrics

	FY 2019	FY 2020	FY 2021	FY 2022 (Goal)	FY 2022 (Actual)	% of Goal
Disclosures	125	127	81	90	94	104%
New U.S. Patent Applications Filed	102	77	64	---	56	---
Issued U.S. Patents	59	46	54	---	45	---
Option/License Agreements	52	47	43	45	41	91%
Start-up Companies	11	4	6	7	8	114%
Patent Expenses						
• Licensee Initiated	\$667,648	\$459,529	\$624,287	\$545,000	\$354,390	65%
• UNM Rainforest Innovations Initiated	\$886,475	\$1,007,541	\$970,128	\$841,670	\$895,306	106%
License Revenues	\$1,330,759	\$52,317,796	\$54,521,482	\$1,749,000	\$5,588,614	320%
Patent Cost Reimbursement Revenues	\$623,274	\$480,334	\$624,287	\$580,000	\$354,390	61%
Combined License & Patent Cost Reimbursement Revenues	\$1,954,033	\$52,798,130	\$55,145,769	\$2,309,000	\$5,943,004	257%
<b>Total Revenues</b> (excludes funding from UNM)	<b>\$2,407,927</b>	<b>\$54,341,187</b>	<b>\$55,733,707</b>	<b>\$2,620,325</b>	<b>\$6,336,075</b>	<b>319%</b>

# TECHNOLOGY TRANSFER

SUPPORTING UNM

# SUPPORTING UNM

## *Cost to Filing, Cost to Patent*

- ❖ In FY 2022, 69 U.S. Utility and PCT applications filed (71 in FY21)
  - The costs (including the previous provisional filing costs) were \$607,289.60 (\$669,563.81 in FY21).
  - The average cost to file a full application is \$8,801.29 (\$9,430.47 in FY21).
- ❖ In FY 2022, 43 U.S. Issued Patents (54 in FY21)
  - The cost for prosecution was \$584,169 (\$619,733.45 in FY21).
  - The average cost to prosecute a patent application through an issued patent was \$8,466.21 (\$11,476.54 in FY21).
- ❖ In FY 2022, the total average cost from filing to issued patent is \$16,968.79 (\$20,907.01 in FY21)

# SUPPORTING UNM

## *Marketing Activities - FY 2022 Q1-Q4*

- ❖ **Novelty Searches**
  - Performed 63 for technologies
  
- ❖ **Information Disclosure Statements**
  - 432 references collected in-house
  
- ❖ **Non-Confidential Summaries (NCSs)**
  - Drafted 72 NCSs
  
- ❖ **Marketing/Event Campaigns**
  - Executed 71 email campaigns for technologies
    - Approx. 387 technologies marketed
  - Executed 122 email campaigns for outreach/events

# SUPPORTING UNM

*Marketing Data - FY 2022 Q1-Q4*

- ❖ **Of the 71 email campaigns executed**
  - 1,828 marketing interactions from email campaigns
  - 6 interactions from targeted emails
- ❖ **Interactions accounted for approx. 23 serious leads in which companies requested more information about technologies**
- ❖ **Sophia Knowledge Management System**
  - 426 current inventor users

# MARKETING RESPONSE RATE

*FY 2021 and FY 2022 Comparison*

	FY2021 - Response Rates	FY2022 - Response Rates
All Interactions	12%	13%
E-Mail Campaign & Targeted E-Mails	5.9%	6.4%



# SUPPORTING UNM

*Flintbox Activities - FY 2022 Q1-Q4*

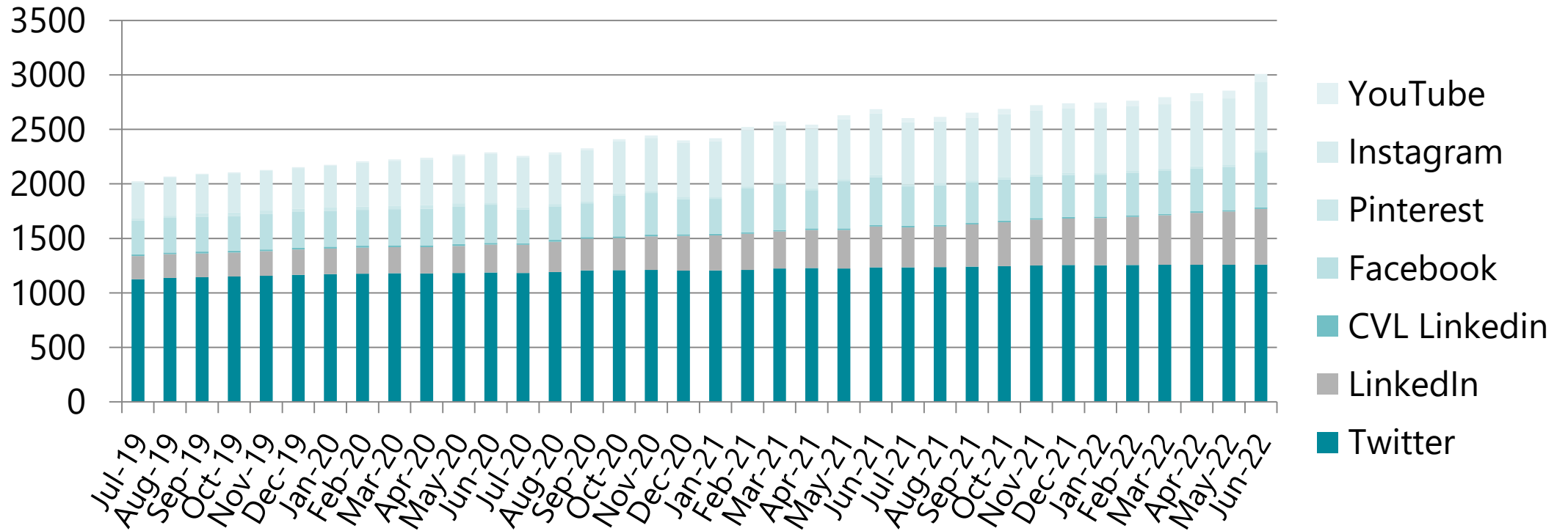
- ❖ UNM Rainforest Innovations currently has 433 technologies posted on Flintbox
- ❖ UNM Rainforest Innovations currently has 8 product offerings available for licensing online
  - 2 purchased made in Q2 for Panaiotis and Nandkishor Muley Music (songs Sweet Dreams and Mantra)



# SUPPORTING UNM

## UNM Rainforest Innovations Social Media Activities

### Followers of @unminnovations



# SUPPORTING UNM

## *UNM Gap Funding Program - Submitted Proposals - FY 2022*

- ❖ Received 22 proposals
- ❖ Total request: \$542,647
- ❖ Proposals from:
  - 10 UNM Main
  - 11 HSC
  - 1 Collaboration
- ❖ Committee Reviewed and Selected Awardees on October 26, 2021

# SUPPORTING UNM

## UNM Gap Funding Program - Submitted Proposals - FY 2022

Proposal Title	PI(s)	Location
Development and Validation of TAT-C3P, a Novel Cav3.3-Blocking Peptide, for the Treatment of Trigeminal Neuropathic Pain	Sascha Alles, PhD, Research Assistant Professor	HSC
Validation of GTPase Activity Assay as a Clinical Decision Support for Sepsis Diagnosis and Antibiotic Stewardship	Tione Buranda, PhD, Associate Professor	HSC
Two-Dimensional Silicon Carbide: Angstrom Level Semiconductor Technology	Sakineh Chabi, PhD, Assistant Professor	Main
Demonstration of Programmable Surface Tethering	Steve Graves, PhD, Professor	Main
Spray Drying of Essential Oil-based Larvicides	Ivy Hurwitz, PhD, Research Associate Professor	HSC
High Viscosity Atomizer for Safer E-Cigarette and Inhaled Drug Delivery Devices	Nathan Jackson, PhD, Assistant Professor	Main
Blocking ZnPP Formation by Ferrochelatase Inhibition Reduces Brain Damage and Improves Neurological Outcome Following Intracerebral Hemorrhage	Jim Liu, PhD, Distinguished Professor	HSC
Commercializing Quality Assurance for Radiation Cancer Therapy based on Data-Driven Techniques	Shuang Luan, PhD, Professor, Associate Chair Richard Shaw, PhD, Medical Physicist	HSC/Main
Drifteen	Matthew McDuffie, PhD, Professor of Practice	Main
Improving Clinical Outcomes for Asthma with a Patient-Centered, Gamified-Reward System Integrated into a Smart-Inhaler	Pavan Muttil, PhD, Associate Professor	HSC
Multiplex Nanoparticles for Targeted Gene Delivery against Metastatic Prostate Cancer	Achraf Nouredine, PhD, Research Assistant Professor	Main
Determining Safe Levels of Iron Oxide Nanoparticles in Treatment and Prevention of Gingivitis and Periodontitis	Marek Osinski, PhD, Distinguished Professor	Main
Preclinical Development of Thermally Gelling Topical MEK Inhibitor Formulations for Treatment of Papillomavirus (PV) Infections	Michelle Ozbun, PhD, The Maralyn S. Budke Endowed Professor Jason T. McConville, PhD, Associate Professor	HSC
Generalized K-Space Trajectories for MR Spectroscopic Imaging in the Presence of Magnetic Field Inhomogeneity	Stefan Posse, PhD, Professor	HSC
Testing the UNM Egg Beater Transparent Cathode for Microwave Generation at Non-relativistic Energies with Potential for Commercial Application	Edl Schamiloglu, PhD, Distinguished Professor, Associate Dean for Research & Innovation Sarita Prasad, PhD, Research Associate Professor (LAT)	Main
Performance Demonstration of Innovative Design of High-Performance Miniature Centrifugal Axial-Flow Pump	Timothy Schriener, PhD, Research Assistant Professor Mohamed El-Genk, PhD, Regents' & Distinguished Professor	Main
Multi-Pass Asymmetric Confocal Cavity (MPACC)	Mansoor Sheik-Bahae, PhD, Distinguished Professor	Main
Inhibition of Cellular Uptake for Treating Bacterial Infections	Larry Sklar, PhD, Distinguished Professor Emeritus	HSC
Magnetic Venturi	Peter Vorobieff, PhD, Professor, Assistant Chair	Main
hiPSC-based High-Throughput Screening of Novel CCKBR scFV for Treating Acute and Chronic Pain in Female Patients	Karin Westlund High, PhD, Professor Sascha Alles, PhD, Research Assistant Professor	HSC
Synergistic Effects Between Iron Chelators and DNA Damaging Agents in Colorectal Cancer	Xiang Xue, PhD, Assistant Professor	HSC
Non-Invasive and Longitudinal Monitoring of Microglial Activation and its Treatment in Chronic Stroke with Superparamagnetic-Nanoparticle-Enhanced MR Imaging	Yi Yang, MD, PhD, Research Professor Laurel Sillerud, PhD, Faculty Working Retiree	HSC

# SUPPORTING UNM

## *UNM Gap Funding Program – Committee Members*

- ❖ **Dr. David Hanson**, Interim Assistant Vice President for Research; Professor, Department of Biology - University of New Mexico
- ❖ **Dr. Eric Prossnitz**, Program Leader, UNM Comprehensive Cancer Center; Distinguished Professor, Internal Medicine - Molecular Medicine - University of New Mexico
- ❖ **Mr. John Chavez**, Managing Director - New Mexico Start-up Factory
- ❖ **Mr. Mike Freeman**, CEO & General Partner - Innosphere Ventures
- ❖ **Ms. Kim Sanchez Rael**, President & CEO - Azuca; Vice President, Board of Regents – University of New Mexico
- ❖ **Ms. Lisa Kuuttilla**, President & CEO - UNM Rainforest Innovations
- ❖ **Dr. Garnett Stokes**, President - University of New Mexico
- ❖ **Ms. Sandra Begay**, Chair – UNM Rainforest Innovations Board of Directors

# SUPPORTING UNM

## *UNM Gap Funding Program – Awardees – FY 2022*

- ❖ **Two-Dimensional Silicon Carbide: Angstrom Level Semiconductor Technology**
  - Sakineh Chabi, PhD, Assistant Professor
    - School of Engineering: Department of Mechanical Engineering
  - Amount requested: \$25,000
- ❖ **Spray Drying of Essential Oil-based Larvicides**
  - Ivy Hurwitz, PhD, Associate Professor
    - Center for Global Health: Department of Internal Medicine
  - Amount requested: \$25,000
- ❖ **Multi-Pass Asymmetric Confocal Cavity (MPACC)**
  - Mansoor Sheik-Bahae, PhD, Distinguished Professor
    - College of Arts & Sciences: Department of Physics & Astronomy
  - Amount requested: \$25,000
- ❖ **hiPSC-based High-Throughput Screening of Novel CCKBR scFV for Treating Acute and Chronic Pain in Female Patients**
  - Karin Westlund High, PhD, Professor
  - Sascha Alles, PhD, Research Assistant Professor
    - School of Medicine: Department of Anesthesiology and Critical Care Medicine
  - Amount requested: \$24,992



# SUPPORTING UNM

## 2022 UNM Rainforest Innovations Calendar

January



Arash Mafi, Ph.D.

February



Nancy Kanagy, Ph.D.

March



Nathan Jackson, Ph.D.

April



Rong Pan, Ph.D.

May



Melanie E. Moses, Ph.D.

June



Stefan Posse, Ph.D.

July



Abdullah Mueen, Ph.D.

August



Ludmila Bakhireva, M.D., Ph.D., M.P.H.

September



Sakineh Chabi, Ph.D.

October



Eliseo Castillo, Ph.D.

November



John Stormont, Ph.D.

December



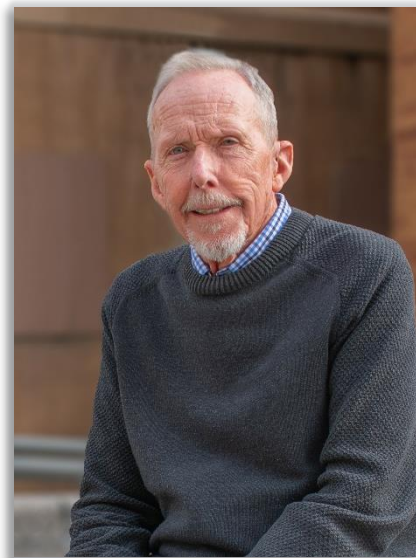
Jonathan Owen, M.D.



# SUPPORTING UNM

*National Academy of Inventors Fellow Nominees FY 2022*

- ❖ UNM RI nominated two inventors for the National Academy of Inventor Fellows Award this year.



David G. Whitten, Ph.D.



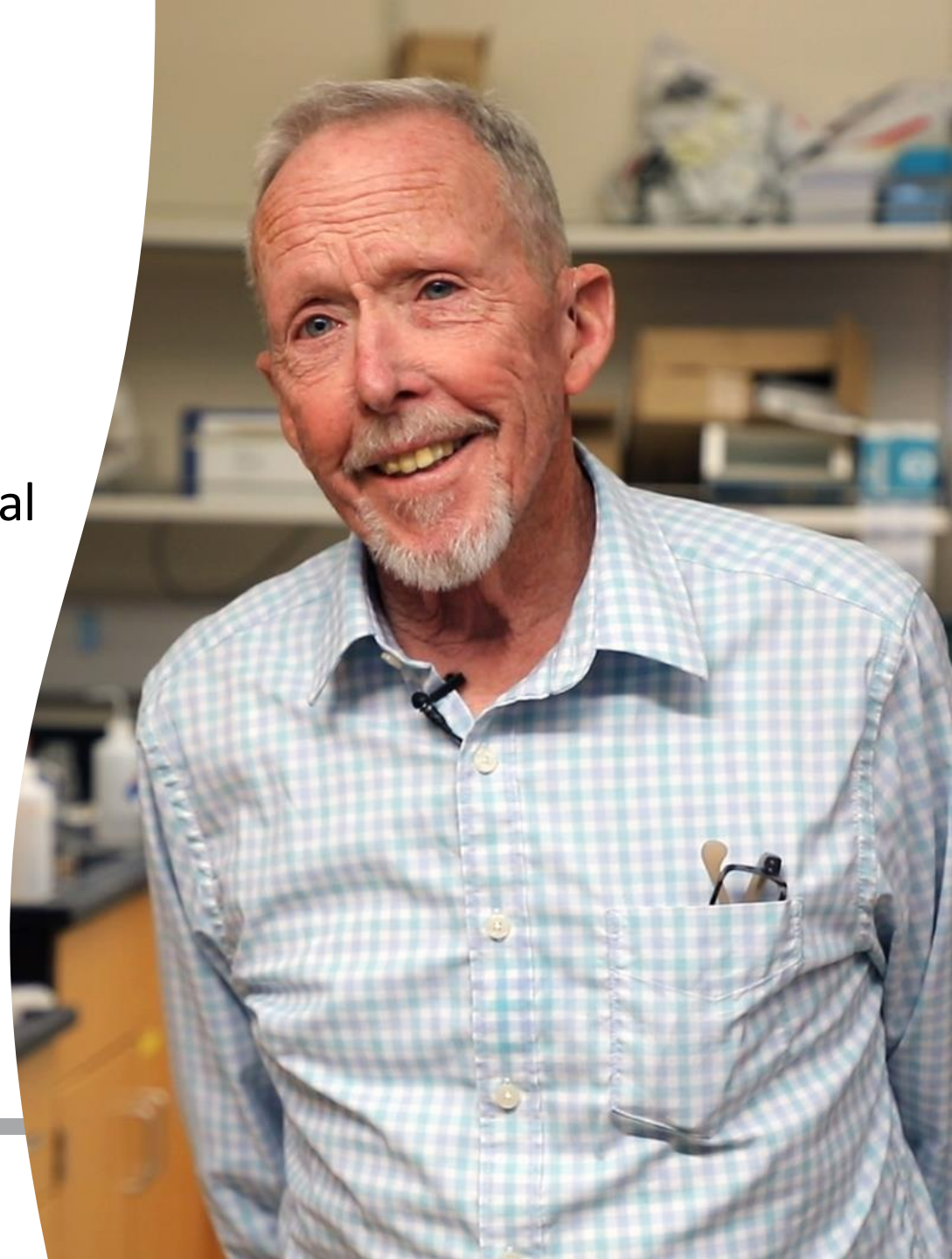
Sang M. Han, Ph.D.



# SUPPORTING UNM

*National Academy of Inventors Fellow*

- ❖ **David G. Whitten, Ph.D.**
  - Distinguished Professor  
Department of Chemical and Biological Engineering
  - Associate Director of the Center for Biomedical Engineering
- ❖ Named a 2021 Fellow of the National Academy of Inventors
- ❖ 2021 Fellows were inducted on June 15, 2022, in Phoenix, Arizona



# SUPPORTING UNM

E-Newsletters FY 2022 Q4

## U.S. Department of Commerce Invests \$800,000 in American Rescue Plan Funds to Support Training and Development of Tribal Entrepreneurs in New Mexico



U.S. Secretary of Commerce Gina M. Raimondo announced the Department's Economic Development Administration (EDA) is awarding an \$800,000 grant to UNM Rainforest Innovations, Albuquerque, New Mexico, to assess and support training programs for tribal entrepreneurs.

This grant is funded by the American Rescue Plan. This grant will identify gaps and barriers for tribal entrepreneurship and seek solutions to those barriers. The EDA investment will be matched with \$200,000 in local funds.

"The University of New Mexico's Rainforest Innovations is a great launchpad for Tribal entrepreneurs looking to start their own businesses," said Senator Martin Heinrich. "I'm proud to welcome these investments from the American Rescue Plan that will open up opportunities for Tribal economies and careers."

[Read more](#)

## In the Spotlight - Featured UNM Inventor



**Rong Pan, Ph.D.**  
Research Assistant Professor  
Department of Pharmaceutical Science  
The University of New Mexico

Dr. Pan's research areas include: (1) The role of zinc in acute brain damage and recovery following ischemic stroke. (2) Biomarkers for assessing blood brain barrier damage before thrombolysis to predict the risk of intracranial hemorrhage after thrombolysis. (3) The role of endogenous zinc protoporphyrin in hemorrhagic stroke-induced brain damage.

[READ MORE](#)

**SAVE THE DATE**  
**Lobo Rainforest Building 5 Year Anniversary Celebration**  
August 31

**Advanced Concepts in Biology Exploring New Ways to Fight Cancer with UNM Technology**  
[Read more](#)

**UNMRI will be Closed July 1 & July 4**  
Have a safe holiday weekend!

**Mentoring Hours for your Startup or Idea**  
[See listing near end of newsletter](#)

**Rainforest Webinar: Corps, Business with Impact – August 1**  
[Register here](#)

**Upcoming Events**  
[See what's happening](#)

## University Students Win Big at the 2022 Pitch Deck Competition

After an inspiring evening at the Lobo Rainforest Building, five university students went home with cash prizes after pitching their innovative business and startup ideas to an audience of supporters, investors, and business community.



The competition offered a platform for student entrepreneurs who want to start, or are already operating an early-stage company, to present and launch their innovations. UNM Rainforest Innovations provided a \$20,000 prize pool for the five finalists who pitched their innovative ideas and early-stage companies to investor judges.

- First Place \$10,000 Prize – Flow Aluminum air battery for grid storage
- Second Place \$5,000 Prize – Lower-Extremity Guided and Assisted Rehabilitation Device
- Third Place \$2,500 Prize – Clean Energy Solutions
- Finalist \$1,250 Prize – ASH – The Affordable Student Housing App
- Finalist \$1,250 Prize – Telluride Medical Solutions – Mechanical Patient Controlled Analgesia Device

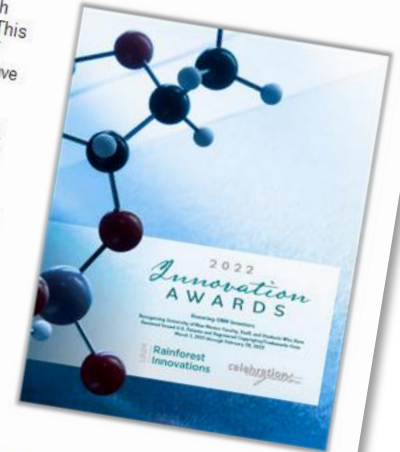
[Read more](#)

## University of New Mexico Inventors Honored for Issued Patents, Trademarks and Copyrights at 2022 Innovation Awards

UNM Rainforest Innovations hosted its nineteenth annual Innovation Awards on Tuesday, April 26. This University of New Mexico (UNM) inventors who have received issued U.S. patents, registered trademarks, and copyrights within the past year. Between March 1, 2021 and February 28, 2022, 44 UNM inventors received issued U.S. patents for 39 technologies and 1 copyright. Of those patents, 32 developed on main campus, 5 were for technologies developed on the health sciences campus, and 2 patents were a collaboration between UNM main campus and health sciences.

Congratulations to all the awardees!

[See list of Honorees](#)



## Jeremy S. Edwards, Ph.D. Selected as 2022 Rainforest Innovation Fellow

The work accomplished by Dr. Edwards and others has substantially reduced the cost of sequencing a human genome down to just a few hundred dollars. DNA sequencing technology has the potential to significantly and substantially impact health care, both directly by providing diagnostic and prognostic markers for the clinical setting, and indirectly by accelerating the pace of basic and clinical biomedical research.

[Read an Innovator's Journey](#)



# SUPPORTING UNM

*Speaking Engagements FY 2022 Q1-Q4*

## ❖ UNM Rainforest Innovations Staff Invited to Present or Speak at Various UNM Events, Meetings and Classes

- UNM Office of Sponsored Projects, 7/20/2021 – presentation by Arlene Young
- Tuesday Autophagy, Inflammation and Metabolism Seminar, 8/10/2021 – presentation by Gregg Banninger
- Mechanical Engineering Department, 8/23/2021 – presentation by Alex Roerick
- School of Engineering , 9/3/2021 – presentation by Alex Roerick and Gregg Banninger
- Civil Engineering Department, 9/8/2021 – presentation by Alex Roerick
- BioDesign Class, 10/2/2021 – presentation by Alex Roerick
- Health Systems and Globalization, Bob Frank’s Class, 10/12/2021 – presentation by Lisa Kuuttila
- Electrical & Computer Engineering, 10/22/2021 – presentation by Alex Roerick
- UNM Senior Design, 2/24/2022 – presentation by Gregg Banninger
- CHTM (CHTW)– IP & Commercialization, 3/25/2022 – presentation by Alex Roerick
- UNM Health Hackathon - IP Presentation , 3/25/2022 – presentation by Gregg Banninger
- Quantum NM Symposium: Building a Quantum Economy Panel, 4/1/22– presentation by Lisa Kuuttila
- BIOM 555 – Commercialization of Research & Ethics, 5/4/22 – presentation by Gregg Banninger

# SUPPORTING UNM

## *Letters of Support - FY 2022 Q1-Q4*

- ❖ Proposal for Transona, HSC, LLC, drafted September 10, 2021 for John Hannon
- ❖ Letter of Support for Albuquerque Hispano Chamber of Commerce application for the EDA's Build Back Better Regional Challenge, drafted October 11, 2021 for Ernie C'deBaca
- ❖ Letter of Support for CRP Proposal "Transdermal H2S Sensing Device for Monitoring Peripheral Artery Disease," drafted December 21, 2021 for Edwin M. Nemoto
- ❖ Letter of Support for SBIR Phase I Grant Proposal, "Extending the Ischemic Penumbra in Large Vessel Occlusion Stroke", drafted December 21, 2021 for Nancy L. Kanagy
- ❖ Letter of Support for R01 Application: "Validation of role of slc7a5 (Lat1) in chronic pain," drafted February 9, 2022 for Sascha Alles
- ❖ Letter of Recommendation for Sergio R. Alcázar Antequera, drafted May 24, 2022, for Sergio R. Alcázar Antequera
- ❖ Letter of Support for EDA Office of Innovation and Entrepreneurship 2022 Build to Scale Program, drafted June 8, 2022, for Innosphere Ventures
- ❖ Letter of Collaboration for RII Track 1 Project: Center for Research Excellence in Additive Manufacturing and Education, drafted June 27, 2022, for Dr. Ganish Balakrishnan



# SUPPORTING UNM

## Feedback FY 2022

- ❖ “Dear Lisa, Thank you kindly for your letter of support. The assistance of your UNM Lobo Rainforest Innovations staff and programs has been a tremendous benefit in assisting Shearit, LLC in pursuing funding. I hope that we will soon be successful in obtaining SBIR and VC funding. Merry Christmas and a Happy New Year to you and yours and to all of your tremendously talented staff everyone all of whom I greatly and gratefully appreciate. All the best, Ed”  
**---- Edwin Nemoto, PhD, FAHA, Visiting Professor, Department of Neurosurgery, UNM**
- ❖ “...I would like to thank you for your support and guidance during this process of applying to be a Fellow of NAI. I am happy to share this news with you. I could now be part of the list of FNAIs with UNM affiliation.” .... Since I am holding the Academic Title with UNM/ECE department, I am simply doing my part to contributing to UNM's competitive edge and advantage in its innovation ecosystem.”  
**---- Khanh Pham, PhD, Principal Aerospace Engineer, AFRL / Adjunct Research Professor, UNM**
- ❖ “Alex and Matt - I wanted to thank you for your presentation to the graduate seminar in Civil, Construction and Environmental Engineering department. It was excellent, and definitely sparked a lot of interest amongst the students.”  
**---- John Stormont, PhD, Professor, Department of Civil, Construction and Environmental Engineering, UNM**
- ❖ “Also, many thanks to both of you for all of your help working with the patent applications and follow up. The NAI Fellow award would not be possible with all of the support I’ve had from STC/Rainforest.”  
**---- David Whitten, PhD, Distinguished Professor, Department of Chemical and Biological Engineering, Associate Director of the Center for Biomedical Engineering, UNM**
- ❖ “...Rainforest Innovations has had many recent successes. I would also like to extend my appreciation for your staff, Alex, Hannah, Matt and others continue to be very responsive, helpful and professional.”  
**---- Fernando Garzon, PhD, Director, Center for Micro-Engineered Materials, Distinguished Professor, Dept. Chemical & Biological Engineering, Civil, Construction & Environmental Engineering, UNM**

# SUPPORTING UNM

*Feedback FY 2022*

## 2022 Innovation Awards Feedback

- ❖ “Thank you for the wonderful honor and the opportunity to share my research with a wide audience of diverse backgrounds.”  
**-- Jeremy Edwards, PhD, Professor and Chair, Chemistry and Chemical Biology, UNM Comprehensive Cancer Center, UNM**
- ❖ “Huge thanks to you and your team for a wonderful celebratory evening on Tuesday honoring the many achievements of inventors that are realized through the STC. It was so great to be able to see friends and colleagues in person and I truly appreciated being a part of the day.”  
**---- Angela Wandinger-Ness, PhD, The Victor and Ruby Hansen Surface Endowed Professor in Cancer Cell Biology and Clinical Translation, UNM**
- ❖ “First, let me thank you and your team for organizing a wonderful event to recognize all the innovative activities on campus. Nurturing of innovation and entrepreneurship has a big impact on UNM faculty and students and our community, creating jobs for our citizens.... Thanks for doing such a great job for UNM.”  
**---- Abhaya K. Datye, PhD, Chair of Chemical & Biological Engineering and Distinguished Regents Professor, UNM**

# SUPPORTING UNM

## *UNM's Center for High Tech Materials Endowment*

- ❖ UNMRI's \$50K gift from Endowment established the CHTM endowment
- ❖ Susman Godfrey LLP and Shore Chan LLP contribution to CHTM endowment
  - The law firms Shore Chan LLP and Susman Godfrey LLP will each make an initial gift of \$10,000 to the Dr. Steven R. J. Brueck Endowment for CHTM Faculty Support, held by The University of New Mexico Foundation in Albuquerque, New Mexico. The firms are also willing to collectively contribute the equivalent of 1% of net attorney's fees resulting from further licensing and enforcement of Dr. Brueck's patents, going forward.

# TECHNOLOGY TRANSFER

## START-UP SUPPORT

# START-UP SUPPORT

*Lobo Rainforest Website – List of Resources*

**lobo** RAINFOREST

[Home](#) | [Rainforest Ecosystem](#) | [Meeting Space](#) | [I-Corps](#) | [Supporters](#) | [Contact](#)



**LoboRainforest.com**

# START-UP SUPPORT

*Cecchi VentureLab Activities FY 2022 Q1-Q4*

 Rainforest  
Innovations

Joseph L. Cecchi  
VENTURELAB

## ❖ CVL Program Participants

- The CVL provided services to 17 companies (6 physical tenants and 11 virtual program participants) in FY 2022.
- Physical Tenants
  - Active (4): BioSafe Defense; Osazda Energy; LLC; Maverick Scholar; LANL-Feynman;
  - Inactive (2): UNM iA; Mnemosyne Informatics
- Co-Working/Virtual Program Participants
  - Active (6): Verus Research; TLO-Kyoto; ShearIT; Actoprobe, LLC; Weave Health (dba LeapCare); Respect Wellness
  - Inactive (5): Amanda Harper; Neurinsight, LLC; VisionQuest Biomedical; Santa Fe Quantum Solutions, Inc; Enthentica, Inc.
- Prospective Participants
  - Circular Genomics; Rosetta Design Group; InvestNewMexico.US, LLC; CerraCap, LBRI, AirSolve; Skout Strategy (FY23 Physical), Lojo Engineering (FY 23 Virtual)



# START-UP SUPPORT

*New Start-up Option/Licenses Signed – FY 2022 Q1-Q4*

- ❖ Lunano, Inc.
  - License signed
- ❖ MycoBiotix, Inc.
  - License signed
- ❖ Integrated Deposition Solutions
  - Option signed
- ❖ Circular Genomics, Inc.
  - Licensed signed
- ❖ Neurochronix, Inc.
  - Option signed
- ❖ Chiima Therapeutics
  - Option signed
- ❖ LoJo Engineering, LLC
  - Option Signed
- ❖ MNT SmartSolutions, LLC
  - Option signed

# START-UP SUPPORT

*Faculty Entrepreneurs Network – FY 2022 Q1-Q4*

- ❖ A network of experienced faculty, inventors and entrepreneurs who are involved with start-ups created around their technologies or considering a start-up
- ❖ August 12, 2021 via Zoom
  - **Q&A with John Chavez, NM Start-up Factory**  
(Following Valuation and Term Sheets Webinar)
- ❖ April 14, 2022 at the University Club
  - **Entrepreneur Faculty Mixer**



# PRESIDENT'S REPORT FY 2022

## ECONOMIC DEVELOPMENT

# ECONOMIC DEVELOPMENT

## UNM Rainforest Forum – FY 2022 Q1-Q4

- ❖ Meetings began August 24, 2012, meetings now quarterly and open to the business and UNM community
- ❖ Charter Updated
- ❖ FY2022 Meetings include:

Speaker(s)	Date	Topic (Recording linked)
Stephen Coulston, Principal, Urban Design, Austin, Perkins&Will Howard Kozloff, Co-Founder/Managing Partner, HATCHspaces LLC Allan Glass, Co-Founder/Managing Partner, HATCHspaces LLC	7/15/2021	<a href="#">Innovate ABQ Master Plan Update</a>
Victor Hwang, Founder and CEO, Right to Start	10/14/2021	<a href="#">Right to Start – Albuquerque Update</a>
UNM Business and Economic Summit	11/16/2021	<a href="#">State of NM’s Economic Development Department Statewide Strategic Plan</a>
Mathis Shinnick, Director of Corporate Engagement, UNMRI Garrett Cole, Technology Manager, Thorlabs Jamie LaCouture, Communications and Engagements Manager, Thorlabs Wade McGregor, PhD, Field Sales Engineer, Shimadzu Scientific Instruments Keith Herman, LCMS Sales Specialist, Shimadzu Scientific Instruments	4/14/2022	UNM Corporate Engagement

- ❖ Upcoming Meeting: August 31, 2022, 4pm-6pm: Lobo Rainforest 5-yr Anniversary Celebration & iABQ Update w/ Vince Kadlubek

# ECONOMIC DEVELOPMENT

## UNM Economic Development Council – FY 2022 Q1-Q4

- ❖ EDC meetings began on June 26, 2013
- ❖ EDC is an advisory board for NM Rainforest University Center (EDA Grant)
- ❖ Next meeting: October 20, 2022, 8:30am-9:30am
- ❖ FY 2022 presenters:

Speaker(s)	Date	Topic
Victor Hwang, Founder and CEO, Right to Start	10/14/2021	<a href="#">Right to Start Kickoff (Combined with the UNM Rainforest Forum)</a>
UNM Business and Economic Summit	11/16/2021	<a href="#">State of New Mexico's Economic Development Department Statewide Strategic Plan</a>
Lisa Kuuttilla, UNM Rainforest Innovations Dr. Rob Delcampo, Sr. Executive Director, Corporate & Community Engagement, Executive Director, innovationAcademy, ASM	02/17/2022	New Mexico Rainforest EDA University Center Update
Alexander Greenberg, Director, Office of Science and Technology, NMEDD	04/21/2022	New Mexico Economic Development Department Office of Science and Technology (OST): overview

# ECONOMIC DEVELOPMENT

## Statewide Economic Impact of UNM

- ❖ Announcement ([recording](#)) by President Stokes on August 25, 2021 with Jorge Ayala, Regional Director, Austin, EDA
- ❖ Commissioned by UNM Rainforest Innovations and made possible by support from the EDA CARES Act Funding
- ❖ Comprised of data from FY2020



### **\$1.4 Billion**

UNM's annual operational expenditures for faculty and staff.

### **\$1.6 Billion**

UNM's annual revenue that came from out-of-state sources.

### **\$2.5 Billion**

The additional amount UNM alumni residing in New Mexico earned than they would have with just a high school diploma.

*UNM's quantifiable economic impact has four major components: university operations, student expenditures, alumni productivity, and technology transfer. Together they account for 40,153 jobs, \$2.1 billion in annual labor income, and \$5.2 billion in economic output.*



# ECONOMIC DEVELOPMENT

## UNM Economic Summit

The 2021 fall Virtual University of New Mexico Business and Economic Summit

**When: Tuesday, November 16, 2021, 9am-3:30pm MST**

Where: [Zoom](#)

- ❖ UNM and UNM Rainforest Innovations is hosting its 4<sup>th</sup> 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 State of New Mexico's Economic Development Department Statewide Comprehensive Economic Development Strategy.



### The University of New Mexico Business and Economic Summit

*New Mexico's Statewide Recovery and Long-Term Plan*

Join us for the Fall 2021 University of New Mexico Business and Economic Summit which will convene stakeholders to discuss the State of New Mexico's Economic Development Department Statewide Comprehensive Economic Development Strategy. This strategy provides concrete action plans for economic diversification away from the State's current dependence on the oil and gas sector, retail, and public sectors which can inform legislative and infrastructure strategies.

The day will include panels discussing how the state is collaborating to move the economic agenda forward.

**Tuesday, November 16, 2021 | 9:00 a.m. - 3:30 p.m. MST**  
Online Event via Zoom - Register [HERE](#)

# ECONOMIC DEVELOPMENT

## UNM Economic Summit – November 16

- ❖ [Statewide Strategic Plan: Empower and Collaborate](#) - New Mexico's Economic Path Forward by Alicia Keyes, Cabinet Secretary and Jon Clark, Deputy Secretary, New Mexico Economic Development Department
- ❖ New Mexico's Economic Path Forward: Collaboration Initiatives:
  - Quantum New Mexico Coalition - Advancing Inclusive Infrastructure
    - Moderator: Lisa Kuuttilla, CEO & Chief Economic Development Officer, UNM Rainforest Innovations
    - Dave Hanson, Ph.D., Interim Assistant Vice President for Research, The University of New Mexico
    - Mary Monson, Sr. Manager, Technology Partnerships and Business Development, Sandia National Laboratories
    - Kimball Sekaquaptewa, Chief Technology Director, Santa Fe Indian School
  - Biosciences and Educational Innovation for Inclusive Impact
    - Moderator: Doug Ziedonis, MD, MPH, Executive Vice President, Health Sciences, CEO, UNM Health System
    - Sanjeev Arora, MD, MACP, FACG, Director and Founder, Project ECHO
    - Dale Dekker, Chair, New Mexico Bioscience Authority
    - Waneta Tuttle, Fund Manager, Tramway Ventures
  - Northern Rio Grande Corridor Collaborative (Drylands Resilience)
    - Moderator: Ellen Fisher, Ph.D., Vice President for Research, The University of New Mexico
    - Luis Cifuentes, Ph.D., Vice President for Research, New Mexico State University
    - Michael Everhart-Erickson, Lead for the Business Development Team, Feynman Center for Innovation, Los Alamos National Laboratory
    - Roberto Osegueda, Ph.D., Vice President for Research, The University of Texas at El Paso
    - Jennifer Rudgers, Ph.D., Regents' Professor of Biology, Director, Sevilleta Long-Term Ecological Research Program, The University of New Mexico



# ECONOMIC DEVELOPMENT

GRANTS

# GRANTS

## *New Proposals Submitted – FY 2022 Q1-Q4*

- ❖ DoD AFRL at Kirtland Air Force Base, New Mexico, Science, Innovation and Technology Partnership Intermediary Agreement (SIT PIA) - Southwest Innovation Alliance – awarded: \$1,435,187
- ❖ EDA-HDQ-ARPBBS-2021-2006976, FY2021 American Rescue Plan Act Build Back Better Regional Challenge: Quantum New Mexico Coalition: Advancing Inclusive Infrastructure – Not awarded
- ❖ EDA-2021-ARPAEAA, FY 2021 American Rescue Plan Act Economic Adjustment Assistance: NM Tribal Entrepreneurship Enhancement Program – awarded in March 2022 - awarded \$800,000

# GRANTS

## *Lobo Rainforest I-Corps Site*



- ❖ To help UNM scientists and engineers and students to explore commercialization and prototyping.
  - Receive \$3,000 to participate in the customer discovery process of a STEM-related innovation
  - Team of faculty and student(s) receive entrepreneurial training, a dedicated mentor and guidance over 10 weeks to assess an idea's commercial viability.
  - Teams use the business model canvas and customer discovery to validate the market size, value propositions, and customer segments of their innovations
- ❖ 2 cohorts per year - first Cohort started in October 2017
- ❖ <http://loborainforest.com/icorps/>

# GRANTS

## *Lobo Rainforest I-Corps Site – FY 2022*



### ❖ Fall 2021 Teams

- Adjustable lead equipment for children undergoing X-rays
- Smart water sensing USV (Unmanned Surface Vehicle) for high-resolution sampling of water quality and quantity parameters over spatial and temporal scales that are currently unattainable
- A Mechanical Patient Controlled Analgesia Device
- An inexpensive, biodegradable insect larvicide capsule, that is non-toxic to humans during manufacture, storage, and application.
- A new solution that can effectively seal the wellbore leakage and repair and cement fracture in harsh environments.
- Optimal power system protection tools incorporating resilience and reliability indexes to prevent the risk of wildfires.



# GRANTS

## *Lobo Rainforest I-Corps Site – FY 2022*



### ❖ Spring 2022 Teams

- Profound Climate manages the climate change effects by optimal placement and improved performance of renewables
- PICA, or Prosthetic Implant for Carpometacarpal (CMC) Arthritis, is a small, metal, prosthetic device that is surgically implanted in the hand. The device effectively resolves pain and mobility issues resulting from CMC joint arthritis while avoiding the challenges commonly associated with current surgical techniques and devices such as residual pain and reduced strength and mobility.
- BioAM is a hybrid manufacturing platform that was designed to merge the positive aspects of multiple technologies to allow for multiscale, 3D composite structures with customized structural and mechanical characteristics. Multiple tool heads allow for additive and subtractive fabrication of biomaterials at high resolution for a broad array of medical manufacturing applications.
- LEGARD, Lower Extremity Guided and Assisted Rehab Device, is a biometric hip rehabilitation device with guided and controlled resistance for use in medical facilities, institutional settings, or in-home.
- H-MECSEL, a novel semiconductor disk laser architecture Hybrid- Membrane External-Cavity Surface-Emitting Laser (H-MECSEL), combined with off-axis parabolic mirror (OAP) with a hole in the middle to construct a compact laser device.
- SHP Pump, a new low-cost rugged high-pressure pump system that can be used as a sacrificial pump. The system is capable of creating continuous steady-state flow at a pressure of maximum 3000 psi.

# GRANTS

## New Mexico Rainforest EDA University Center

- ❖ 5-year grant, \$564,250 from EDA (now in Year 4)
- ❖ UNM Rainforest Innovations in a partnership with the UNM Innovation Academy is expanding the Rainforest model to the branch campuses.
- ❖ The program is a blended model of training, support, and resources for emerging entrepreneurs provided by experts/mentors who instruct onsite and through Zoom building relationships and skills at the UNM sites (Main Campus, Taos, Valencia, Gallup and Los Alamos).
  - Monthly Webinars/Seminars
  - E-commerce courses & support to businesses to recover from the coronavirus pandemic
  - Dedicated Mentors and Virtual Office Hours
  - Entrepreneur Capabilities Certificate Program



### University

The University of New Mexico

### Contact

Cecilia Pacheco  
cpacheco@innovations.unm.edu  
Site Mentor - UNM Main Campus

### Location

Lobo Rainforest Building  
101 Broadway Blvd. NE, Suite 1100  
Albuquerque, NM 87102

### Website

<http://loborainforest.com/nmrainforest/>

### Center Activities

- Monthly livestreamed webinars
- Archive of videos on various entrepreneurial topics
- Entrepreneurial Capabilities Certificate Program
- E-Commerce Courses
- Virtual Mentoring Office Hours
- Entrepreneurship Support
- Technical Assistance

### Clients

- Students
- Small Businesses
- Entrepreneurs
- Community Members
- Researchers

### Mentoring & Virtual Office Hours

The NM Rainforest University Center offers a plethora of mentoring sessions and office hours available to UNM students, community members and entrepreneurs. These office hours provide the opportunity for participants to engage in one-on-one conversations with experts from various backgrounds who can provide insight, advice and connections to additional resources.

### Transition to the New Economy Community Course

This course is funded by the U.S. Economic Development Administration to provide entrepreneurial training and technical assistance to individuals or small businesses who are looking to start or grow their ideas. The platform is designed to assist any business with its digital presence and will teach businesses e-commerce techniques. During this time of economic uncertainty, many New Mexico small businesses need to build or increase their online presence to offset the recent decline in retail in-person traffic, as well as grow their businesses beyond New Mexico borders. The UNM online course offered to the community is called New Mexico Small Business Recovery: Take and Expand your Business Online. This course is open to anyone in the community and available completely online. All you need is access to the internet, a microphone/headset, small video camera or PC camera or tablet/smartphone to take this class.

### Entrepreneurial Capabilities Certificate

UNM Rainforest Innovations and the Innovation Academy organize monthly seminars and webinars that are included as part of the University Center Entrepreneurial Capabilities Certificate series. These are free and open to the UNM and greater New Mexico community via in person or web access. A certificate program in entrepreneurial capabilities is available to UNM students and community members thru UNM's Innovation Academy for participants who view 7 or more seminars/webinars either livestream or via our YouTube channel and complete associated quizzes.



NM RAINFOREST

UNM Rainforest  
Innovations

NM INNOVATION  
ACADEMY

# GRANTS

## *New Mexico Tribal Entrepreneurship Enhancement Program*

- ❖ Received \$800,000 grant from the EDA's America Rescue Plan:
  - The program will develop strategies to mitigate barriers that have prevented the Native entrepreneurs of New Mexico from starting and growing strong resilient businesses that promote a thriving economy.
  - The program will include a Program Manager and Tribal Liaisons to conduct assessments across New Mexico Native American communities that will help identify gaps and barriers for entrepreneurship as well as seek and provide solutions to those barriers. Once the gaps and needs have been identified, UNMRI will expand its entrepreneurial training.
  - Updates since grant start of April 1, 2022:
    - Program Manager hired May 1 – Cecilia Pacheco
    - Conducting outreach meetings
    - Joined the American Indian Chamber of Commerce of New Mexico
    - Recruiting Tribal Liaisons
      - First liaison hired: Mytegia Lee



# ECONOMIC DEVELOPMENT

## PARTNERSHIPS

# PARTNERSHIPS

## *Jointly-owned Inventions - Activity with Sandia and LANL*

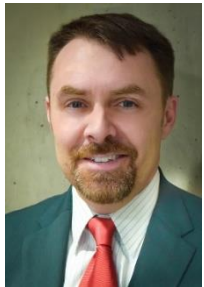
	Sandia	LANL
Jointly-owned inventions	237	57
• Active	106	17
• Closed	131	40
Number of commercialization agreements	125	29
Number in which UNM Rainforest Innovations has taken lead	92	28
Number of option and license agreements executed with UNM Rainforest Innovations as lead	36	5
Number of option and license agreements executed with partners as lead	6	-
Income from option and license agreements with UNM Rainforest Innovations as lead	\$85,222,698 <sup>(a)</sup>	\$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	3	-

- ❖ Currently have 9 outstanding commercialization agreements with Sandia
- ❖ 15 new joint invention(s) with Sandia disclosed during FY 2022 Q1-Q4
- ❖ 5 commercialization agreements with Sandia executed during FY 2022 Q1-Q4

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

# PARTNERSHIPS

## Innovation Academy - Program Data and Activities



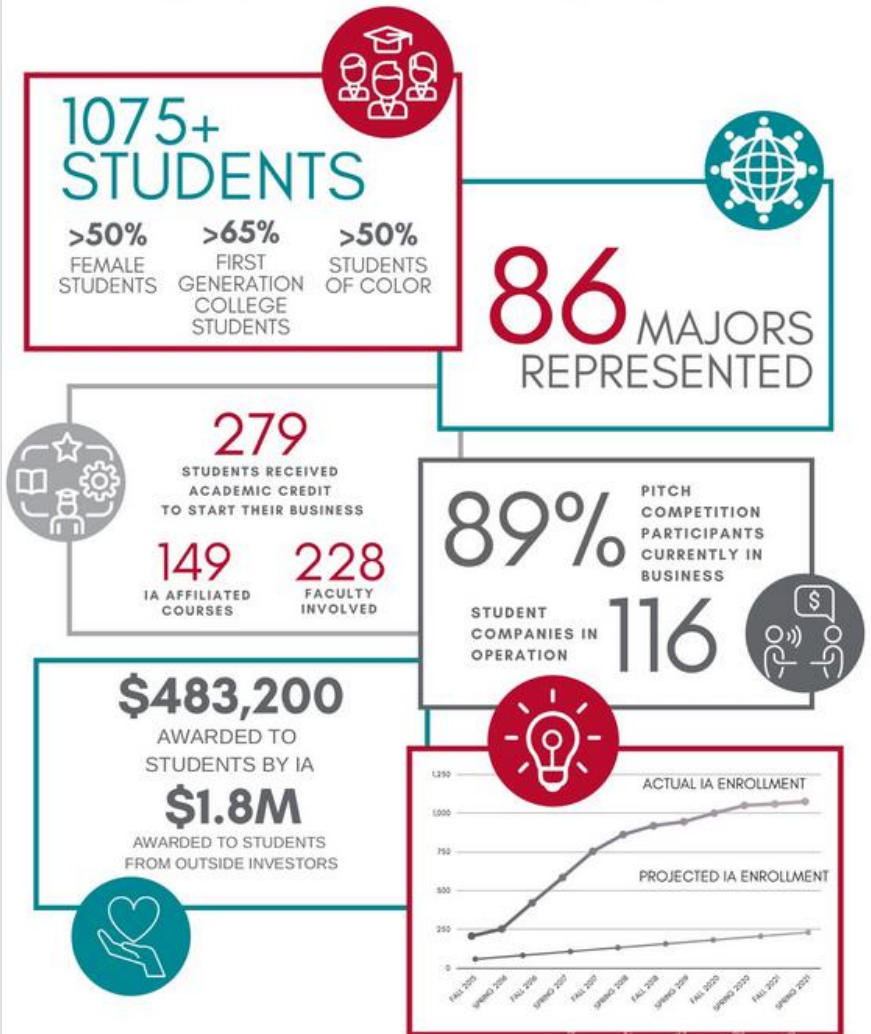
**Robert G. DelCampo, Ph.D.**

Sr. Executive Director, Corporate & Community Engagement  
Executive Director, innovationAcademy  
Rutledge Professor of Management  
Anderson School of Management

### Activities

- ❖ Rainforest Pitch Competitions – 15 competitions held since 2015
- ❖ Pitch Deck Competitions – 3 competitions held since 2019
- ❖ Create, Sell, Bank Class Partnership
- ❖ UNM Student Innovation Fund
- ❖ Grant(s) (IA & UNM Rainforest Innovations joint)
  - NSF I-Corps site
  - Ongoing EDA University Center grant
    - Dedicated site mentors at each of the UNM Branch Campuses
    - Entrepreneurial Certificate program through seminar/webinar series
    - CSB class online/available to Branch Campuses
  - EDA CARES Act Grant (\$300K thru June 2022)
    - Expand CSB Course to Business Community State-wide

## INNOVATION ACADEMY STUDENT SNAPSHOT





# PARTNERSHIPS

## *Innovation Academy – Rainforest Student Pitch Competition*

- ❖ Hosted by UNM Rainforest Innovations and the UNM Innovation Academy, 15 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



RAINFOREST INNOVATION ACADEMY UNM Rainforest Innovations

# PITCH COMPETITION

DO YOU HAVE AN INNOVATIVE IDEA FOR A  
PRODUCT, SERVICE, APP, OR TECHNOLOGY?  
TRANSFORM THAT IDEA INTO A REALITY ENTIRELY ONLINE!

**PITCH YOUR IDEA IN A 90 SECOND VIDEO  
FOR A CHANCE TO WIN \$1,000  
\$5,000 PRIZE POOL**

*Open to all college students from New Mexico institutions currently enrolled in the Fall 2021 semester.*

**APPLICATION DEADLINE EXTENDED:** OCTOBER 26  
**APPLY NOW:** [INNOVATIONS.UNM.EDU/EPC](https://innovations.unm.edu/epc)

GENEROUSLY SPONSORED BY:  
 **NUSENDA**  
CREDIT UNION

The poster features a green grass border at the bottom and logos for Rainforest Innovation Academy and UNM Rainforest Innovations at the top.

# PARTNERSHIPS

## *Innovation Academy – 2022 Pitch Deck Competition*

- ❖ The Pitch Deck Competition is an early-stage pitch competition bringing together university entrepreneurs from all over New Mexico for a chance to win cash prizes for promising business models.
- ❖ Hosted by the UNM Innovation Academy and UNM Rainforest Innovations, the competition seeks early-stage business models that demonstrate a market-tested ability to adapt to customers' needs.
- ❖ Finals on Tuesday, May 10, 2022



## JOIN US AT THE FINALS

Family, friends, and supporters are invited to attend the final round of the 2022 Pitch Competition to hear the five finalists pitch to investor judges!

**This year's event is in-person at the Lobo Rainforest Building.**

**Tuesday, May 10, 2022 | 5:00 p.m. - 7:30 p.m.**

Lobo Rainforest Building, 101 Broadway Blvd. NE  
Albuquerque, NM 87102



The 2022 Pitch Deck Competition, sponsored by UNM Rainforest Innovations, is an early-stage pitch competition bringing together university entrepreneurs from all over New Mexico for the chance to win cash prizes for promising business models. **The prize pool totals \$20,000!**

REGISTER HERE: [22PitchDeck.Eventbrite.com](https://22PitchDeck.Eventbrite.com)

 INNOVATION  
ACADEMY

 Rainforest  
Innovations

# PARTNERSHIPS

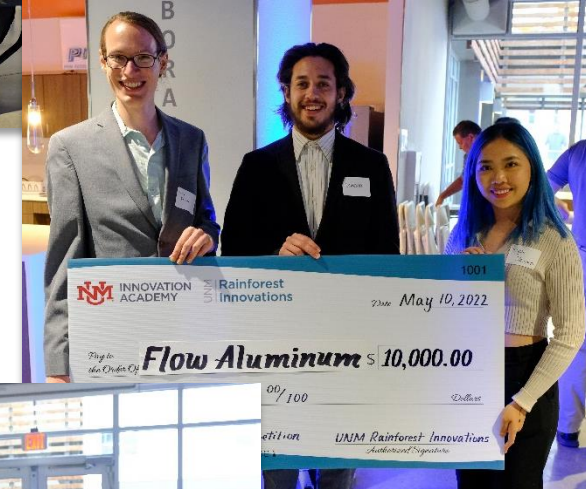
## *Innovation Academy – 2022 Pitch Deck Competition*

Winners at May 10, 2022 Finals:

- **First Place \$10,000 Prize** – Cameron Carugati, Chemical Engineering, UNM, Ngoc Nguyen, Engineering, UNM, Christopher Fetrow, Chemical and Biological Engineering, UNM, Flow Aluminum – Aluminum air battery for grid storage energy
- **Second Place \$5,000 Prize** – Elias Rosales-Zaragoza, Mechanical Engineering, UNM, LEGARD – Lower-Extremity Guided and Assisted Rehabilitation Device
- **Third Place \$2,500 Prize** – Gabriel G. Gurule, Bioengineering, UNM, Ventusol – Clean Energy Solutions
- **Finalist \$1,250 Prize** – Tony Wallace, Business, UNM, Amelia Bierle, Public Policy, UNM, Michael Millar, Computer Science, UNM, ASH – The Affordable Student Housing App
- **Finalist \$1,250 Prize** – Dharish Totiger, Business and Information Security, UNM, Mark Niederhaus, Business, UNM, Telluride Medical Solutions – Mechanical Patient Controlled Analgesia device

### ❖ Judges:

- Mark Farrell, Managing Director of Thayer Ventures
- John Chavez, Managing Director of the NM Start-up Factory
- Francine Sommer, CEO of Respect Wellness, Inc.



# PARTNERSHIPS

## *Pitch Competition Companies in Business*

- ❖ BioSafe Defenses
- ❖ Cornivore
- ❖ 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
- ❖ EasyFlo
- ❖ Perspective Components
- ❖ ClassBucks, LLC
- ❖ ArmaTech, LLC
- ❖ Circular Genomics
- ❖ ShearIT
- ❖ Faena LLC

# PARTNERSHIPS

## *UNM Student Entrepreneur Innovation Fund*

The UNM Student Entrepreneur Innovation Fund primarily supports first-generation and underrepresented students looking to advance an idea or project into a company by providing early-stage grants.

This fund will be used to provide UNM student entrepreneurs with:

- Grants (\$5K-\$10K) to be used for start-ups costs and supplies to assist them in pursuit of their innovative and entrepreneurial ideas.
- Mentoring through a partnership with UNM Rainforest Innovations and the New Mexico Angels.
- Financial and Philanthropic Literacy Training.



### Contact:

Joe Weiss [joseph.weiss@unmfund.org](mailto:joseph.weiss@unmfund.org)

Lisa Kuuttila [kuuttila@innovations.unm.edu](mailto:kuuttila@innovations.unm.edu)

Rob Delcampo [delcampo@unm.edu](mailto:delcampo@unm.edu)

Cara Michaliszyn [cmichaliszyn@innovations.unm.edu](mailto:cmichaliszyn@innovations.unm.edu)

<https://www.unmfund.org/fund/student-innovation/>



# 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)





# PARTNERSHIPS

Grow Innovate New Mexico

- ❖ 9<sup>th</sup> Innovate New Mexico® showcase held on March 1, 2022 online via Zoom
- ❖ Over 200 attendees
- ❖ Featured 12 technology pitches from the University of New Mexico, Air Force Research Lab, Los Alamos National Lab, Sandia National Labs, NASA-White Sands Test Facility, New Mexico Tech, and New Mexico State University
- ❖ Welcome Remarks: Jon Clark, Deputy Chair and Secretary, New Mexico Economic Development Department
- ❖ Keynote Speaker: Abhi Mukherjee, Operating Partner, CerraCap Ventures

## INNOVATE NEW MEXICO®

Discover *The State of Innovation*



**Innovate New Mexico®**

**Virtual Technology Showcase**

March 1, 2022 | 8:30 am - 3:30 pm MST  
Register here: <https://2022innovatenm.eventbrite.com>

This collaborative virtual event will highlight research and technology opportunities, start-up companies, and economic development resources from the leading research institutions in the state of New Mexico.

Representatives and researchers will be in attendance from seven major research institutions in New Mexico, including the University of New Mexico, Air Force Research Lab, Los Alamos National Lab, Sandia National Labs, NASA-White Sands Test Facility, New Mexico Tech and New Mexico State University.

INNOVATE NEW MEXICO®  
Discover The State of Innovation



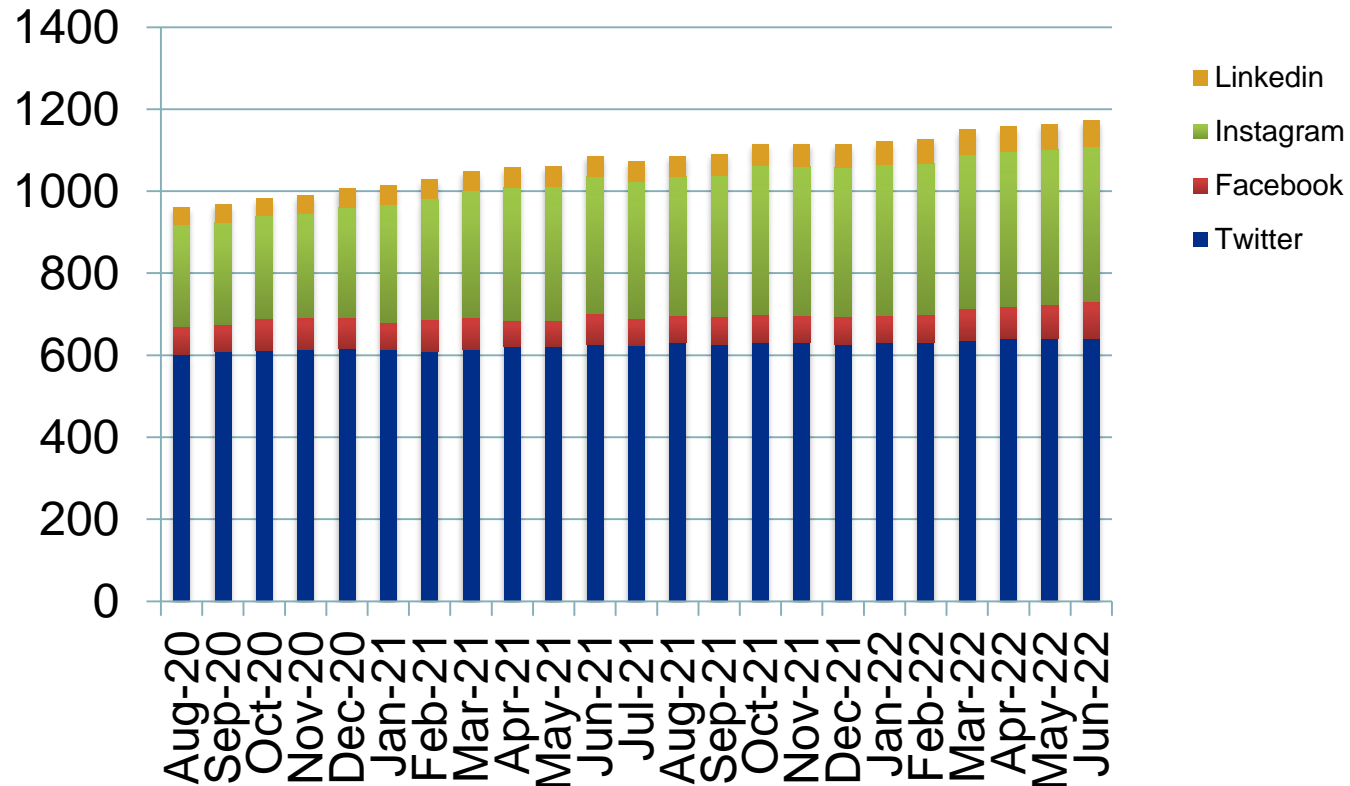
Abhi Mukherjee, CerraCap Ventures

# PARTNERSHIPS

## Innovate New Mexico Website and Social Media

INNOVATE NEW MEXICO®

Discover *The State of Innovation*



InnovateNewMexico.com

Follow @InnovateNewMexico/@InnovateNM

# PARTNERSHIPS

## *Right to Start*

- ❖ Victor Hwang, Founder/CEO, Right to Start
- ❖ Right to Start wants to expand entrepreneurial opportunity for all.
  - Grassroots organizing and mobilizing
  - Policy advocacy and engagement (Right to Start Act)
  - Lifting the voices of entrepreneurs through media and storytelling
- ❖ UNMRI and CABQ entered into a R2S Sponsorship agreement in July 2021
- ❖ Right to Start Update provided by Hwang at Rainforest Forum on October 14, 2021
- ❖ R2S Albuquerque Advocate hired - Edgar Solis, Owner, Alma's Salsa
  - Advocate role:
    - Meet with 2 entrepreneurs a month. Listen to their needs. Connect them to answers.
    - Set up 1 meeting every other month between an entrepreneur and a public leader. Help tell the stories of entrepreneurs. Help policymakers and community leaders understand their concerns. Help mitigate the problems the entrepreneurs in your community face.
    - Host 1 small gathering every other month for an entrepreneur. Organize mini-events (about 10 people) to help out a new business starting, or launching a new product or service.
  - Edgar Solis provided remarks at 2022 Pitch Deck Competition on May 10



# PARTNERSHIPS

*Federal Lab Consortium*



- ❖ Memorandum of Understanding with the FLC was signed on April 7, 2022.
- ❖ FLC and UNMRI will jointly encourage partnerships between federal laboratories and industry, especially small businesses, to help move technologies out of the lab and into the marketplace
- ❖ FLC and UNMRI will work together to promote and participate in mutually beneficial activities such as joint meetings, sponsorships, and special events to connect federal labs with entrepreneurs and small businesses and spur economic development.

# ECONOMIC DEVELOPMENT

## EVENTS

# EVENTS

## Technology Showcase – Technology Trends Edition

- ❖ August 17, 2021 | Online via Zoom ([Recording on YouTube.](#))
- ❖ The event featured six University of New Mexico innovators presenting life-science and physical-science technologies available for commercialization.

### Life-Science Presenters:

- Bruce Thomson, Ph.D. - *Mineral Recovery for Enhanced Desalination Process for Improved Brackish Water Desalination and Recovery of Commodity Minerals*
- Marek Osinski, Ph.D. - *The Use of Iron-Containing Nanomaterials as Antimicrobial Agents*
- Jason McConville, Ph.D. - *Oral Gelling Liquid Formulations*

### Physical-Science Presenters:

- Mohamed El-Genk, Ph.D. - *Very-Small Scalable Liquid Metal Cooled Modular Reactor for Portable and Stationary Power*
- Fernando Garzon, Ph.D. - *Reversible Electrochemical Mirror using Cation Conducting Membrane*
- Anthony Menicucci, Ph.D. - *Method for Computationally Fast Intra-Hour Low-Cost Solar Energy Resource Micro-Forecasts for Large and Small Scale Solar Generation Sources and Utilities*





# EVENTS

## Technology Showcase

- ❖ November 9, 2021 | Online via Zoom ([Recordings on YouTube.](#))
- ❖ The event featured six University of New Mexico innovators presenting life-science and physical-science technologies available for commercialization.

### Life-Science Presenters:

- Bryce Chackerian, PhD, Professor, Molecular Genetics & Microbiology - [Malaria Immunogen](#)
- Kathryn Frieze, PhD, Assistant Professor, Molecular Genetics & Microbiology - [Bacteriophage Virus-Like Particle Vaccines for Chlamydia trachomatis Adhesion Factors and Proteins Involved in Pathogenesis](#)
- Xiang Xue, PhD, Assistant Professor, Biochemistry & Molecular Biology - [Synergistic Effects Between Iron Chelators and Chk1 Inhibitors in Colorectal Cancer](#)

### Physical-Science Presenters:

- Ganesh Balakrishnan, PhD, Associate Chair & Professor, Electrical & Computer Engineering - [Multi-Source Optimal Reconfigurable Energy Harvester](#)
- Andrew De La Riva, PhD, Research Scientist, Center for Micro Engineering Materials - [Novel Catalyst and Method for CO Oxidation and HC Hydrogenation/Oxidation](#)
- Nima Fathi, PhD, Research Assistant Professor, Mechanical Engineering - [Multi-Source Sustainable-Renewable Energy Harvester](#)



# EVENTS

## Technology Showcase

- ❖ February 15, 2022, 3:00 – 5:00 p.m. | Online ([Recordings on YouTube.](#))
- ❖ Presenters & Technologies
  - Sang Eon Han, Ph.D. - Multispectrally Engineered Microgeode Paints for Building Cooling
  - Dimiter Petsev, Ph.D. - Machine Learning Methods for Inversion of Integral Transformations and Their Application to Experimental Data Analysis
  - Fernando Garzon, Ph.D. - Ion Exchange Membrane Separated Two Electrode Flow Analyzer for Continuous Aqueous Electrochemical Heavy Metal Detection
  - Edl Schamiloglu, Ph.D. - Technique for Multi-Stream Electron Beam Generation for High Power Microwave Sources
  - Marios Patriotis, Ph.D. - Low Loss Tunable Matching Network for Pattern Reconfigurable Array Antennas



### **Guest Speaker:**

#### **Christos Christodoulou, Ph.D.**

Jim and Ellen King Dean of Engineering & Computing and Distinguished Professor in the Department of Electrical & Computer Engineering at the University of New Mexico

# EVENTS

## 2022 Innovation Awards

# 2022 INNOVATION AWARDS

## 2022 Innovation Fellow Jeremy Edwards

Distinguished Professor and Chair  
Chemistry & Chemical Biology  
University of New Mexico



UNM Rainforest Innovations cordially invites you to attend our

2022  
*Innovation*  
AWARDS

Tuesday, April 26 | 5:00 - 7:30 p.m.  
UNM Student Union Building, Ballrooms B & C

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, 2021 through February 28, 2022.

The 2022 Rainforest Innovation Fellow Award will be presented to

**Jeremy Edwards, Ph.D.**  
Distinguished Professor and Chair  
Department of Chemistry & Chemical Biology

Keynote Speaker  
**Jeff Todd**  
President & CEO, UNM Foundation

Buffet dinner will be provided and cash bar.  
Casual business attire.  
Register by April 15, 2022 here:  
<https://2022innovationawards.eventbrite.com>

UNM Rainforest Innovations celebration  
*integration*



# EVENTS

## 2022 Innovation Awards – April 26, 2022

- 43** UNM inventors received patents
- 39** U.S. patents and copyright issued
- 31** Patents from UNM main campus
- 1** Copyright from UNM main campus
- 5** Patents from HSC
- 2** Patents from collaboration between UNM main campus and HSC



# EVENTS

## UNM Rainforest Forum

### RAINFOREST FORUM

WEDNESDAY

AUGUST 31, 2022

4:00-6:00 p.m. MDT

Hybrid Event

[REGISTER HERE](#)



Join us for the  
**Lobo Rainforest Building  
5-Year Anniversary and  
Innovate ABQ Update with  
Guest Speaker Vince Kadlubek**

**ATTEND ONLINE OR IN-PERSON**

*Lobo Rainforest Building  
101 Broadway Blvd. NE, Suite 1100*

This year marks five years since the Lobo Rainforest Building was developed in the heart of the innovation district in downtown Albuquerque. Join us for an anniversary celebration and Innovate ABQ update with guest speaker Vince Kadlubek, Co-Founder of Meow Wolf and Spatial Activations. Vince will be reviewing the feasibility study of The Jungle, a new space for creatives on the corner of Central and Broadway.

Drinks and hors d'oeuvres will be served.



**Vince Kadlubek**  
Co-Founder of Meow Wolf  
and Spatial Activations



# ECONOMIC DEVELOPMENT

INNOVATE ABQ

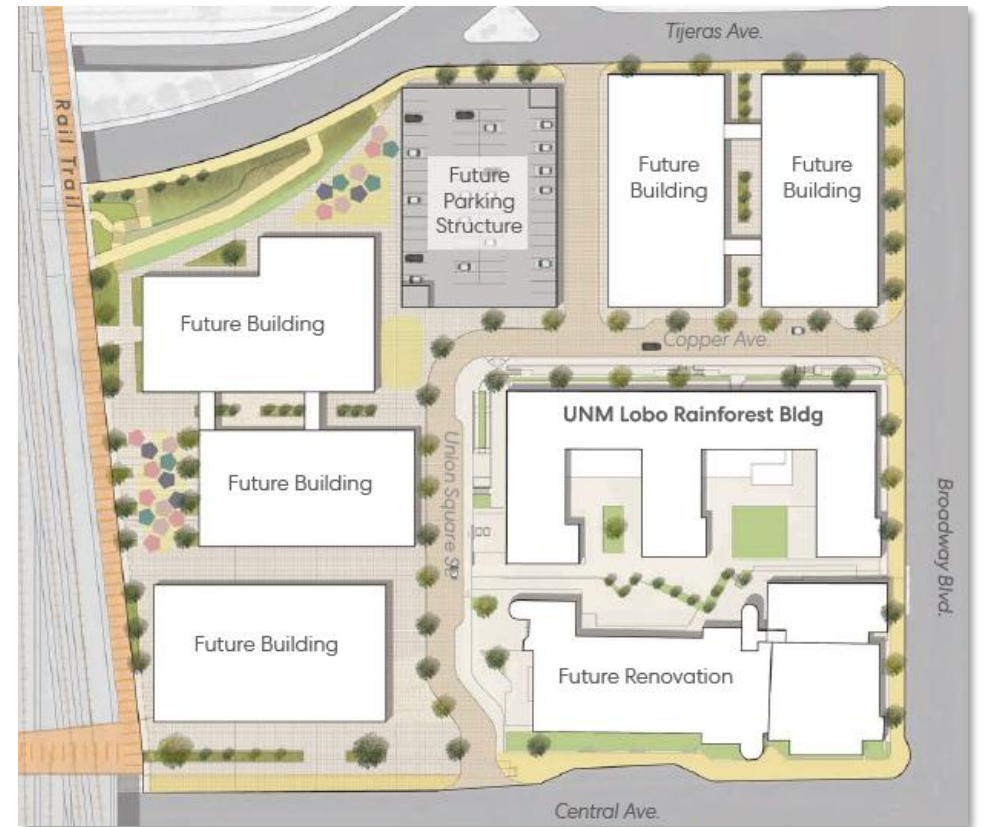


# INNOVATE ABQ

- ❖ Partnership with Lobo Development and UNM Rainforest Innovations
- ❖ Now managing website and social media
- ❖ EDA grant transfer to UNM completed December 31, 2020
- ❖ Advisory Board Meeting – September 27, 2021, December 13, 2021, March 28, 2022, June 13, 2022 – upcoming: October 3, 2022
- ❖ Executive Committee Meeting – September 13, 2021, November 29, 2021 – upcoming: September 26, 2022
- ❖ Master Plan Completed
- ❖ Ongoing Feasibility study – Creative Spaces in sanctuary and tower

# INNOVATE ABQ

## Updated Master Plan



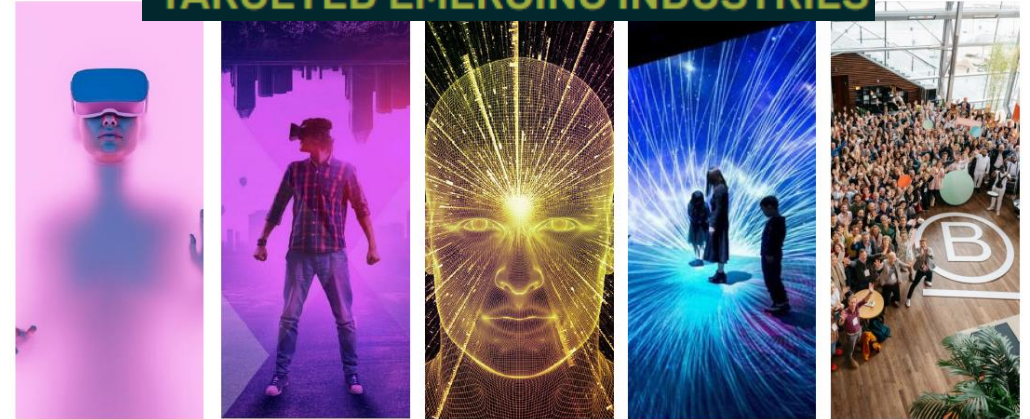
# INNOVATE ABQ

## *The Jungle*

- ❖ A regional ecosystem to support and expand creative entrepreneurship in New Mexico.
  - Will provide the Innovation District with an unprecedented creative hub of social gathering, cultural expression, thought leadership, and business resources that centralizes entrepreneurial energy and helps build momentum for excellence in our state.
  - Groundbreaking, co-creating space of innovation that provides an elevated social environment which is simultaneously fun and wildly productive.

# JUNGLE

## TARGETED EMERGING INDUSTRIES



**Web 3 Technologies**

Spatial computing, blockchain, and mixed-reality

**Game Engine Development**

AR/VR, traditional gaming, mobile gaming, and virtual production

**Transformational Therapies**

Ultrasound, strobe therapy, meditative technologies, binaural sound, and alternative medicine

**Creative Industries**

Music production, film production, social media production, and immersive design

**Social Entrepreneurship**

Benefit Corporations, social impact businesses, DAO's, and community meetings

### Jungle Programming

- Entrepreneurial Services – convert an idea into action
- Social Gathering Spaces (XR live events)
- Exhibition Spaces for demos and prototypes
- Development Spaces specifically for targeted emerging industries

# REQUESTS FOR KNOWLEDGE

*FY 2022 Q1-Q4*

- ❖ Other University Requests for Information and Knowledge Sharing from UNM RI
  - University of Oregon: Information about how UNM RI is set up as a separate corporation.
  - University of Arizona: Information about entrepreneurship programs especially for students.
  - New Mexico Tech: NMT Research Park Corp. board related questions

# PRESIDENT'S REPORT FY 2022

## BOARD RETREAT GOALS

# FURTHER DIVERSIFY INCOME

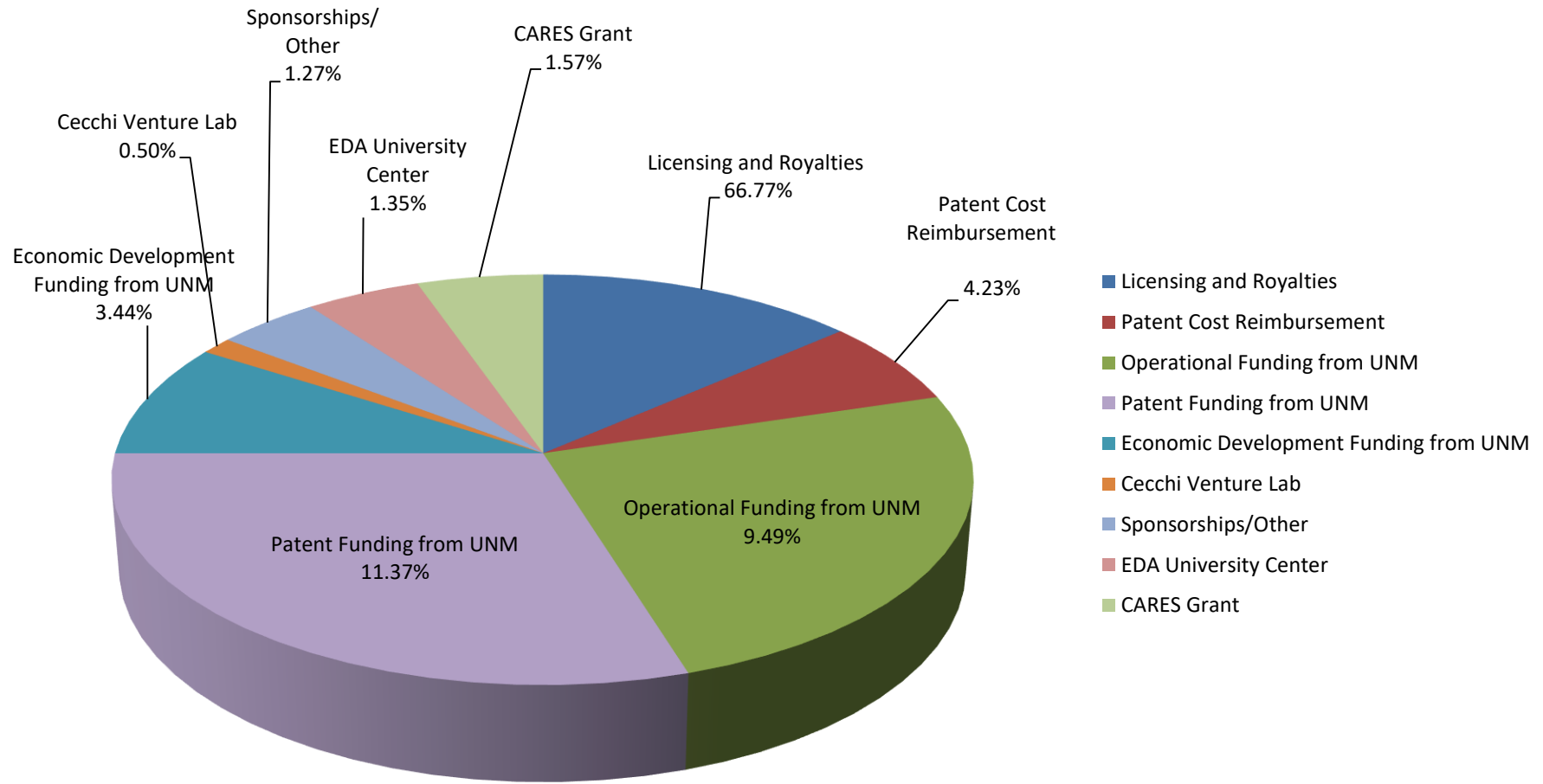
## *Income Summary*

	FY 2021 Q4	FY 2022 Q4
Licensing and royalty revenues	\$54,521,482	\$5,588,614
Patent Cost Reimbursements	\$624,287	\$354,390
Training – Professional Internship Academy	\$5,000	\$10,000
Training – I-Corps Program	\$42,000	\$13,300
Grants	\$307,266	\$244,740
CVL Participation Fees	\$33,223	\$41,910
Other Revenues	\$26,000	\$15,121
Sponsorships – Innovate NM	\$--	\$23,000
Sponsorships – Pitch competitions	\$20,000	\$20,000
Sponsorships – Innovation Awards	\$32,000	\$25,000
AFRL Activity – Training, Rent	\$122,450	\$--
<b>Total revenues</b> (excludes funding from UNM for patent costs, operations, and economic development)	<b>\$55,733,708</b>	<b>\$6,336,075</b>



# FURTHER DIVERSIFY INCOME

Revenue Diversification FY 2022 Q4



# 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

# CONTINUE TO EXPAND NATIONAL RECOGNITION

## *Advanced Economic Development Leadership*

- ❖ An experiential two-week executive education program designed specifically for mid- to senior-level economic developers
- ❖ The AEDL program and the Master Economic Development Practitioner (MEDP) diploma bestowed upon its graduates are offered through a dynamic partnership among four major universities: The University of Southern Mississippi, Texas Christian University, Clemson University, and The University of New Mexico.

### Events

- ❖ Experiential week held in November 8-11, 2021 in Fort Worth, Texas at TCU
  - Victor Hwang presented on Right to Start and entrepreneurship in economic development
- ❖ Reflections Retreat March 23-25, 2022 in Santa Fe, NM
- ❖ Experiential week held May 16-19, 2022 in Long Beach, MS
- ❖ Next training week is scheduled for November 14-17, 2022 in Kansas City, MO

ADVANCED  
Economic Development  
LEADERSHIP



Victor Hwang at AEDL event in November 2021.

# CONTINUE TO EXPAND NATIONAL RECOGNITION

## *Advanced Economic Development Leadership*

- ❖ AEDL Reflections Retreat: March 23-25, 2022 in Santa Fe, NM
- ❖ Economic Development professionals from around the country were in attendance.



SAVE THE DATE

### AEDL Reflection Retreat

March 23 - 25, 2022 | Price: \$500  
Eldorado Hotel & Spa in Santa Fe, NM

Join us at the Eldorado Hotel & Spa, located just steps from the historic Santa Fe Plaza, for the Advanced Economic Development Leadership Program Reflection Retreat. There will be networking, a keynote speaker, and open discussion on current issues.

Please email Tasha May at [tasha.may@usm.edu](mailto:tasha.may@usm.edu) if you have any questions.

SANTA FE, NEW MEXICO

ADVANCED  
Economic Development  
LEADERSHIP

NM

CLEMSON  
UNIVERSITY

THE UNIVERSITY OF  
SOUTHERN  
MISSISSIPPI

TCU

# FY 2022 UNM RAINFOREST INNOVATIONS

FY 2022 Data, Income Analysis & Forecast

# DATA, INCOME ANALYSIS, & FORECAST

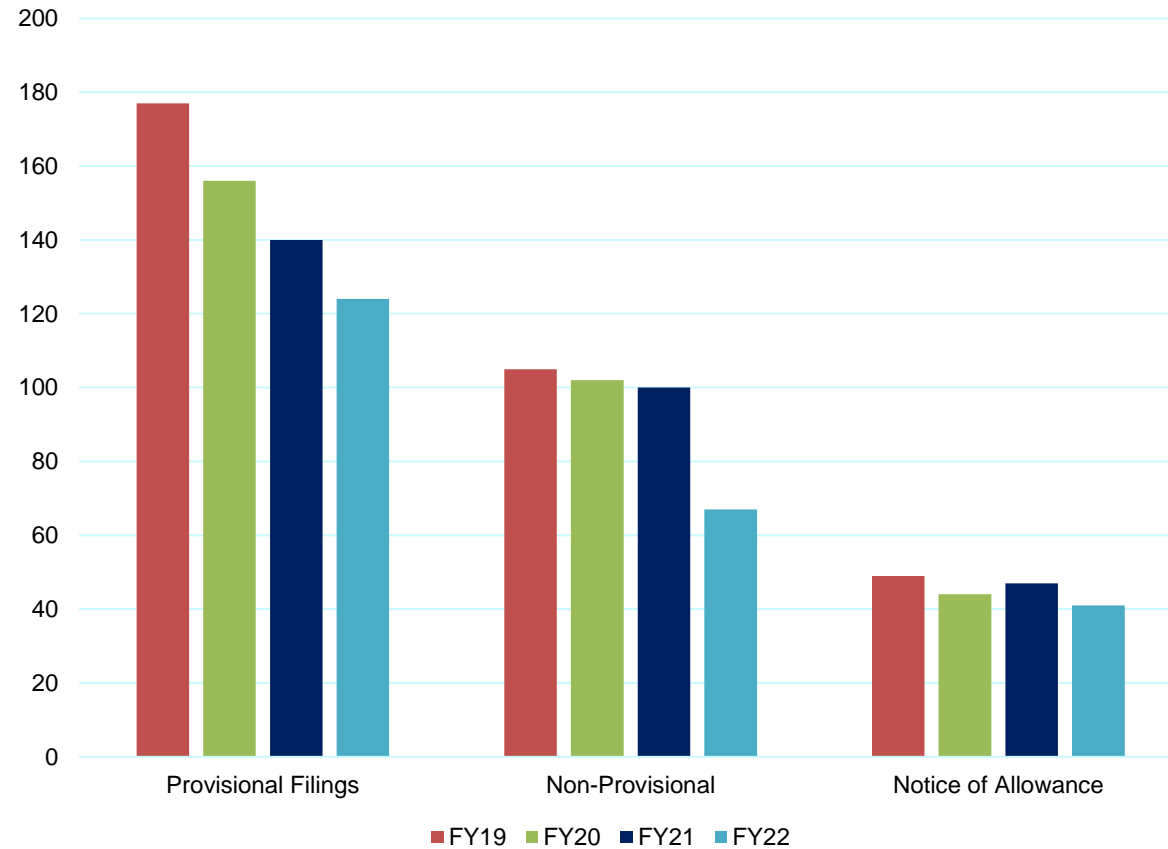
## ❖ FY 2022 Data

- UNM Rainforest Innovations filed first-time patent applications on 48 of the 80 UNM patent disclosures in FY 2022 (60% in FY 2022 vs. 67% in FY 2021)
- UNM Rainforest Innovations generated \$4,255,000 of new (agreements) license revenues in FY 2022, representing 13% of total license revenues (vs. \$53,612,829 of new revenues in FY 2021 – 98% of total)
- Of the 94 total disclosures (patents & copyrights) received in FY 2022, representing 80 lead inventors, 40 were first-time inventors (50% vs. 27% in FY 2021)



# PATENT ANALYSIS

## *Trends in Patent Activity*



	FY19	FY20	FY21	FY22
Provisional Filings	177	156	140	124
Non-Provisional	105	102	100	67
Notice of Allowance	49	44	44	41

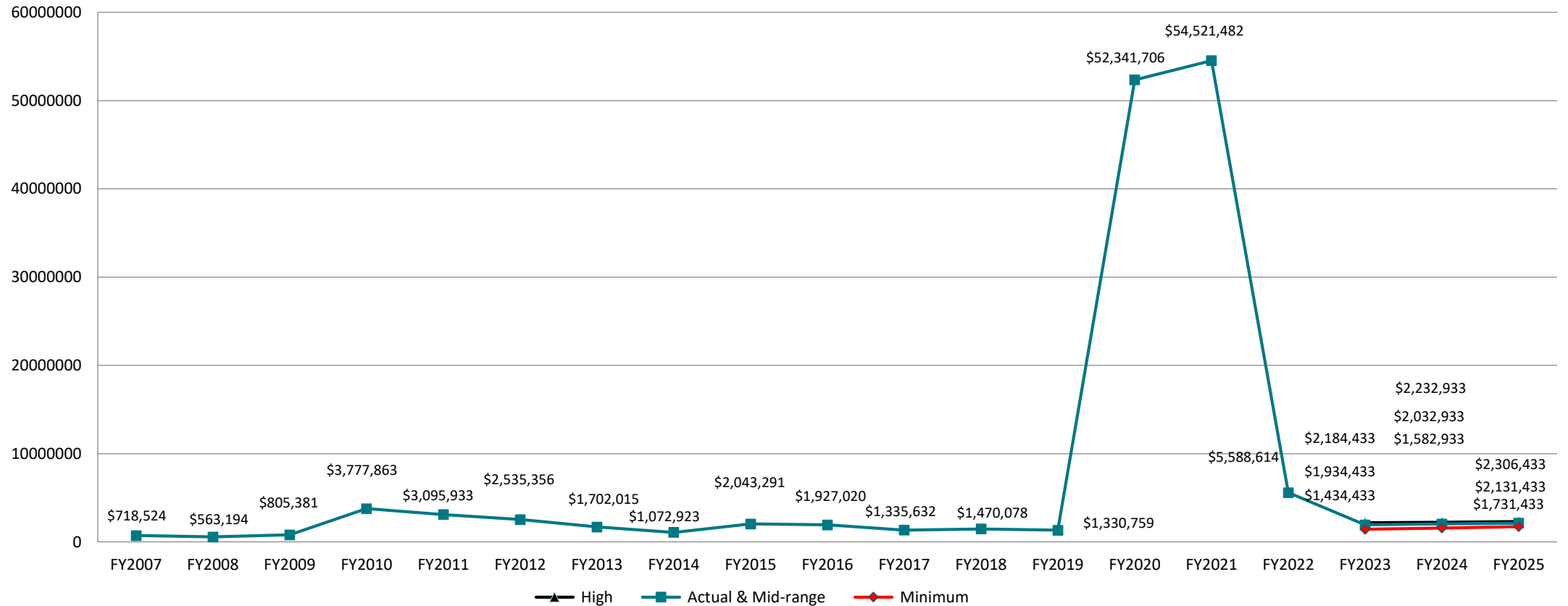
# DATA, INCOME ANALYSIS, & FORECAST

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

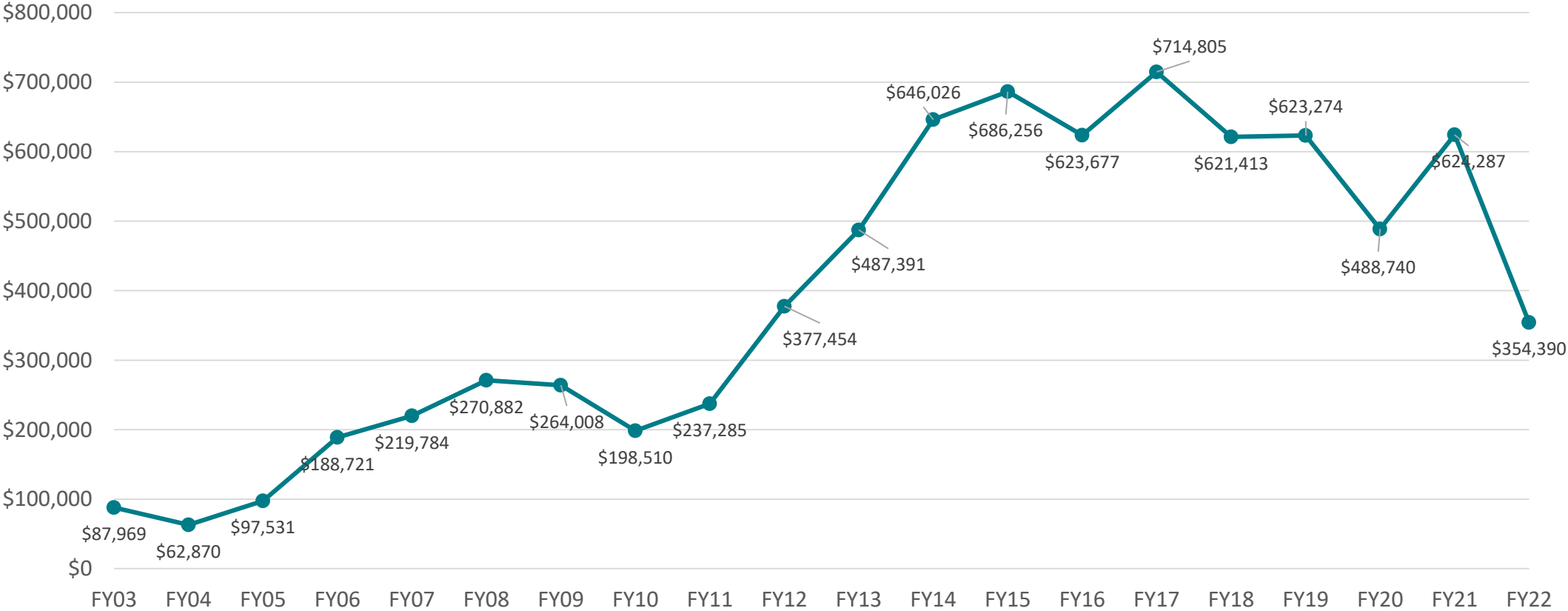
- ❖ Minimum numbers for FY2023 through FY2025 represent minimum fees and payments from existing licenses.
- ❖ FY2023 mid-level represents approx. \$500,000 of new license income. FY2023 upper end represents \$750,000 of new license income.
- ❖ FY2024 mid-level represents \$450,000 of new license income and/or minimums from deals closed in FY2022. FY2024 upper end represents \$650,000 of new license income and/or minimums from deals closed in FY2023.
- ❖ FY2025 mid-level represents \$400,000 of new license income and/or minimums from deals closed in FY2023 and FY2024. FY2025 upper end represents \$575,000 of new license income and/or minimums from deals closed in FY2023 and FY2024.
- ❖ No equity liquidations included.
- ❖ No forecasted terminations of agreements included.
- ❖ No unknown substantial earned royalties forecasted.

# LICENSE REVENUES

Updated 3-year Forecast

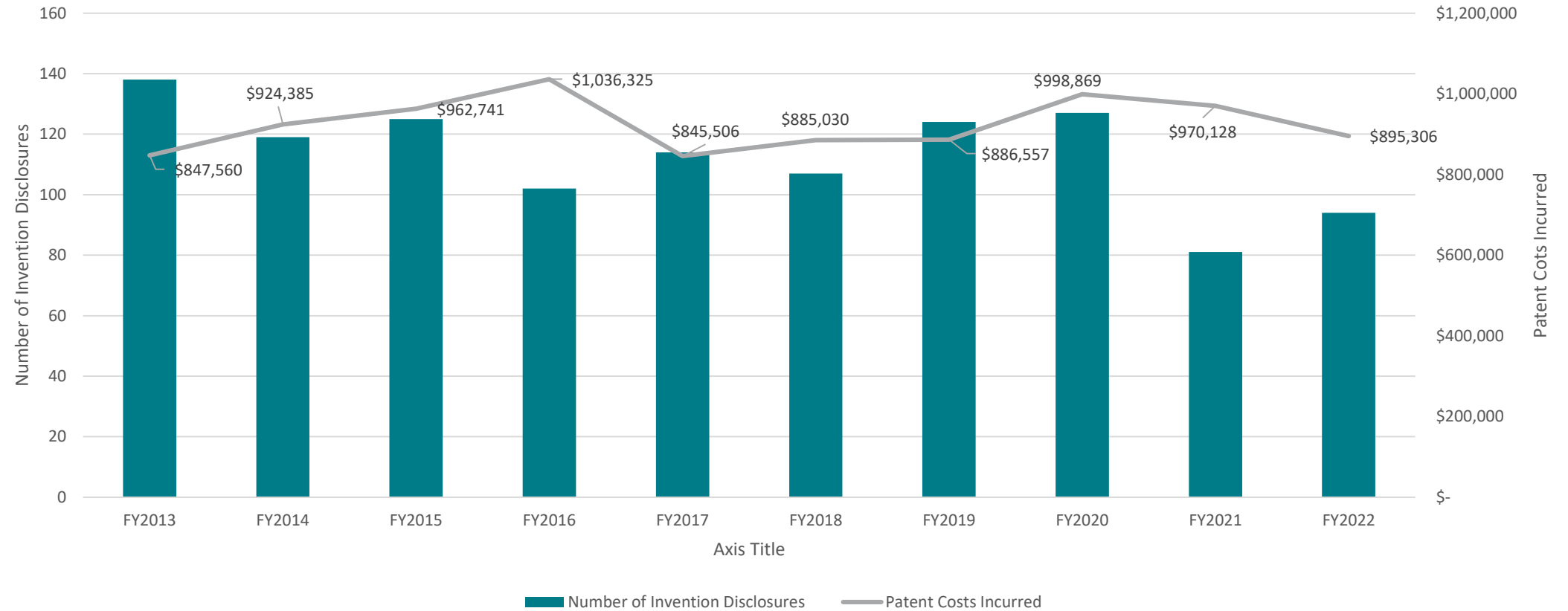


# PATENT COST REIMBURSEMENT REVENUES

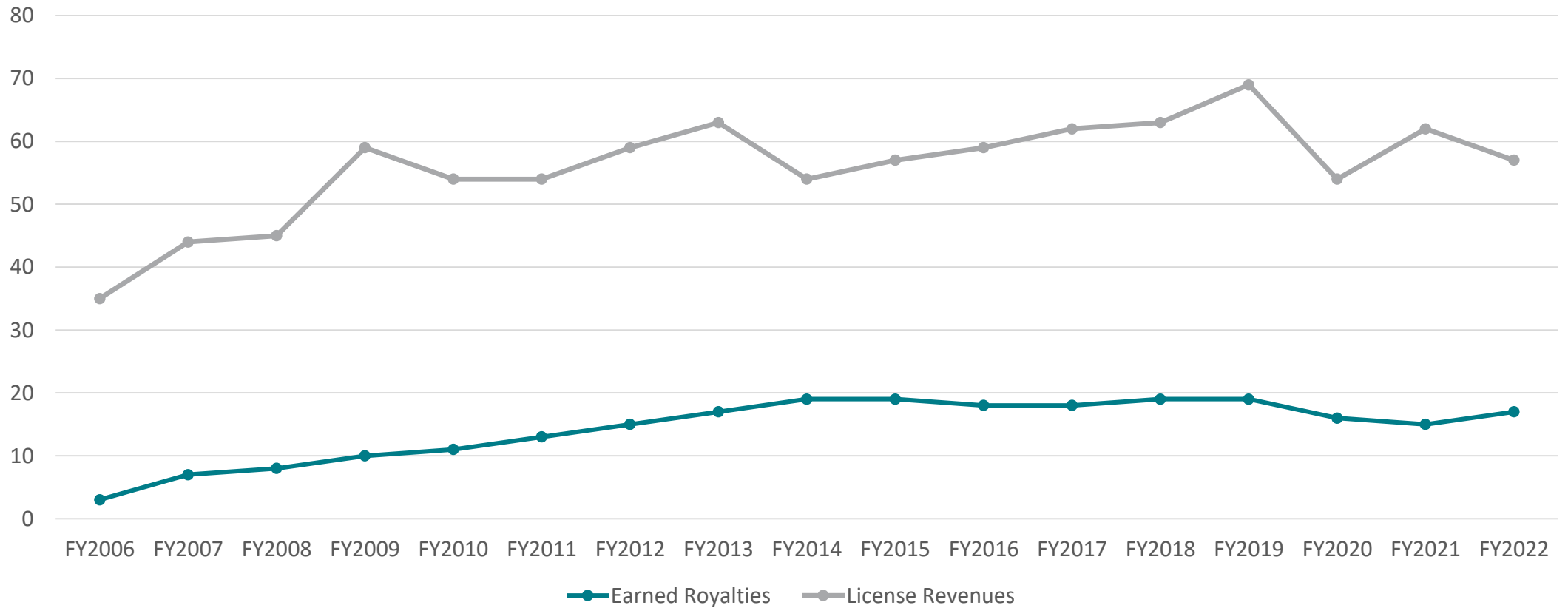


# PATENT COSTS INCURRED

*Rainforest Innovations-initiated; non-licensee reimbursed*

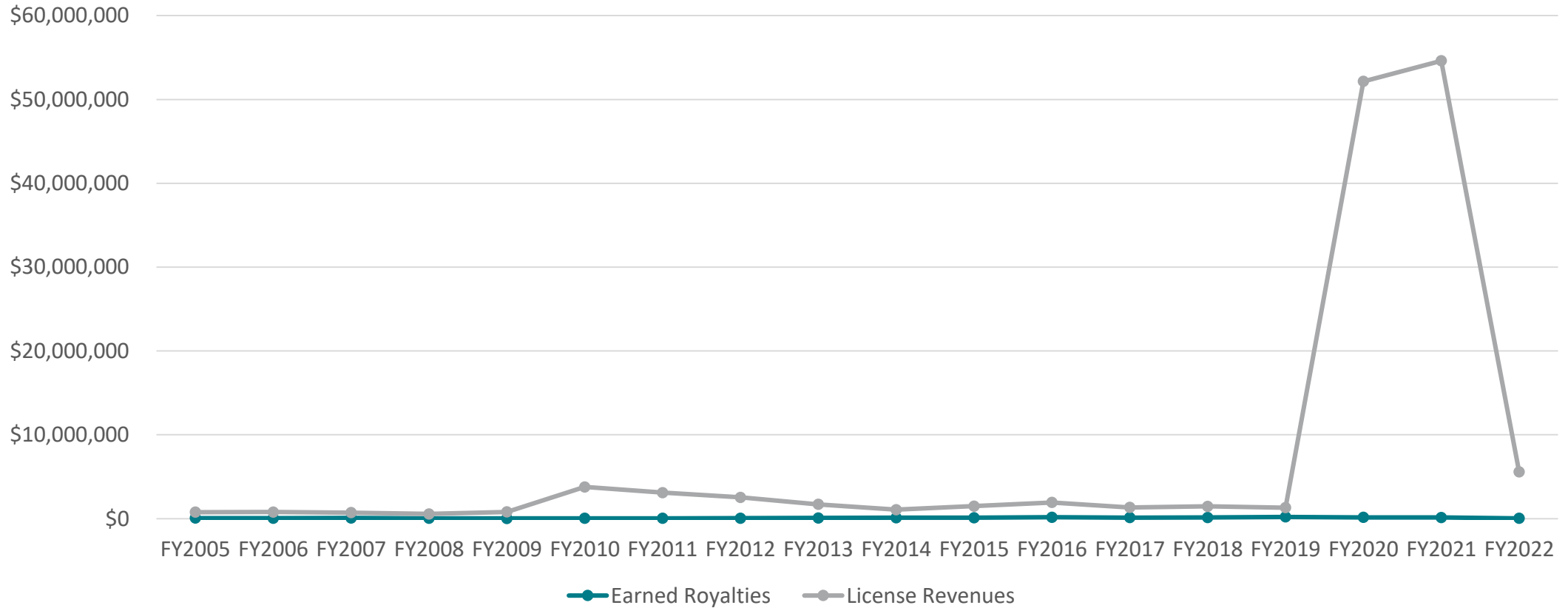


# TOTAL NUMBER OF LICENSES/OPTIONS YIELDING REVENUES





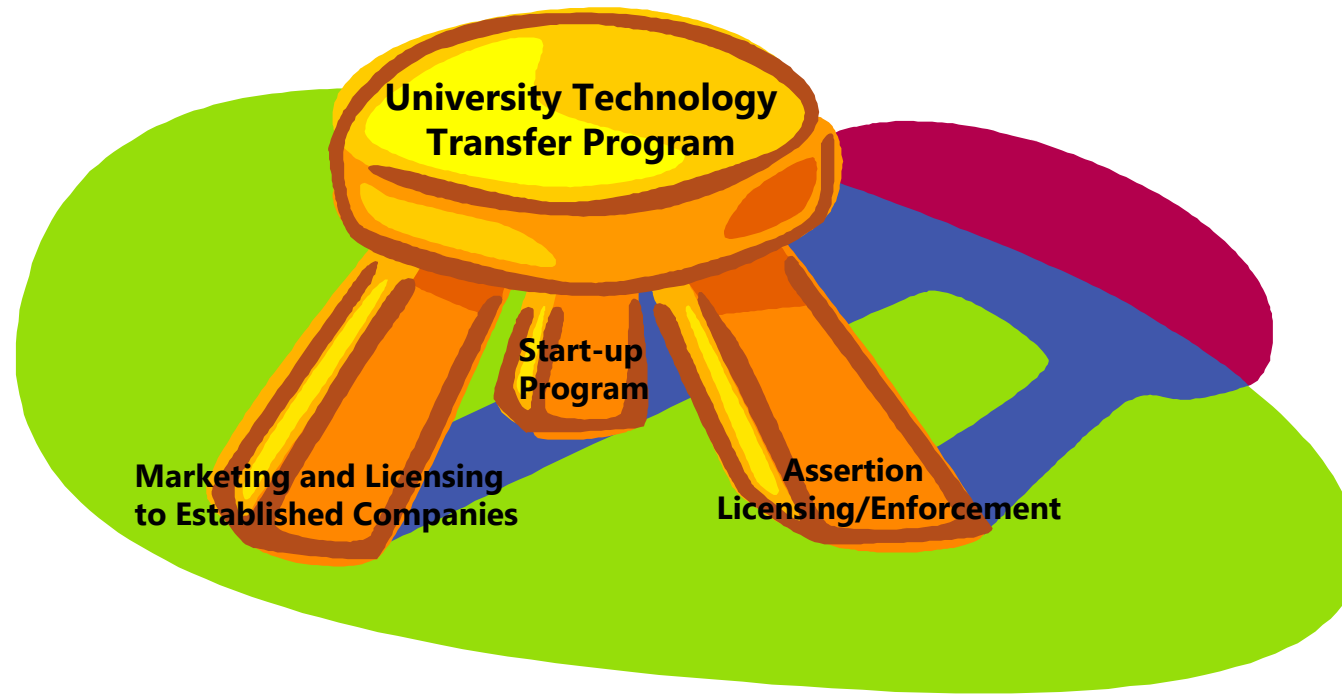
# TOTAL DOLLAR AMOUNT OF LICENSES/OPTIONS YIELDING REVENUES



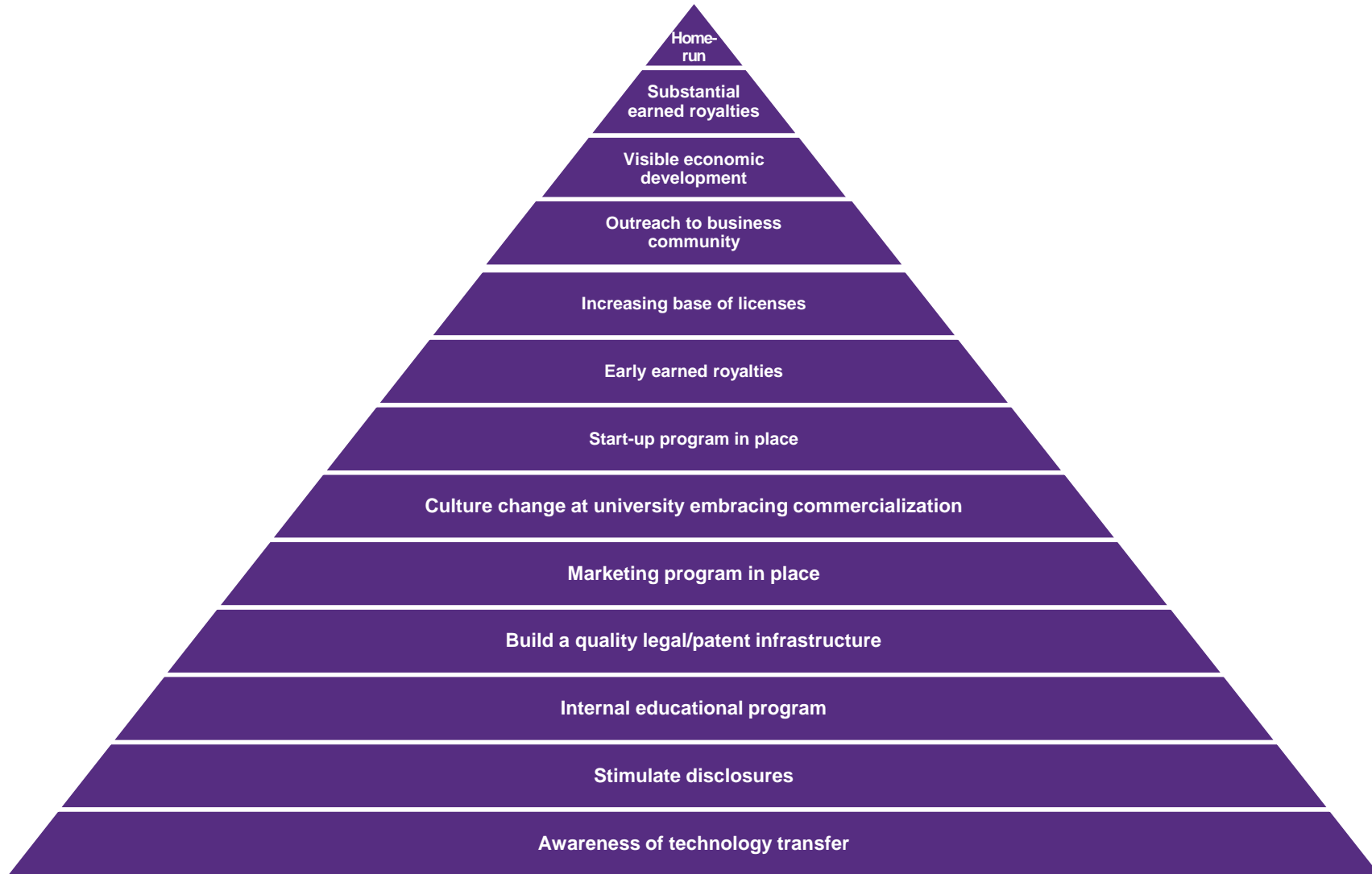
# UNM RAINFOREST INNOVATIONS

## *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

# TAB 12

## #12

Lobo Energy Inc. Annual Meeting of the Member

- a. Summarized Minutes of the February 15, 2022 Meeting
- b. Acceptance of the FY 2021-22 Audit (Presenter: Jason Strauss, President/CEO, LEI)



800 Bradbury Dr. SE Suite 216  
Albuquerque, NM 87131  
505-272-7192

January 19, 2023

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

Dear Executive 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 07, 2023.

There are two information items for the agenda:

- Approval of the Minutes from the Annual Meeting of the Member held on February 15, 2022
- Approval of the FY 2021-22 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

---



**MEETING OF THE MEMBER – UNM RAINFOREST INNOVATIONS (RI)**

Vote to Convene the Meeting of the Member (1<sup>st</sup> Begay; 2<sup>nd</sup> Schwartz; all Regents voted yes)  
The meeting convened at 11:43 AM.

**Acceptance of the FY2020-21 Annual Report and Annual Audit**

Regent Begay reported on behalf of Lisa Kuuttila who presented the RI annual report and audit report in F&F Committee. The financial audit was clean.

- The motion to accept the FY 2020-21 annual report and audit report passed with a unanimous vote in favor (1<sup>st</sup> Rael; 2<sup>nd</sup> Payne; roll call vote – all Regents voted yes)

Vote to adjourn (1<sup>st</sup> Begay; 2<sup>nd</sup> Rael; all Regents voted yes)  
The meeting adjourned at 11:45 AM.

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

Vote to Convene the Meeting of the Member (1<sup>st</sup> Rael; 2<sup>nd</sup> Schwartz; all Regents voted yes)  
The meeting convened at 11:46 AM.

**Approval of the Minutes of the February 16, 2021 Meeting and Acceptance of the FY2020-21 Annual Audit**

Jason Strauss, President and CEO of LEI, reported a clean audit with zero findings.

- The motion to approve the minutes of the last meeting and accept the FY 2020-21 audit report passed with a unanimous vote in favor (1<sup>st</sup> Fortner; 2<sup>nd</sup> Payne; roll call vote – all Regents voted yes)

Vote to adjourn (1<sup>st</sup> Rael; 2<sup>nd</sup> Schwartz; all Regents voted yes)  
The meeting adjourned at 11:48 AM.

**MEETING OF THE MEMBER – LOBO DEVELOPMENT CORPORATION (LDC)**

Vote to Convene the Meeting of the Member (1<sup>st</sup> Begay; 2<sup>nd</sup> Payne; all Regents voted yes)  
The meeting convened at 11:48 AM.

**Approval of the Minutes of the February 16, 2021 Meeting and Acceptance of the FY2020-21 Annual Audit**

Kelly Ward, Director of Business Operations for LDC, reported a clean audit with no findings.

- The motion to approve the minutes of the last meeting and accept the FY 2020-21 audit report passed with a unanimous vote in favor (1<sup>st</sup> Rael; 2<sup>nd</sup> Payne; roll call vote – all Regents voted yes)

Vote to adjourn (1<sup>st</sup> Fortner; 2<sup>nd</sup> Schwartz; all Regents voted yes)  
The meeting adjourned at 11:50 AM.

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

Vote to Convene the Meeting of the Member (1<sup>st</sup> Begay; 2<sup>nd</sup> Rael; all Regents voted yes)



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

Financial Statements

June 30, 2022 and 2021

(With Report of Independent Auditors Thereon)

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

**Table of Contents**

	<b>Page</b>
Official Roster (unaudited)	1
Report of Independent Auditors	2-4
Management's Discussion and Analysis (unaudited)	5-7
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
Summary of Auditor's Results	21
Schedule of Findings and Response	22
Schedule of Prior Audit Findings	23
Exit Conference	24

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

Official Roster (unaudited)

June 30, 2022

**OFFICERS**

Jason Strauss

Matthew Cherrin

Julie Alberti

Alfred Sena

**MEMBERS**

Kate Becker

Garnett Stokes

Teresa Costantinidis

Robert Gonzalez

Jon Word

Thomas J. Ruiz

Bruno E. Carrara

Jack Fortner

## **Report of Independent Auditors**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of 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, 2022 and 2021, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Lobo Energy as of June 30, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lobo Energy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lobo Energy's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2022, 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 9, 2022

**LOBO ENERGY, INCORPORATED**  
(A Blended Component Unit of the University of New Mexico)  
Management's Discussion and Analysis (unaudited)  
June 30, 2022 and 2021

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, 2022, 2021, and 2020. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the basic financial statements and the related note disclosures along with this discussion and analysis. As such, the financial statements, notes, and this discussion are the responsibility of Lobo Energy's management.

**Financial Highlights**

- Lobo Energy's change in net position was \$666,478, \$766,639, and \$673,206 for the years ended June 30, 2022, 2021, and 2020, respectively. The change in net position for 2022 was due to an increase in operating expense caused by a ramp-up in operations as a result of COVID-19 restrictions being lifted and a decrease in nonoperating interest expense. The change in net position for 2021 was due to a decrease in operating expenses caused by a slow-down in operations as a result of COVID-19 restrictions and a decrease in nonoperating expense.
- During fiscal year 2022, Lobo Energy's operating revenue remained the same and operating expenses increased by \$129,528, resulting in a net operating gain of \$679,117 in fiscal year 2022, compared to a net operating gain of \$808,645 in fiscal year 2021. 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.
- Cash decreased in fiscal year 2022 by \$55,392 resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2022 of \$830,257. The decrease during fiscal year 2022 is primarily due to a ramp-up in operations as a result of COVID-19 restrictions being lifted. 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 due to COVID-19 restrictions.

**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, 2022 and 2021

**Financial Information**

Lobo Energy's condensed financial information as of and for the fiscal years ended June 30, 2022, 2021, and 2020 are provided in the following table:

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Current assets	\$ 872,744	\$ 895,825	\$ 793,487
Capital assets	7,009,144	7,433,941	7,858,737
Total assets	<u>\$ 7,881,888</u>	<u>\$ 8,329,766</u>	<u>\$ 8,652,224</u>
Current liabilities	\$ 164,798	\$ 1,184,440	\$ 1,153,082
Long-term liabilities	-	94,714	1,215,169
Net position	7,717,090	7,050,612	6,283,973
Total liabilities and net position	<u>\$ 7,881,888</u>	<u>\$ 8,329,766</u>	<u>\$ 8,652,224</u>
Operating revenue	\$ 2,171,065	\$ 2,171,065	\$ 2,171,065
Operating expenses	1,491,948	1,362,420	1,427,859
Operating income	<u>679,117</u>	<u>808,645</u>	<u>743,206</u>
Nonoperating revenue	5,971	5,799	6,241
Nonoperating expenses	18,610	47,805	76,241
Change in net position	<u>666,478</u>	<u>766,639</u>	<u>673,206</u>
Net position, beginning of year	7,050,612	6,283,973	5,610,767
Net position, end of year	<u>\$ 7,717,090</u>	<u>\$ 7,050,612</u>	<u>\$ 6,283,973</u>

**Statements of Net Position**

As of June 30, 2022, 2021, and 2020, Lobo Energy has cash in the amount of \$830,257, \$885,649, and \$783,599, respectively, of which \$415,519, \$380,239, and \$309,075, respectively, is held by Lobo Energy's fiscal agent, UNM, and \$414,738, \$505,410, and \$474,524, respectively, is held in an operating bank account at a financial institution.

As of June 30, 2022, 2021, and 2020, net assets are held as equity in the form of unrestricted net position of \$802,660, \$831,840, and \$731,666, respectively. Additionally, at June 30, 2022, 2021, and 2020, Lobo Energy has \$6,914,430, \$6,218,772, and \$5,552,307, 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, 2022 and 2021

***Capital Assets and Debt Administration***

Lobo Energy's investment in capital assets as of June 30, 2022, 2021, and 2020 was \$7,009,144, \$7,433,941, and \$7,858,737, respectively. This investment in capital assets includes a co-generation project in construction. 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 \$94,714. 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 2022 and 2021 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 2022 and 2021 was \$1,691,065.

*Expenses* – Total operating expenses increased by \$129,528 during fiscal year 2022 is primarily due to a ramp-up in operations due to COVID-19 restrictions being lifted. During fiscal year 2021, total operating expenses decreased by \$65,438 due to a slow-down in operations as a result of COVID-19 restrictions.

***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, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Current assets:		
Cash on deposit with fiscal agent	\$ 415,519	\$ 380,239
Cash on deposit with BBVA Compass Bank	414,738	505,410
Prepaid expenses	32,575	-
Accounts receivable	9,912	10,176
Total current assets	872,744	895,825
Capital assets:		
Property, plant, and equipment	11,284,927	11,284,927
Less accumulated depreciation	(4,275,783)	(3,850,986)
Net capital assets	7,009,144	7,433,941
Total assets	\$ 7,881,888	\$ 8,329,766
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accrued expenses	\$ 70,084	\$ 63,985
Current portion of long-term debt	94,714	1,120,455
Total current liabilities	164,798	1,184,440
Long-term debt, excluding current installments	-	94,714
Total liabilities	164,798	1,279,154
Net position:		
Net investment in capital assets	6,914,430	6,218,772
Unrestricted	802,660	831,840
Total net position	7,717,090	7,050,612
Total liabilities and net position	\$ 7,881,888	\$ 8,329,766

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Utilities management services	\$ 480,000	\$ 480,000
Other management services	<u>1,691,065</u>	<u>1,691,065</u>
Total operating revenues	<u>2,171,065</u>	<u>2,171,065</u>
Operating expenses:		
Administrative expenses	253,060	225,143
Depreciation expenses	424,797	424,796
Project expenses	<u>814,091</u>	<u>712,481</u>
Total operating expenses	<u>1,491,948</u>	<u>1,362,420</u>
Operating income	679,117	808,645
Nonoperating revenue:		
Interest income	5,971	5,799
Nonoperating expenses:		
Interest expense	<u>(18,610)</u>	<u>(47,805)</u>
Change in net position	666,478	766,639
Net position, beginning of year	<u>7,050,612</u>	<u>6,283,973</u>
Net position, end of year	<u>\$ 7,717,090</u>	<u>\$ 7,050,612</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, 2022 and 2021

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Receipts from customers	\$ 2,171,329	\$ 2,170,777
Payments to other suppliers of goods or services	(497,803)	(385,210)
Payments to employees for services	(595,824)	(550,250)
Net cash provided by operating activities	1,077,702	1,235,317
Cash flow from investing activities:		
Interest earned	5,971	5,799
Net cash provided by investing activities	5,971	5,799
Cash flow from capital financing activities:		
Payments of long-term debt	(1,120,455)	(1,091,261)
Interest expense	(18,610)	(47,805)
Net cash used in financing activities	(1,139,065)	(1,139,066)
Net (decrease) increase in cash and cash equivalents	(55,392)	102,050
Cash and cash equivalents, beginning of year	885,649	783,599
Cash and cash equivalents, end of year	\$ 830,257	\$ 885,649
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 679,117	\$ 808,645
Depreciation expense	424,797	424,796
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in prepaid expenses	(32,575)	-
Change in accounts receivable	264	(288)
Change in accounts payable	-	(1,164)
Change in accrued expenses	6,099	3,328
Net cash provided by operating activities	\$ 1,077,702	\$ 1,235,317

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, 2022 and 2021

**(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, 2022 and 2021

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 2021 and 2022.

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, 2022 and 2021

**(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 \$70,250 and \$63,985 of annual leave as accrued expenses at June 30, 2022 and 2021, 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, 2022 and 2021

**(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.

**(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.

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

Notes to Financial Statements

June 30, 2022 and 2021

**(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, 2022 and 2021, Lobo Energy had a book and bank balance in that pooled account of \$415,519 and \$380,239, 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, 2022 and 2021, Lobo Energy realized a gain of \$5,971 and \$5,799, 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, 2022 and 2021, the bank balance in Lobo Energy's separate checking account was \$416,788 and \$505,410, respectively, and the book balance was \$414,738 and \$505,410, respectively. At June 30, 2022 and 2021, the checking account balance was in excess of amounts insured by the FDIC by \$166,788 and \$255,410, 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 with ownership transfer to Lobo Energy at the end of the lease term. Monthly payments in the amount of \$94,922 commenced on August 25, 2012. The final lease payment was made on July 25, 2022.

**(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 \$4,275,783 and \$3,850,986 of accumulated depreciation as of the years ended June 30, 2022 and 2021, respectively.



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

Notes to Financial Statements

June 30, 2022 and 2021

	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Retirements/ disposals</u>	<u>Balance at June 30, 2022</u>
Plant in service	\$ 10,619,916	\$ -	\$ -	\$ 10,619,916
Internally generated software	665,011	-	-	665,011
Accumulated depreciation	<u>(3,850,986)</u>	<u>(424,797)</u>	<u>-</u>	<u>(4,275,783)</u>
Net property, plant, and equipment	<u>\$ 7,433,941</u>	<u>\$ (424,797)</u>	<u>\$ -</u>	<u>\$ 7,009,144</u>
	<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>

**(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, 2022 and 2021 was \$94,714 and \$1,215,169, 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 2021	\$ 2,306,430	\$ -	\$ (1,091,261)	\$ 1,215,169	\$ 1,120,455
Lease liability, FY 2022	\$ 1,215,169	\$ -	\$ (1,120,455)	\$ 94,714	\$ 94,714

At June 30, 2022, minimum future lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2023	\$ 94,714	\$ 209	\$ 94,923

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

Notes to Financial Statements

June 30, 2022 and 2021

**(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 15.15% in FY 2022 and 14.15% in FY 2021 as published by the State of New Mexico Educational Retirement Board. Contributions to the plan for the fiscal years ended June 30, 2022 and 2021 were \$135,296 and \$117,880, respectively, which consisted of \$67,648 and \$58,940 contributed by employees and \$67,648 and \$58,940 contributed by Lobo Energy, respectively.

**(7) Related-Party Transactions**

Lobo Energy receives revenue from UNM as described in Note 3.

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 2021 or FY 2022. 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, 2022 and 2021. In addition, Facility Facts ceased operations on August 16, 2021.

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, 2022 and June 30, 2021.

Lobo Energy is a member of New Mexico Affordable Reliable Energy Alliance (NM AREA) formerly 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 NM AREA. Lobo Energy paid dues of \$81,109 and \$63,276 for the fiscal year ended June 30, 2022 and 2021, respectively.

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

Notes to Financial Statements

June 30, 2022 and 2021

Lobo Energy did not purchase goods or services of companies that board members are employed by during the fiscal years ended June 30, 2022 and 2021.

**(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) Subsequent Events**

In July 2022, Lobo Energy transferred the Co-Generation unit described in Note(5)(a) to UNM in accordance with Memorandum of Understanding between UNM Physical Plant Department and Lobo Energy.

Subsequent events are evaluated by management through the date the accompanying financial statements are available to be issued, which is September 9, 2022.

## **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, 2022, 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 9, 2022.

### **Report on 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 were not identified.

### **Report on 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 9, 2022

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

Summary of Auditor's Results

Year Ended June 30, 2022

***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?       | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No            |
| Significant deficiency(ies) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |
| Compliance and other matters noted?     | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No            |

**LOBO ENERGY, INCORPORATED**  
(A Blended Component Unit of the University of New Mexico)  
Schedule of Findings and Response  
Year Ended June 30, 2022

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, 2022

No matters were reported.

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

Exit Conference

Year Ended June 30, 2022

An exit conference was held on September 1, 2022. 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  
John Saugen     Senior

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

## **“Meeting of the Member” Process – Defined**

Each year it is a requirement for Lobo Energy, Inc. and Lobo Development Corp. to have a “Meeting of the Member”. In each case the “Member” has been defined as the University of New Mexico Board of Regents.

The required meeting is typically held during a Board of Regents Meeting and includes the following agenda items, but may be altered to include other items as needed. The Chairman of the Board for each entity is responsible for carrying forward the agenda. If the Chairman is not available, or so desires, an Officer of the entity may act in the Chairman’s stead.

### Typical Agenda for the “Meeting of the Member”:

1. Approval of the previous years’ Meeting of the Member minutes
2. Approval of the Annual Audit finding for Lobo Energy Inc./Lobo Development Corp.
3. Adjournment of the Meeting of the Member

### **Directions for the Meeting of the Member for Lobo Energy Inc.**

1. President of the Board of Regents calls for the annual “Meeting of the Member” for Lobo Energy Inc.
2. President of the Board of Regents calls for approval of the minutes from the previous years’ “Meeting of the Member”
3. The Chairman/Officer of Lobo Energy Inc. presents the Annual Audit Findings
4. President of the Board of Regents calls for approval of the Audit Findings presented by Lobo Energy Inc.
5. President of the Board of Regents adjourns the “Meeting of the Member” Lobo Energy Inc.

### **Directions for the Meeting of the Member for Lobo Development Corp.**

1. President of the Board of Regents calls for the annual “Meeting of the Member” for Lobo Development Corp.
2. President of the Board of Regents calls for approval of the minutes from the previous years’ “Meeting of the Member” – **NOTE, as there was no Meeting of the Member in 2008, there is no approval for minutes in 2009 – this will begin in 2010.**
3. The Chairman/Officer of Lobo Development Corp. presents the Annual Audit Findings
4. President of the Board of Regents calls for approval of the Audit Findings presented by Lobo Development Corp.
5. President of the Board of Regents adjourns the “Meeting of the Member” for Lobo Development Corp.

# TAB 13

## #13

Lobo Development Annual Meeting of the Member

a. Summarized Minutes of the February 15, 2022 Meeting

b. Acceptance of the FY 2021-22 Audit (Presenters: Kelly Ward, Dir. Bus. Ops., LDC, and Teresa Costantinidis, CEO, LDC and EVPFA)



January 30, 2023

Teresa Costantinidis  
Executive Vice President for Finance & Administration  
The University of New Mexico  
Scholes Hall, Room 111 MSC05-3500  
Albuquerque NM 87131-0001

Dear Executive Vice President Costantinidis:

Lobo Development Corporation requests that the Annual Meeting of the Member be held during the Finance and Facilities Committee meeting on February 7, 2023. There are two information items to be presented.

- A. Summarized Minutes of the February 15, 2022 Meeting
- B. Acceptance of Lobo Development Corporation's FY 2021-22 Audit

All documents are attached for your use.

Sincerely,

A handwritten signature in black ink that reads 'Kelly Ward' in a cursive script.

Kelly Ward  
Executive Director

**MEETING OF THE MEMBER – UNM RAINFOREST INNOVATIONS (RI)**

Vote to Convene the Meeting of the Member (1<sup>st</sup> Begay; 2<sup>nd</sup> Schwartz; all Regents voted yes)  
The meeting convened at 11:43 AM.

**Acceptance of the FY2020-21 Annual Report and Annual Audit**

Regent Begay reported on behalf of Lisa Kuuttilla who presented the RI annual report and audit report in F&F Committee. The financial audit was clean.

- The motion to accept the FY 2020-21 annual report and audit report passed with a unanimous vote in favor (1<sup>st</sup> Rael; 2<sup>nd</sup> Payne; roll call vote – all Regents voted yes)

Vote to adjourn (1<sup>st</sup> Begay; 2<sup>nd</sup> Rael; all Regents voted yes)  
The meeting adjourned at 11:45 AM.

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

Vote to Convene the Meeting of the Member (1<sup>st</sup> Rael; 2<sup>nd</sup> Schwartz; all Regents voted yes)  
The meeting convened at 11:46 AM.

**Approval of the Minutes of the February 16, 2021 Meeting and Acceptance of the FY2020-21 Annual Audit**

Jason Strauss, President and CEO of LEI, reported a clean audit with zero findings.

- The motion to approve the minutes of the last meeting and accept the FY 2020-21 audit report passed with a unanimous vote in favor (1<sup>st</sup> Fortner; 2<sup>nd</sup> Payne; roll call vote – all Regents voted yes)

Vote to adjourn (1<sup>st</sup> Rael; 2<sup>nd</sup> Schwartz; all Regents voted yes)  
The meeting adjourned at 11:48 AM.

**MEETING OF THE MEMBER – LOBO DEVELOPMENT CORPORATION (LDC)**

Vote to Convene the Meeting of the Member (1<sup>st</sup> Begay; 2<sup>nd</sup> Payne; all Regents voted yes)  
The meeting convened at 11:48 AM.

**Approval of the Minutes of the February 16, 2021 Meeting and Acceptance of the FY2020-21 Annual Audit**

Kelly Ward, Director of Business Operations for LDC, reported a clean audit with no findings.

- The motion to approve the minutes of the last meeting and accept the FY 2020-21 audit report passed with a unanimous vote in favor (1<sup>st</sup> Rael; 2<sup>nd</sup> Payne; roll call vote – all Regents voted yes)

Vote to adjourn (1<sup>st</sup> Fortner; 2<sup>nd</sup> Schwartz; all Regents voted yes)  
The meeting adjourned at 11:50 AM.

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

Vote to Convene the Meeting of the Member (1<sup>st</sup> Begay; 2<sup>nd</sup> Rael; all Regents voted yes)



REPORT OF INDEPENDENT AUDITORS  
AND FINANCIAL STATEMENTS

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

June 30, 2022 and 2021



## Table of Contents

---

	PAGE
<b>Official Roster (unaudited)</b>	1
<b>Report of Independent Auditors</b>	2–4
<b>Management’s Discussion and Analysis (unaudited)</b>	5–8
<b>Financial Statements</b>	
Statements of Net Position	9
Statements of Revenues, Expenses, and Changes in Net Position	10
Statements of Cash Flows	11
Notes to Financial Statements	12–21
<b>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></b>	22–23
<b>Other Information</b>	
Summary of Auditor’s Results (As Required by 2.2.2.10 NMAC (L)(1)(f))	24
Schedule of Findings and Responses	25
Summary Schedule of Prior Audit Findings	26
Exit Conference	27

**Lobo Development Corporation**  
**(A Component Unit of the University of New Mexico)**  
**Official Roster (unaudited)**  
**June 30, 2022**

---

**OFFICERS**

Teresa Costantinidis

Lisa Marbury

Keelie Garcia

**MEMBERS**

Stephen Ciepiela

Louis Abruzzo

Teresa Costantinidis

Maria Griego-Raby

James Holloway, Ph.D.

Eddie Nunez

William Payne

Kim Sanchez Rael

Eric M. Siegel

Garnett Stokes, Ph.D.

Doug Ziedonis, MD

## **Report of Independent Auditors**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2022 and 2021, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Lobo Development Corporation as of June 30, 2022 and 2021, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 2 to the accompanying financial statements, during the year ended June 30, 2022, Lobo Development Corporation adopted Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, utilizing the retrospective method of accounting. Our opinion is not modified with respect to that matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lobo Development's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lobo Development's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2022 on our consideration of Lobo Development Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.

*Mess Adams LLP*

Albuquerque, New Mexico  
September 13, 2022

**Lobo Development Corporation**  
**(A Component Unit of the University of New Mexico)**  
**Management's Discussion and Analysis (unaudited)**  
**June 30, 2022**

---

The following discussion and analysis provide an overview of the financial position and activities of Lobo Development Corporation (Lobo Development) as of and for the fiscal years ended June 30, 2022, 2021, and 2020. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the basic financial statements and the related note disclosures along with this discussion and analysis. As such, the financial statements, notes, and this discussion are the responsibility of Lobo Development's management.

**Financial Highlights**

Cash decreased in 2022 by \$343,099, resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2022 of \$3,532,879. The decrease during fiscal year 2022 is primarily due to a decrease in transferred revenue from UNM. 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. Interest earned on deposits during fiscal year 2022 increased \$880 from \$47,039 to \$48,159, due to an increase in earnings on cash being held by the University of New Mexico (UNM), Lobo Development's fiscal agent.

Total assets decreased in 2022 by \$1,309,839, primarily due to the collection on lease receivables from leasing arrangements with UNM. Total assets increased in 2021 by \$10,169,638, primarily as a result of the adoption of GASB 87 – *Leases* as of July 1, 2020. Lobo Development identified three leases subject to the standard at the implementation date. An accompanying deferred inflow of resources was recognized for \$10,541,608 for the year ended June 30, 2021. During fiscal year 2022, deferred inflow of resources decreased \$1,239,099. This amount is included in rental revenue for the year ended June 30, 2022.

Lobo Development's net position increased \$478,851 during the year, from \$7,140,365 in 2021 to \$7,619,216 in fiscal year 2022. During fiscal year 2021, Lobo Development's net position increased \$29,721, from \$7,110,544 in 2020 to \$7,140,365 in fiscal year 2021.

During fiscal year 2022, operating revenue increased by \$327,963 and operating expenses decreased by \$95,162, resulting in an increase in net operating income of \$423,125. During fiscal year 2021, operating revenue decreased by \$489,496 and operating expenses increased by \$514,803, resulting in a decrease in net operating income of \$1,004,299.

**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, 2022**

---

**Financial Information**

Lobo Development's condensed financial information as of and for the fiscal years ended June 30, 2022, 2021, and 2020 are provided in the following table:

	2022	2021 <i>(as restated)</i>	2020
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Current assets	\$ 4,852,799	\$ 5,022,567	\$ 3,483,926
Net capital assets	16,852,499	16,841,263	16,877,113
Other noncurrent assets	<u>8,398,871</u>	<u>9,550,178</u>	<u>883,331</u>
Total assets	<u>\$ 30,104,169</u>	<u>\$ 31,414,008</u>	<u>\$ 21,244,370</u>
Current liabilities	\$ 631,135	\$ 681,787	\$ 528,258
Noncurrent liabilities	<u>12,551,309</u>	<u>13,050,248</u>	<u>13,605,468</u>
Total liabilities	<u>13,182,444</u>	<u>13,732,035</u>	<u>14,133,726</u>
Deferred inflows of resources	<u>9,302,509</u>	<u>10,541,608</u>	<u>-</u>
Net investment in capital assets	3,767,201	3,273,004	2,772,967
Unrestricted	<u>3,852,015</u>	<u>3,867,361</u>	<u>4,337,677</u>
Total net position	<u>7,619,216</u>	<u>7,140,365</u>	<u>7,110,644</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 30,104,169</u>	<u>\$ 31,414,008</u>	<u>\$ 21,244,370</u>
Operating revenue	\$ 2,253,683	\$ 1,925,720	\$ 2,415,216
Operating expenses	<u>1,176,298</u>	<u>1,271,460</u>	<u>756,657</u>
Operating income	1,077,385	654,260	1,658,559
Nonoperating revenue	369,621	480,236	82,423
Nonoperating expenses	<u>968,155</u>	<u>1,104,775</u>	<u>1,219,643</u>
Change in net position	478,851	29,721	521,339
Net position, beginning of year	<u>7,140,365</u>	<u>7,110,644</u>	<u>6,589,305</u>
Net position, end of year	<u>\$ 7,619,216</u>	<u>\$ 7,140,365</u>	<u>\$ 7,110,644</u>

---



**Lobo Development Corporation**  
**(A Component Unit of the University of New Mexico)**  
**Management's Discussion and Analysis (unaudited)**  
**June 30, 2022**

---

**Statements of Net Position**

*Assets* – As of June 30, 2022 and 2021, Lobo Development has cash in the amount of \$3,532,879 and \$3,875,978, respectively, of which \$3,279,473 and \$3,624,859, respectively, is held by UNM, and \$253,406 and \$251,119, respectively, is held in an operating bank account at a financial institution. Cash decreased primarily due to a decrease in revenue from UNM. As of June 30, 2022 and 2021, Lobo Development recorded lease receivables as part of adopting GASB 87 – *Leases*. Lobo Development is the lessor for three buildings that qualify as a lease agreement under this standard. Current lease receivables were \$1,151,307, and \$1,117,107, respectively, for the years ended June 30, 2022, and 2021. Lease receivables, net of current portion were \$8,398,871, and \$9,550,178, respectively for the years ended June 30, 2022, and 2021.

*Liabilities, Deferred Inflows of Resources, and Net Position* – As of June 30, 2022 and 2021, Lobo Development has deferred inflows in the amount of \$9,302,509 and \$10,541,608. The change during fiscal year 2022 of \$1,239,099 was recognized as revenue on leases and is included in rental revenue on the Statements of Revenues, Expenses, and Changes in Net Position. Lobo Development's net position at June 30, 2022, 2021, and 2020 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, 2022, Lobo Development generated operating revenue in the amount of \$2,253,683, which included lease payments from three buildings, two student housing buildings, and building revenue from UNM. During the fiscal year ended June 30, 2021, Lobo Development generated operating revenue in the amount of \$1,925,720, which included lease payments from three buildings and two student housing buildings. Nonoperating revenue amounted to \$369,621 and \$480,236 during the fiscal years ended June 30, 2022 and 2021, respectively. For 2022, other income was the result of interest income earned from UNM of \$49,039 and a property insurance recovery payment of \$17,463. Interest income from leases was \$303,119. 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 \$96,688. Interest income from leases was \$336,389

*Expenses* – Total operating expenses decreased \$95,162 during the fiscal year ended June 30, 2022, due to a decrease in administrative expenses. Total operating expenses increased \$514,803 during the fiscal year ended June 30, 2021, due to an increase 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.

**Lobo Development Corporation**  
**(A Component Unit of the University of New Mexico)**  
**Management's Discussion and Analysis (unaudited)**  
**June 30, 2022**

---

**Capital Assets and Debt Administration**

Lobo Development's investment in capital assets as of June 30, 2022, amounts to \$3,767,201 (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 \$1,363,177. 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, property development under a Tax Increment Development District, and a new building site on Lomas and Yale. Additional information concerning Lobo Development's capital assets may be found in Note 5 in the notes to the financial statements.

At the end of the current fiscal year, Lobo Development had total debt outstanding of \$13,085,298. 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 6 in the notes to the financial statements.

**Factors Impacting Future Periods**

Lobo Development, together with UNM and the City of Albuquerque created a Tax Incremental Development District (TIDD) to fund public infrastructure. A portion of the GRT funds is expected to be used to reimburse Lobo Development for costs associated with the formation of the TIDD.

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 2023 include lease payments, campus student housing ground rent, commercial development ground rent, reimbursement revenue, 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,	
	2022	2021 <i>(as restated)</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash on deposit with fiscal agent	\$ 3,279,473	\$ 3,624,859
Cash on deposit with bank	253,406	251,119
Accounts receivable	5,898	-
Lease receivable, current portion	1,151,307	1,117,107
Lease interest receivable	23,965	26,776
Prepaid insurance	138,750	2,706
Total current assets	4,852,799	5,022,567
<b>CAPITAL ASSETS</b>		
Buildings	19,626,345	18,310,085
Construction in progress	1,363,177	2,181,837
Less accumulated depreciation	(4,137,023)	(3,650,659)
Net capital assets	16,852,499	16,841,263
LEASE RECEIVABLE, net of current portion	8,398,871	9,550,178
<b>TOTAL ASSETS</b>	\$ 30,104,169	\$ 31,414,008
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 90,385	\$ 157,015
Accrued expenses	6,761	6,761
Current portion of long-term debt	533,989	518,011
Total current liabilities	631,135	681,787
<b>NONCURRENT LIABILITIES</b>		
Long-term debt, net of current portion	12,551,309	13,050,248
Total noncurrent liabilities	12,551,309	13,050,248
DEFERRED INFLOWS OF RESOURCES (NOTE 4)	9,302,509	10,541,608
<b>NET POSITION</b>		
Net investment in capital assets	3,767,201	3,273,004
Unrestricted	3,852,015	3,867,361
Total net position	7,619,216	7,140,365
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	\$ 30,104,169	\$ 31,414,008

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,	
	2022	2021 <i>(as restated)</i>
<b>OPERATING REVENUES</b>		
Rental revenue	\$ 1,249,227	\$ 1,244,326
Project revenue	725,540	348,098
Reimbursement revenue, net	278,916	333,296
Total operating revenues	2,253,683	1,925,720
<b>OPERATING EXPENSES</b>		
Depreciation	486,364	469,489
Administrative expenses	499,088	702,046
Project expenses	190,846	99,925
Total operating expenses	1,176,298	1,271,460
Operating income	1,077,385	654,260
<b>NONOPERATING REVENUES</b>		
Interest income	352,158	383,548
Transfers in from Innovate ABQ	17,463	96,688
Total nonoperating revenues	369,621	480,236
<b>NONOPERATING EXPENSES</b>		
Interest expense	369,495	454,775
Distributions to UNM	418,793	650,000
Distributions to UNM-Athletics	179,867	-
Total nonoperating expenses	968,155	1,104,775
Change in net position	478,851	29,721
NET POSITION, beginning of year	7,140,365	7,110,644
NET POSITION, end of year	\$ 7,619,216	\$ 7,140,365

---

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,	
	2022	2021 <i>(as restated)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments received from fiscal agent	\$ 1,004,456	\$ 681,394
Payments received from contractors	10,128	5,227
Payments to suppliers of goods or services	(620,900)	(410,145)
Payments received from lease arrangements	1,117,107	1,113,422
Payments to employees for services	(271,708)	(256,842)
Net cash provided by operating activities	<u>1,239,083</u>	<u>1,133,056</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Distributions to UNM	(418,793)	(650,000)
Distributions to UNM-Athletics	(179,867)	-
Transfers in from Innovate ABQ	11,565	115,438
Net cash used in noncapital financing activities	<u>(587,095)</u>	<u>(534,562)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Construction of capital assets	(497,600)	(433,639)
Debt repayment to fiscal agent principal	(482,961)	(535,887)
Debt repayment to fiscal agent interest	(369,495)	(454,775)
Net cash used in capital and related financing activities	<u>(1,350,056)</u>	<u>(1,424,301)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on deposits with fiscal agent	49,039	48,159
Principal repayment from fiscal agent	-	971,268
Interest received from lease arrangements	305,930	308,613
Net cash provided by investing activities	<u>354,969</u>	<u>1,328,040</u>
Net (decrease) increase in cash and cash equivalents	(343,099)	502,233
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,875,978</u>	<u>3,373,745</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,532,879</u>	<u>\$ 3,875,978</u>
<b>RECONCILIATION OF CASH TO THE STATEMENTS OF NET POSITION</b>		
Cash on deposit with fiscal agent	\$ 3,279,473	\$ 3,624,859
Cash on deposit with the bank	253,406	251,119
Cash on statement of cash flows	<u>\$ 3,532,879</u>	<u>\$ 3,875,978</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 1,077,385	\$ 654,260
Depreciation expense	486,364	469,489
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in lease receivable and related deferred inflows of resources	(121,992)	(125,677)
Change in prepaid insurance	(136,044)	788
Change in accounts payable	(66,630)	134,196
Net cash provided by operating activities	<u>\$ 1,239,083</u>	<u>\$ 1,133,056</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, 2022 and 2021, \$598,660 and \$650,000 was distributed back to UNM, respectively.

Primary activities performed by Lobo Development during the years ended June 30, 2022 and 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.

**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**

**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.

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

**Impact of Recently Issued Accounting Standards**

GASB Statement No. 87 (GASB 87) 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.



**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)**

Lobo Development adopted GASB 87 during the year ended June 30, 2022, using the retrospective approach. Lobo Development evaluated contracts that were formerly accounted for as operating leases to determine whether they meet the definition of a lease as defined in GASB 87. Implementation of GASB 87 impacted previously reported fiscal year 2021 balances. Lobo Development has three contracts to lease buildings that meet the definition of a lease, and Lobo Development calculated and recognized a lease receivable of \$10,667,285 and deferred inflow of resources of \$10,541,608 as of July 1, 2021. A reconciliation of the previous balances with the GASB 87 adjustments are shown below:

	Original Amount	Lease Adjustment	Restated Amount
Assets			
Lease receivable, current portion	\$ -	\$ 1,117,107	\$ 1,117,107
Lease interest receivable	-	26,776	26,776
Lease receivable, net of current portion	-	9,550,178	9,550,178
Deferred inflows of resources	-	10,541,608	10,541,608
Net position	6,987,912	152,453	7,140,365
Revenues			
Rental revenue	1,428,262	(183,936)	1,244,326
Interest income	47,159	336,389	383,548
Change in net position	6,987,912	152,453	7,140,365

**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.

**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)**

**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.

**Leases**

Lobo Development recognizes lease contracts or equivalents that have a term exceeding one year that meet the definition of an other than short-term lease. Lobo Development uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using Lobo Development's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are recognized when earned.

**Revenue Recognition**

Lobo Development recognizes operating revenue for services earned under the terms of the MOA.

Lobo Development's revenue for the fiscal years ended 2022 and 2021 originated from the following sources: (1) Student housing project/ACC component I, (2) Reimbursement revenue, (3) Rent from four 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.

**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.

**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)**

**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, 2022 and 2021, Lobo Development had a balance in that pooled account of \$3,279,473 and \$3,624,859, 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, Lobo Development's deposits may not be returned to it. At June 30, 2022, the bank balance and the book balance in Lobo Development's separate checking account with PNC Bank were \$273,348 and \$253,406, respectively. 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. 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 2022 and 2021.

**Note 3 – Related-Party Transactions**

Effective August 12, 2008, UNM and Lobo Development entered into an 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 \$725,540 and \$348,098 to Lobo Development for the years ended June 30, 2022 and 2021, respectively. This amount is included in project revenue.

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 6).

**Lobo Development Corporation**  
**(A Component Unit of the University of New Mexico)**  
**Notes to Financial Statements**

---

**Note 3 – Related-Party Transactions (continued)**

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 6).

On April 1, 2016, Lobo Development entered into an 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. 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 years ended June 30, 2022 and 2021, expenses totaling \$138,873 and \$365,003, respectively, were incurred on behalf of Innovate and are included in project and administrative expenses. For the years ended June 30, 2022 and 2021, rental revenue of \$10,128 and \$0, respectively, was recognized by Lobo Development for rental payments on an agreement between UNM and a third party for assets formerly owned by Innovate.

On May 29, 2015, Lobo Development entered into an 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, 2022, Lobo Development distributed \$179,867 of "Lobo Village" ground lease income to Athletics. No ground lease income was distributed to Athletics for the fiscal year ended June 30, 2021.

Lobo Development receives rental revenue from UNM and Athletics under four occupancy lease agreements. For the fiscal year ended June 30, 2022, rental revenue received from UNM was \$1,156,762, and rental revenue received from Athletics was \$92,465, for total rental revenue of \$1,249,227. For the fiscal year ended June 30, 2021, rental revenue received from UNM was \$1,139,616, and rental revenue received from Athletics was \$104,710, for total rental revenue of \$1,244,326.

Lobo Development did not purchase goods and services from companies that board members are employed by during fiscal years ended June 30, 2022 and 2021.

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.

**Lobo Development Corporation**  
**(A Component Unit of the University of New Mexico)**  
**Notes to Financial Statements**

---

**Note 4 – Leases**

Lobo Development is a lessor for four noncancellable leases for buildings with lease terms through 2030. There are no residual value guarantees included in the measurement of Lobo Development's lease receivables nor recognized as revenue for the years ended June 30, 2022 and 2021. No termination penalties were incurred during the fiscal years. Rental revenue of \$1,249,227 and \$1,244,326 was recognized under these leases for the years ended June 30, 2022, and 2021, respectively. Deferred inflows of resources related to the minimum future lease payments receivable were \$12,551,309 and \$13,050,248 at June 30, 2022 and 2021, respectively.

The minimum future lease payments due to Lobo Development under these leases as of June 30, 2022, were as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,151,307	\$ 271,729	\$ 1,423,036
2024	1,186,557	236,480	1,423,037
2025	1,222,886	200,152	1,423,038
2026	1,260,328	162,710	1,423,038
2027	1,247,357	124,469	1,371,826
2028-2030	3,481,743	152,658	3,634,401
	<u>\$ 9,550,178</u>	<u>\$ 1,148,198</u>	<u>\$ 10,698,376</u>

**Note 5 – Capital Assets**

Capital asset activity for the year ended June 30, 2022, was as follows:

	<u>Balance at June 30, 2021</u>	<u>Additions/ Completions</u>	<u>Transfers</u>	<u>Balance at June 30, 2022</u>
Capital assets				
Non depreciable				
Construction in progress	\$ 2,181,837	\$ 497,600	\$ (1,316,260)	\$ 1,363,177
Depreciable				
Buildings	18,310,085	-	1,316,260	19,626,345
Accumulated depreciation	<u>(3,650,659)</u>	<u>(486,364)</u>	<u>-</u>	<u>(4,137,023)</u>
Net capital assets	<u>\$ 16,841,263</u>	<u>\$ 11,236</u>	<u>\$ -</u>	<u>\$ 16,852,499</u>

**Lobo Development Corporation**  
**(A Component Unit of the University of New Mexico)**  
**Notes to Financial Statements**

---

**Note 5 – Capital Assets (continued)**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance at June 30, 2020	Additions/ Completions	Transfers	Balance at June 30, 2021
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>

**Note 6 – 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 1, 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 6 – Long-Term Debt (continued)**

Notes payable activity consists of the following:

	Year Ended June 30, 2022				
	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Note payable to UNM	\$ 13,053,044	\$ -	\$ (395,614)	\$ 12,657,430	\$ 444,154
Note payable to UNM Foundation	515,215	-	(87,347)	427,868	89,835
	\$ 13,568,259	\$ -	\$ (482,961)	\$ 13,085,298	\$ 533,989

	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

Minimum future payments under the promissory notes as of June 30, 2022, are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2023	\$ 533,989	\$ 386,237	\$ 920,226
2024	550,461	369,763	920,224
2025	567,443	352,782	920,225
2026	584,949	335,276	920,225
2027	10,848,456	265,774	11,114,230
	\$ 13,085,298	\$ 1,709,832	\$ 14,795,130

**Note 7 – 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 8 – 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, 2022 and 2021 were \$25,150 and \$21,858, respectively, which consisted of \$12,575 and \$10,929 contributed by employees and \$12,575 and \$10,929 contributed by Lobo Development, respectively.

**Note 9 – Subsequent Events**

Subsequent events are evaluated by management through the date the accompanying financial statements are available to be issued, which is September 13, 2022.

## **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, 2022, 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 13, 2022.

### **Report on 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 were not identified.

## **Report on 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 13, 2022

**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, 2022**

---

**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, 2022**

---

**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, 2022**

---

**Prior Year Findings**

No matters were reported.

**Lobo Development Corporation**  
**(A Component Unit of the University of New Mexico)**  
**Exit Conference**  
**June 30, 2022**

---

An exit conference was held on September 13, 2022. 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	Executive Director
Teresa Costantinidis	CEO, Lobo Development Corporation, and EVP for Finance & Administration, UNM

**Moss Adams LLP**

Lisa Todd	Partner
Koen Alberts	Manager

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



# TAB 14

## #14

UNM Regents' Student-Run Portfolio, 2022 Report (Presenter:  
Reilly White, Associate Dean of Teaching and Learning)

# UNM Regents' Student-Run Portfolio

---

2022 Report

**Director: Dr. Reilly S. White**

Associate 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, 2023

# UNM Regents' Student-Run Portfolio 2022 Report

## 2022 Performance

Led by lead faculty member Julia Sze, the portfolio experience its greatest reallocation in the last decade. To provide a more realistic student experience, the portfolio was moved away from an S&P 500 replica portfolio into more diversified asset classes. This helped the portfolio preserve value while the S&P 500 dropped 19.4%. Our disbursements to UNM totaled a record-high \$178,628.88.

## 2022 Outlook

After an extended period of near-zero interest rates, the Federal Reserve started raising the discount rate aggressively beginning in March 2022 in response to inflation. As of January 2023, the seven consecutive rate increases have collectively formed the most aggressive rate increase by the Federal Reserve since 1980. While inflation peaked at 9.1% in June 2022, inflation remains substantially above its 2% target rate. Combined with strong 4Q GDP and unemployment numbers, this leaves one or two additional increases possible in early 2023. As the Fed increase rates, the yield curve flattened, with short-term bonds yielding higher interest rates than long-term bonds. Each of the last eight recessions was preceded by an inverted yield curve of this manner, leading consensus economic projections to suggest a recession is likely in 2023 or 2024.

## 2022 in Numbers

**BALANCE (1/27/23)**  
**\$4,512,208.50**

**HIGH (1/4/22)**  
**\$5,051,175.73**

**LOW (10/12/22)**  
**\$3,932,468.38**

**UNM DISBURSEMENTS**  
**\$178,628.88**

**TOTAL (SINCE 2011)**  
**\$1,582,492.28**

**PORTFOLIO  
PERFORMANCE (2022)**  
**-12.1%**

**S&P 500  
PERFORMANCE (2022)**  
**-19.4%**

**S&P 500 TR  
PERFORMANCE (2022)**  
**-13.3%**

## Investment Advisory Council (IAC)

• • •  
**Kristin Bradbury, CFA**  
Callan

**Eric Davison**  
Callan

**Saxon Knight, CFA, CFP**  
Sklar Capital

**Allison Kvikstad, CFP**  
Ellevest

**Kimberly Walker, CFA**

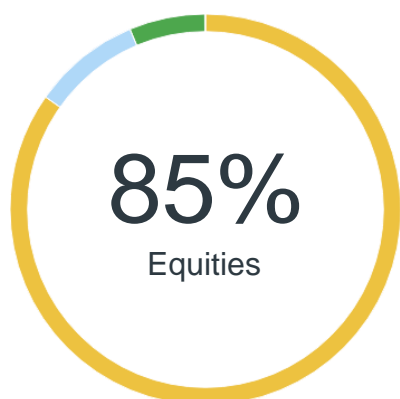
## Course Instructors

**Julia Sze, CFA (Lead)**  
**Patrick Hamm, CFA**

## Courses

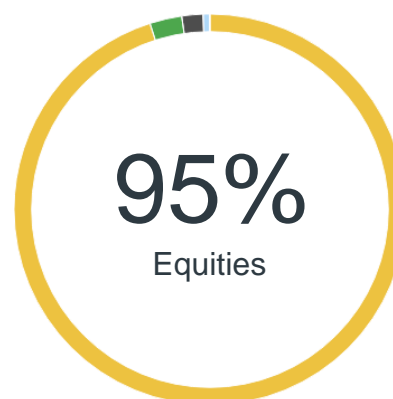
MGMT 472 - Securities Analysis  
MGMT 479 - Applied Investment Analysis  
MGMT 572 - Securities Analysis  
MGMT 579 - Applied Investment Analysis

UNM Regents Student-Run Portfolio  
(\$4.56M)



- 85% Equities
- 6% Cash
- 9% Fixed Income
- <1% Alternative

UNM Regents Student-Run Portfolio  
(2021) (\$5.03M)



- 95% Equities
- 2% Other
- <1% Alternative
- 3% Cash
- <1% Fixed Income

Holdings

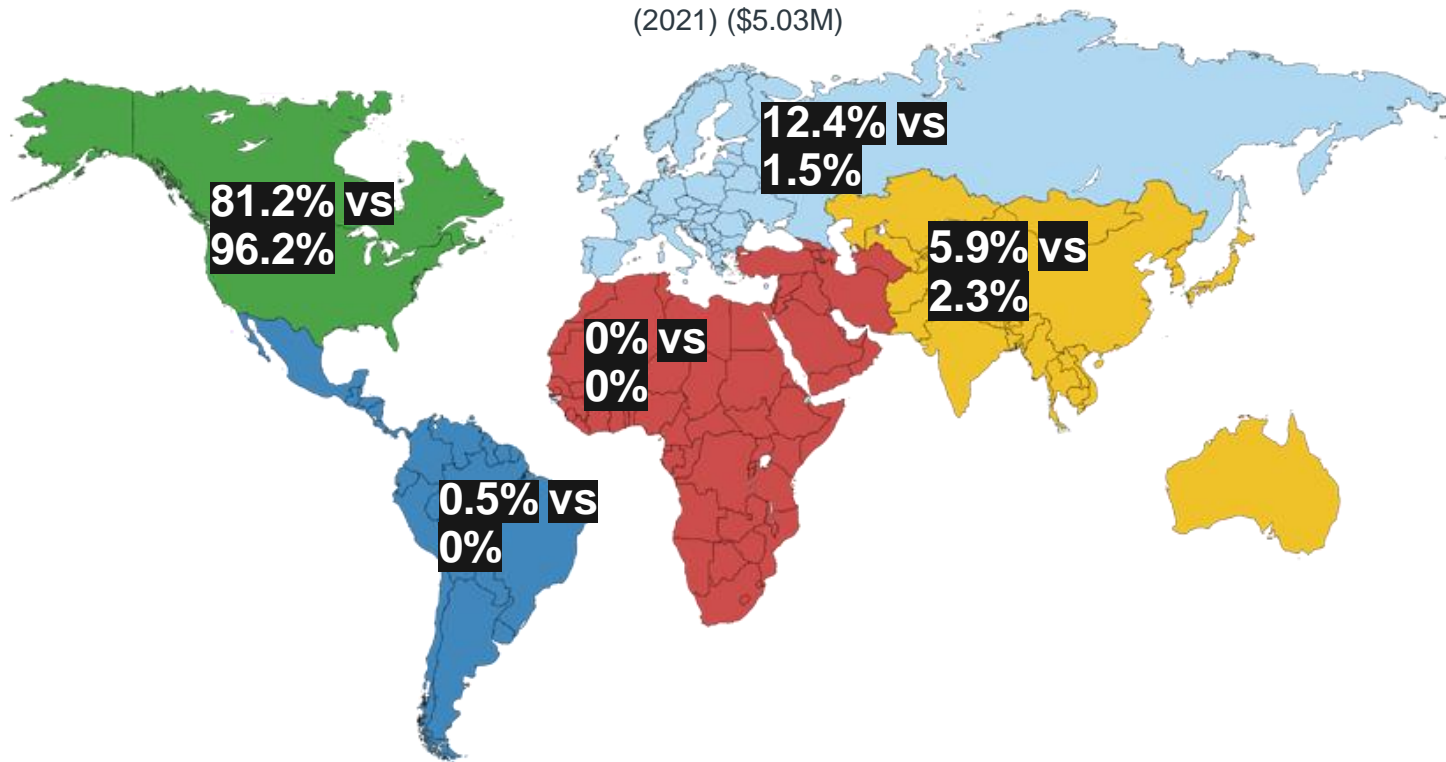
SUSL	45.14%	iShares ESG MSCI USA Leaders ETF Fund - Large Blend
VIGI	19.80%	Vanguard International Dividend Appreciation Index Fund ETF Shares Fund - Foreign Large Blend
VFQY	15.59%	Vanguard U.S. Quality Factor ETF ETF Shares Fund - Mid-Cap Growth
IUSB	9.20%	iShares Core Total USD Bond Market ETF Fund - Multisector Bond
FCASH	5.47%	Money Market Cash Fund - Money Market
REET	4.80%	iShares Global REIT ETF Fund - Specialty-Real Estate

Holdings (Top 10)

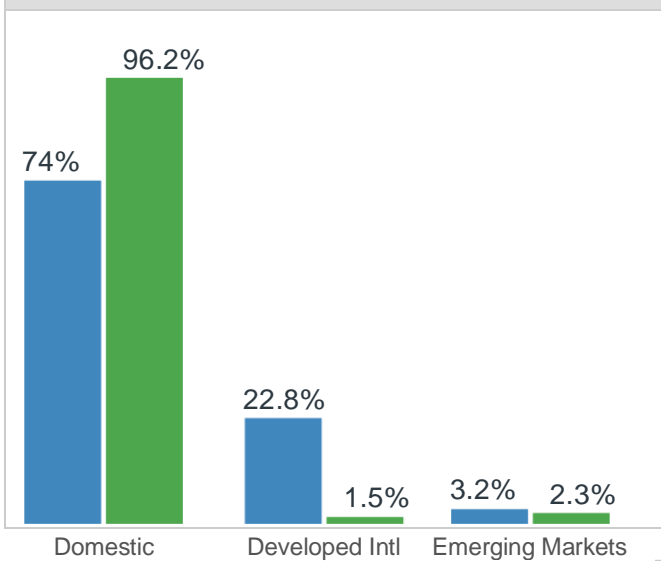
XLFF	9.17%	Financial Select Sector SPDR Fund Fund - Specialty-Financial
XLXY	7.10%	Consumer Discretionary Select Sector SPDR Fund Consumer Services
XLK	7.08%	Technology Select Sector SPDR Fund Fund - Specialty-Technology
XLV	7.04%	Health Care Select Sector SPDR Fund Fund - Specialty-Health
MSFT	4.85%	MICROSOFT CORP Tech Giants
XLP	4.67%	Consumer Staples Select Sector SPDR Fund Fund - Large Blend
AAPL	3.27%	Apple Inc. Tech Giants
FDRXX	3.16%	Fidelity Government Cash Reserves Fund - Money Market
XBI	3.05%	SPDR SP Biotech ETF Fund - Specialty-Health
GOOGL	3.00%	Google Inc. Tech Giants - Communications

# Equity Geographic Analysis

P1: UNM Regents Student-Run Portfolio (\$4.56M)  
 P2: UNM Regents Student-Run Portfolio (2021) (\$5.03M)



## Development Type



## Holdings By Region

Region	Portfolio 1	Portfolio 2
● North America	81.2%	96.2%
● Latin America	0.5%	0%
● Europe	12.4%	1.5%
● Asia Pacific	5.9%	2.3%
● Middle East + Africa	0%	0%

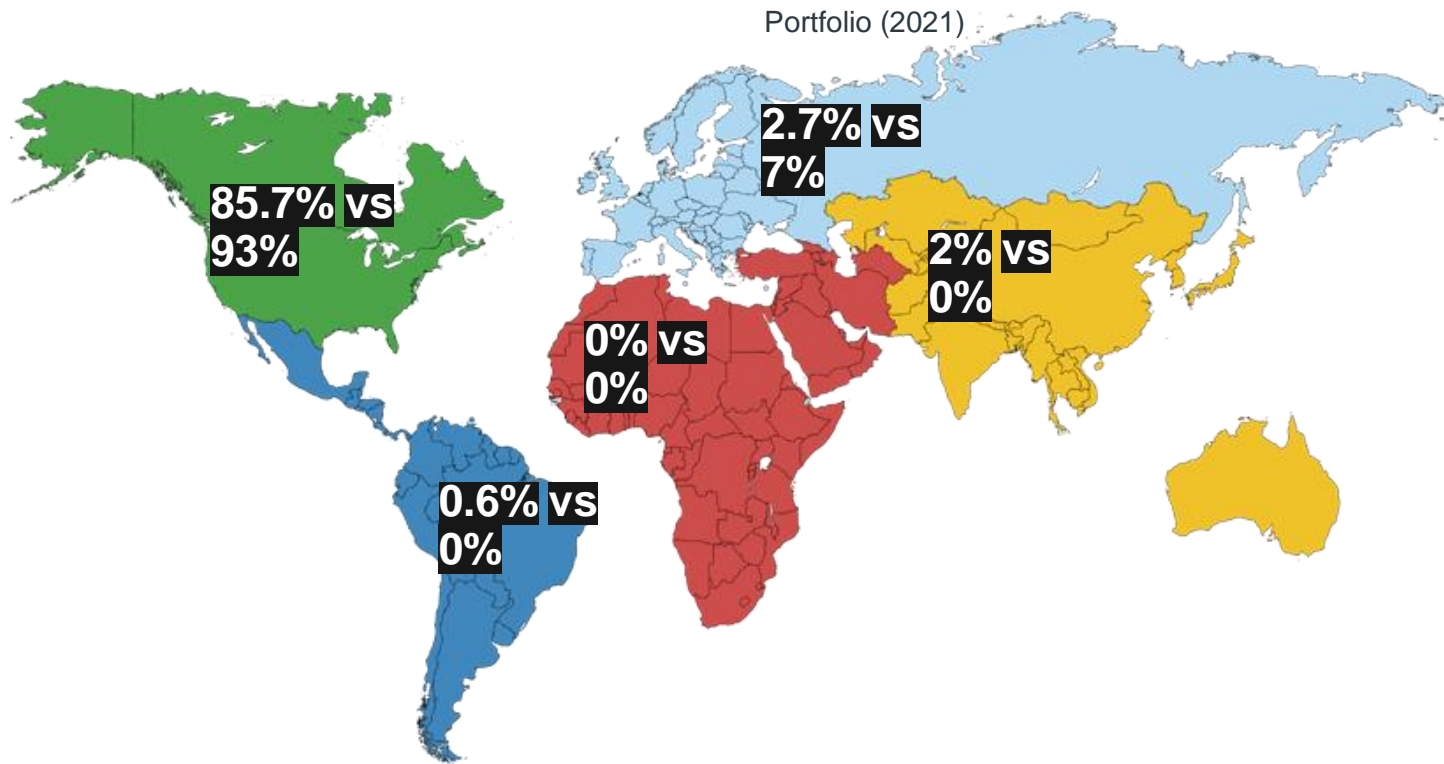
● Portfolio 1 ● Portfolio 2

## Fixed Income Geographic Analysis

P1: UNM Regents Student-Run

Portfolio P2: UNM Regents Student-Run

Portfolio (2021)



### Holdings by Region

	Portfolio 1	Portfolio 2
Global	8.9%	0%
● North America	85.7%	93%
Latin America	0.6%	0%
● Europe	2.7%	7%
● Asia Pacific	2%	0%
● Middle East + Africa	0%	0%

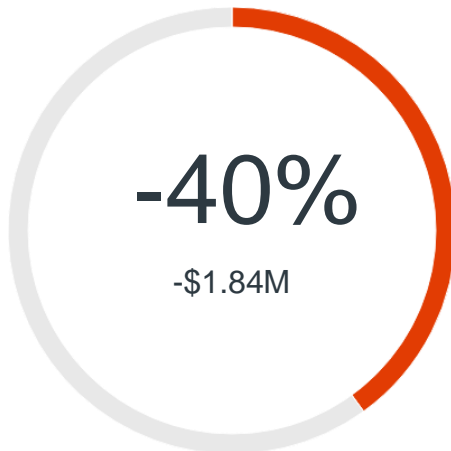
### Holdings by Country

	Portfolio 1	Portfolio 2
United States	84.38	93.02
Other	7.91	0
United Kingdom	1.49	5.67
China	1.33	0
Canada	1.32	0
Global	1.01	0
Japan	0.7	0
Germany	0.69	0
Mexico	0.61	0
France	0.57	1.3
Puerto Rico	0	0

## Stress Test Summary

Portfolio 1: UNM Regents Student-Run Portfolio (\$4.56M)

Portfolio 2: UNM Regents Student-Run Portfolio (2021) (\$5.03M)



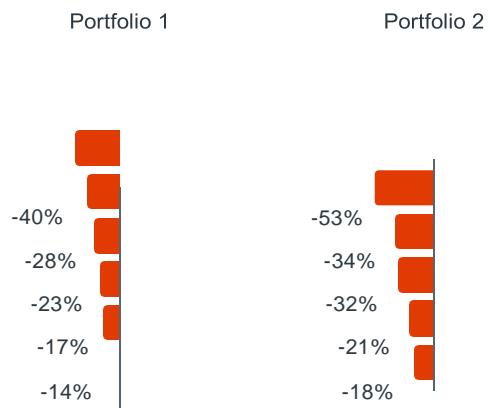
The above "potential downside" number is the hypothetical loss the portfolio could experience based on the potential downside scenario defined below. These scenarios are "what-if" economic simulations done on the portfolio.



### Past Crashes

This scenario looks at historical crashes, and asks - what if this past crash happened today?

- Financial Crisis 9/1/08 - 3/9/09
- March 2020 COVID19 Crash
- 2000 Nasdaq Cut in Half
- October 1987 Market Crash
- 2011 US Credit Downgraded



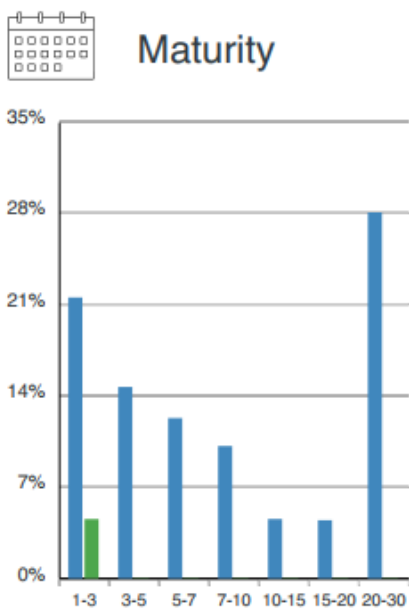


# Fixed Income Style Analysis

P1: UNM Regents Student-Run Portfolio ●

P2: UNM Regents Student-Run Portfolio (2021) ●

## Style Breakdown



FI Statistics	Portfolio 1	Portfolio 2
Average Yield	4.3%	0%
Average Duration	6.11	0
Average Maturity	8.47	0

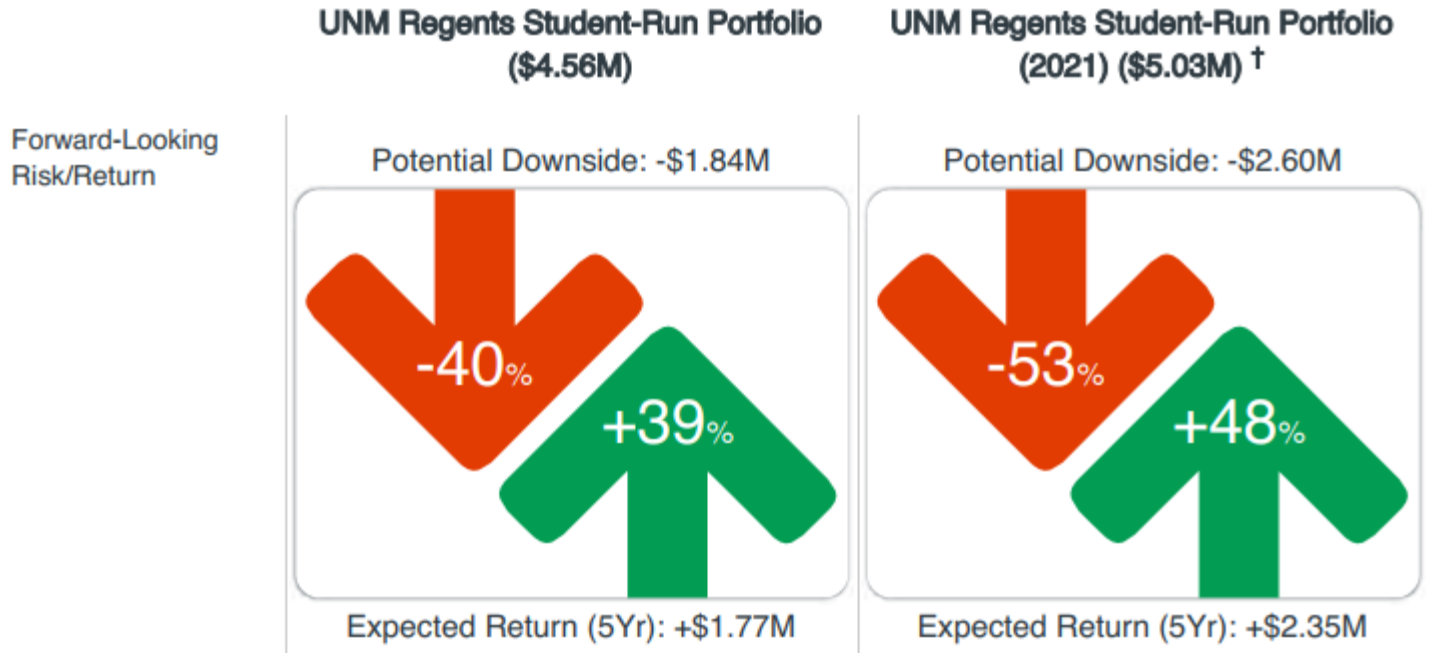
---

FI Statistics	Portfolio 1	Portfolio 2
Average Weighted Coupon	2.92	0
Investment Grade Percentage	93.21	93.21

---

## Risk Statistics

The information here explores other measures of risk. Please see disclosures for a glossary and explanation of calculations.



**Historical Calcs Timeframe:** January 25, 2021 to January 25, 2023

<b>Risk Stats</b>		
Stress Test Risk	-40%	-53%
Correlation Risk	0.83	N/A
Beta (2yr)	0.82	1.02
<b>Performance Stats</b>		
Total Return*	2.60%	-2.97%
Annualized Return*	1.29%	-1.49%
Max Drawdown	-24.15%	-26.46%
Volatility	15.44%	19.17%
<b>Portfolio Stats</b>		
Yield	1.90%	1.46%
Sharpe Ratio	-0.22	-0.32
Sortino Ratio	-0.40	-0.61
<b>Expenses</b>		
Expense Ratio	0.11%	0.07%
Strategy Fee	0.00%	0.00%
Fee %	N/A	N/A

## Equity Style Analysis

UNM Regents Student-Run Portfolio (\$4.56M) ●

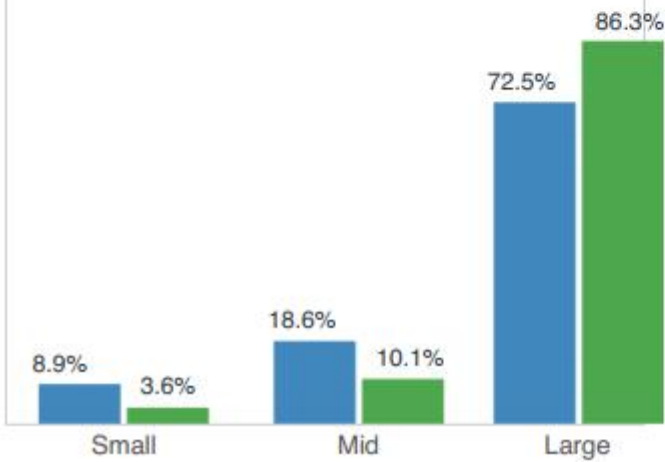
UNM Regents Student-Run Portfolio (2021) (\$5.03M) ●

	Value	Blend	Growth
Large	9	31	32
Mid	5	10	4
Small	3	4	2

	Value	Blend	Growth
Large	19	27	38
Mid	4	5	4
Small	1	1	1

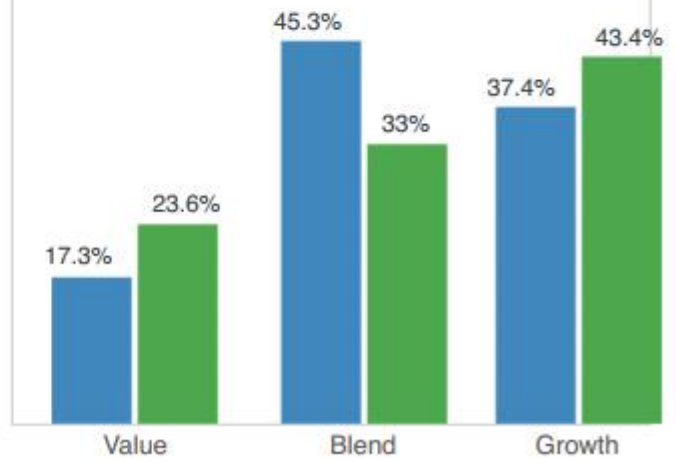
### Market Cap Analysis

Market Cap Analysis



### Style Analysis

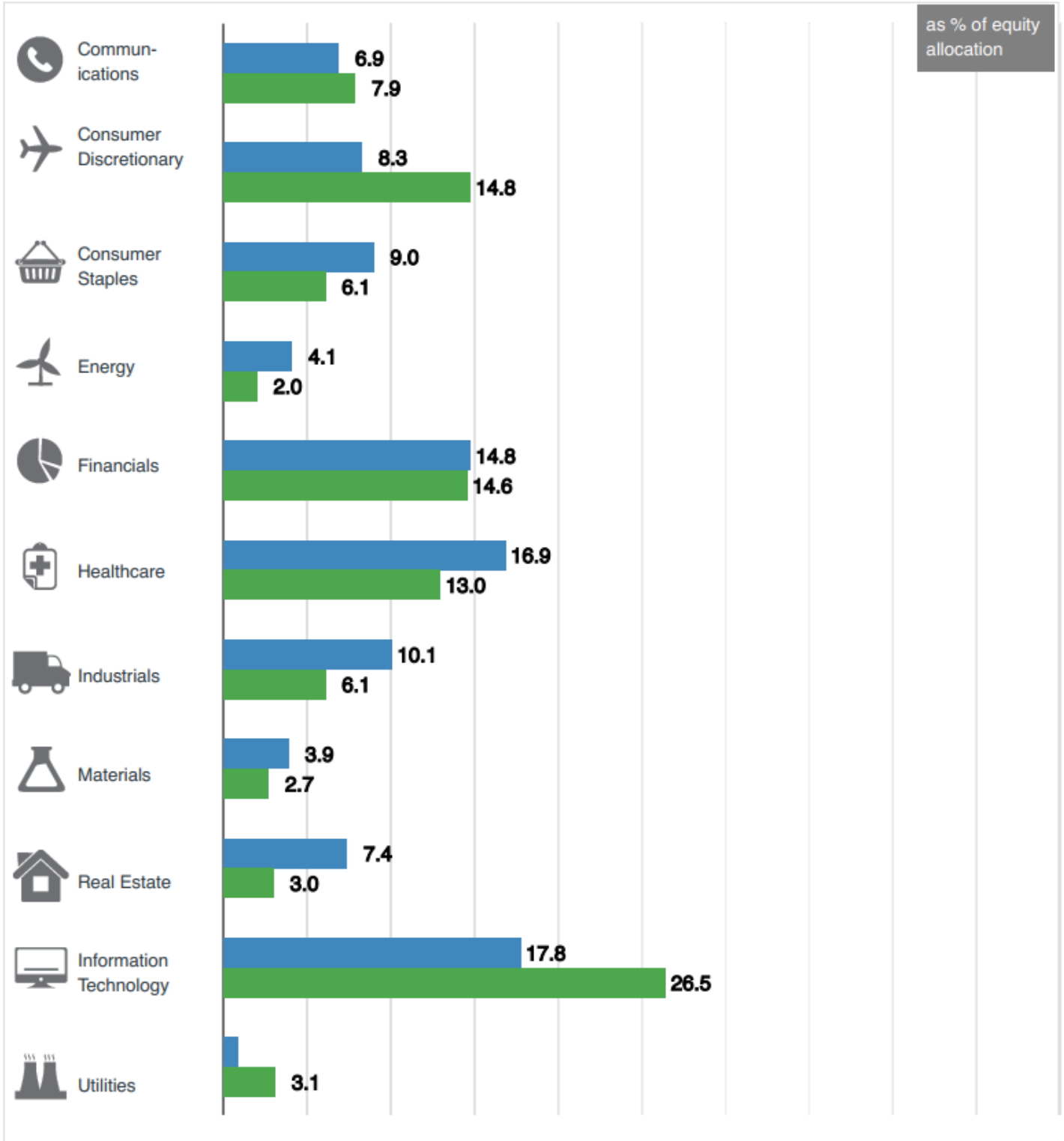
Style Analysis



## Equity Sector Analysis

UNM Regents Student-Run Portfolio (\$4.56M) ●  
 UNM Regents Student-Run Portfolio (2021) (\$5.03M) ●

as % of equity allocation



## Expense Summary

### Portfolio 1: UNM Regents Student-Run Portfolio (\$4.56M)

### Portfolio 2: UNM Regents Student-Run Portfolio (2021) (\$5.03M)

	%	\$	%	\$
<b>Exp. Ratio</b>	0.11%	\$4,890	0.07%	\$3,204
<b>AUM Fee</b>	N/A	\$0	N/A	\$0
<b>Total Fees</b>	0.11%	\$4,890	0.07%	\$3,204

Portfolio 1 (\$4.56M\*)



Portfolio 2 (\$4.56M\*)

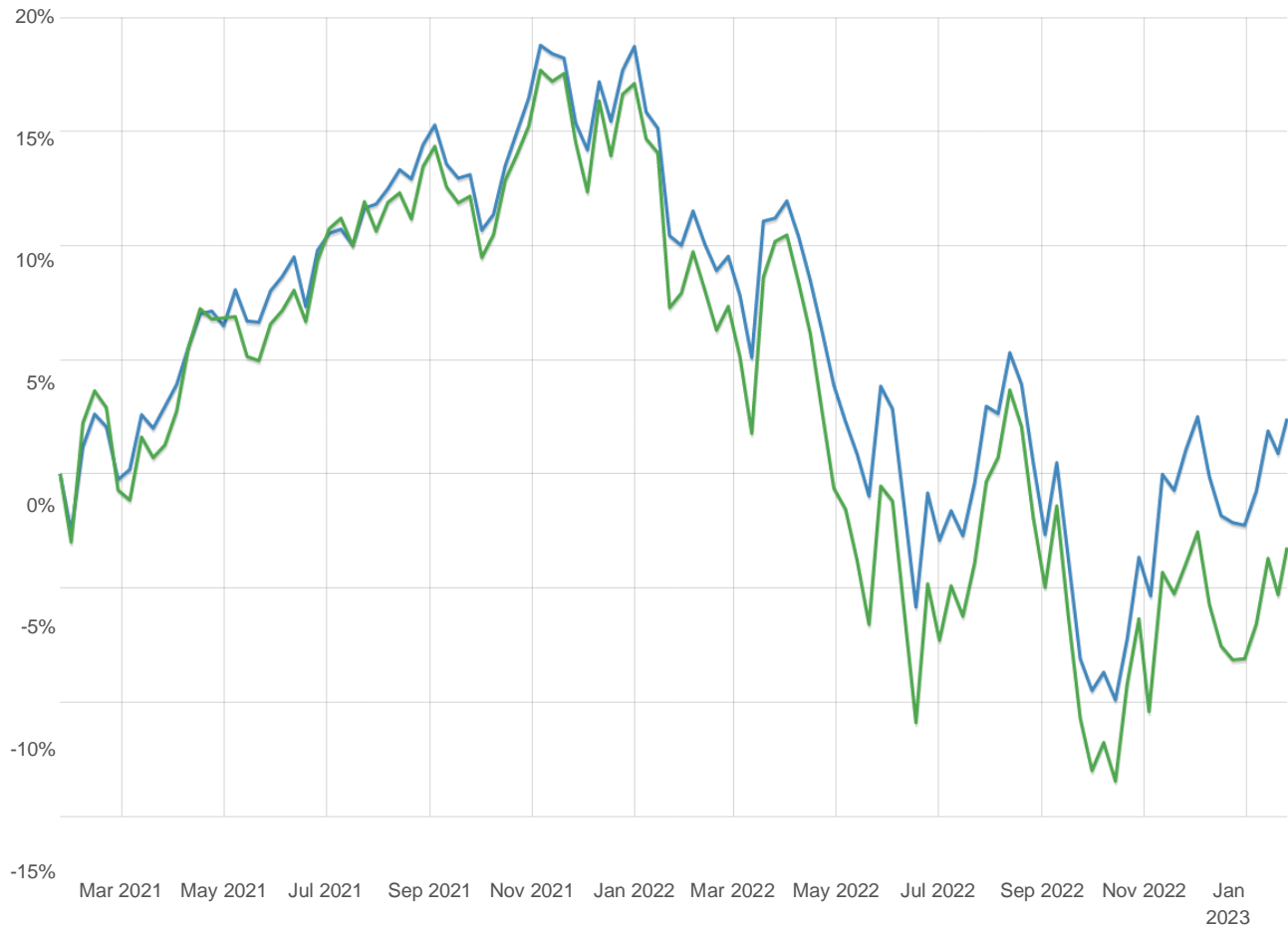


*\*For comparison purposes, both portfolios are depicted as having the same total value.*

## Hypothetical Performance History

Performance history measures the return of each portfolio including dividends, and subtracting any fees. It assumes the portfolio's allocation today has remained constant over the time period selected. The returns are backtested and not reflective of any actual traded account.

Timeframe: January 25, 2021 to January 25, 2023



UNM Regents Student-Run Portfolio (\$4.56M)

**+2.60%**

UNM Regents Student-Run Portfolio (2021)  
(\$5.03M)

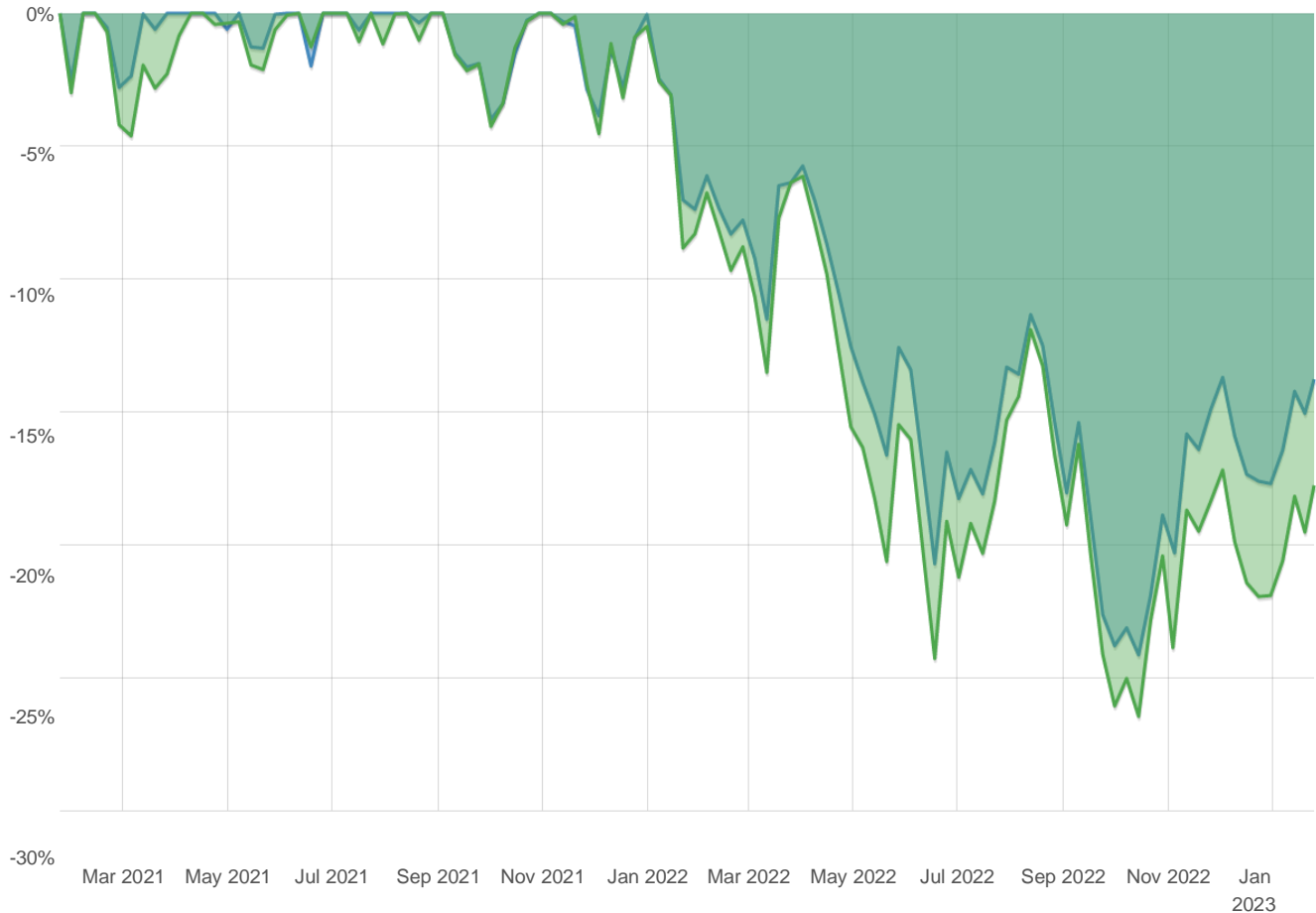
**-2.97%**



## Hypothetical Drawdown Analysis

The chart below shows the historical downside performance (in percentage terms) for each portfolio. The lowest point on the chart shows the maximum loss incurred by each portfolio over the depicted timeframe. Please refer to the disclosures for more information.

Timeframe: January 25, 2021 to January 25, 2023



UNM Regents Student-Run Portfolio (\$4.56M)

Peak: Nov-05-2021  
Trough: Oct-14-2022

**-24.15%**

UNM Regents Student-Run Portfolio (2021)  
(\$5.03M)

Peak: Nov-05-2021  
Trough: Oct-14-2022

**-26.46%**

**Annualized Returns for UNM Regents Student-Run Portfolio (\$4.56M)**

Symbol	Name	Expense Ratio	Yield	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception		
									Ann. Return	Volatility	Drawdown
VIGI	Vanguard International Dividend Appreciation Index Fund ETF Shares	0.15	2.06	6.8%	-4.5%	4.2%	4.3%		8.0%	16.0%	-29.3%
									Feb-26-2016		
REET	iShares Global REIT ETF	0.14	3.41	7.0%	-12.1%	-1.9%	2.8%		3.7%	21.8%	-43.2%
									Jul-08-2014		
VFQY	Vanguard U.S. Quality Factor ETF ETF Shares	0.13	1.39	6.0%	-2.7%	8.7%	7.8%		7.8%	23.5%	-35.8%
									Feb-13-2018		
SUSL	iShares ESG MSCI USA Leaders ETF	0.10	1.58	4.6%	-7.9%	8.3%			11.8%	22.1%	-31.9%
									May-07-2019		
IUSB	iShares Core Total USD Bond Market ETF	0.06	4.30	3.5%	-8.2%	-1.9%	0.9%		1.6%	5.0%	-17.7%
									Jun-10-2014		
Total				5.0%	-7.0%	5.4%	2.8%	0.0%	7.9%	18.1%	-27.5%

**Annualized Returns for UNM Regents Student-Run Portfolio (2021) (\$5.03M)**

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	0.40	0.81	4.0%	16.6%	19.3%	18.1%	12.9%	-4.2%	34.1%	-86.1%
									Jun-24-2008		
XBI	SPDR SP Biotech ETF	0.35	0.00	7.1%	-2.7%	-0.6%	-1.3%	11.0%	10.7%	29.5%	-59.8%
									Jan-31-2006		
XLF	Financial Select Sector SPDR Fund	0.11	1.59	5.4%	-4.3%	8.1%	5.9%	11.9%	5.7%	28.1%	-82.7%
									Dec-18-1998		
XLB	Materials Select Sector SPDR Fund	0.10	1.88	7.2%	2.2%	14.0%	7.7%	9.9%	8.3%	23.5%	-59.0%
									Dec-18-1998		
XLV	Health Care Select Sector SPDR Fund	0.10	1.52	-1.7%	5.8%	10.9%	10.2%	13.9%	8.4%	17.8%	-37.9%
									Jan-08-1999		
XLP	Consumer Staples Select Sector SPDR Fund	0.10	2.54	-1.6%	0.5%	7.6%	7.5%	10.0%	6.7%	14.6%	-34.6%
									Dec-18-1998		
XLY	Consumer Discretionary Select Sector SPDR Fund	0.10	0.88	9.7%	-20.4%	4.9%	6.7%	12.2%	8.6%	22.3%	-58.4%
									Dec-18-1998		
XLE	Energy Select Sector SPDR Fund	0.10	3.13	3.2%	38.2%	16.8%	3.2%	1.6%	5.8%	27.2%	-74.4%
									Dec-18-1998		

---

XLI	Industrial Select Sector SPDR Fund	0.10	1.55	2.0%	-0.6%	6.2%	4.7%	9.5%	6.2%	21.5%	-62.7%
-----	---------------------------------------	------	------	------	-------	------	------	------	------	-------	--------

Dec-18-1998

**Annualized Returns for UNM Regents Student-Run Portfolio (2021) (\$5.03M)**

Symbol	Name	Expense							Since Inception		
		Ratio	Yield	YTD	1 Year	3 Years	5 Years	10 Years	Ann. Return	Volatility	Drawdown
XLK	Technology Select Sector SPDR Fund	0.10	0.99	7.7%	-11.6%	11.2%	14.5%	16.4%	6.1%	24.4%	-81.4%
									Dec-18-1998		
XLC	Communication Services Select Sector SPDR Fund	0.10	1.10	12.7%	-23.4%	-0.1%			2.6%	22.1%	-45.9%
									Jun-18-2018		
XLU	Utilities Select Sector SPDR Fund	0.10	2.95	-2.6%	5.4%	3.4%	9.6%	10.2%	7.2%	18.6%	-48.5%
									Dec-18-1998		
XLRE	The Real Estate Select Sector SPDR Fund	0.10	3.27	7.1%	-12.7%	2.9%	7.8%		7.4%	22.5%	-35.2%
									Oct-07-2015		
LAZ	LAZARD LTD	N/A	5.01	15.1%	1.7%	3.4%	-3.2%	6.2%	6.4%	39.5%	-60.5%
									May-02-2005		
T	AT&T INC	N/A	5.44	10.9%	6.8%	-3.8%	1.4%	5.2%	11.3%	24.2%	-62.6%
									Nov-21-1983		
ADBE	ADOBE SYSTEMS INCORPORATED	N/A	0.00	6.4%	-28.8%	0.6%	12.6%	25.0%	22.7%	45.5%	-78.9%
									Aug-11-1986		
BABA	Alibaba Group Holding Limited	N/A	0.00	36.5%	0.9%	-17.4%	-9.5%		3.0%	40.2%	-79.4%
									Sep-19-2014		
GOOGL	Google Inc.	N/A	0.00	7.9%	-25.0%	9.1%	10.0%	17.6%	21.3%	30.3%	-63.3%
									Aug-16-2004		
AMZN	AMAZON.COM INC	N/A	0.00	15.7%	-30.6%	1.4%	7.1%	21.2%	31.4%	57.1%	-94.4%
									May-12-1997		
AAPL	Apple Inc.	N/A	0.65	9.2%	-10.7%	22.0%	28.4%	26.5%	19.5%	42.2%	-81.1%
									Nov-29-1982		
BKNG	Booking Holdings Inc.	N/A	0.00	18.6%	2.7%	6.8%	4.2%	12.8%	6.9%	63.7%	-99.2%
									Mar-29-1999		
BMJ	BRISTOL MYERS SQIBB	N/A	2.95	1.7%	18.8%	7.2%	5.8%	10.1%	11.2%	24.8%	-70.0%
									Oct-04-1982		
CVX	CHEVRON CORP	N/A	3.17	-0.2%	39.9%	22.6%	11.3%	8.8%	12.5%	25.0%	-51.4%
									Nov-29-1982		
CMCSA	COMCAST CORP	N/A	2.69	14.7%	-19.3%	-2.5%	0.5%	9.0%	14.5%	34.4%	-66.7%
									Aug-31-1981		
DIS	WALT DISNEY-DISNEY C	N/A	0.00	24.4%	-20.8%	-8.3%	0.1%	8.1%	12.6%	28.5%	-65.8%
									Dec-06-1982		
FIS	FIDELITY NAT INF SVC	N/A	2.53	9.4%	-32.0%	-19.7%	-5.0%	8.6%	9.5%	28.7%	-62.5%
									Jun-18-2001		
FISV	FISERV INC	N/A	0.00	3.3%	3.3%	-4.7%	8.2%	17.8%	17.7%	30.1%	-50.9%
									Sep-22-1986		
FTNT	Fortinet Inc.	N/A	0.00	5.9%	-5.2%	29.9%	41.6%	28.6%	29.8%	39.4%	-49.8%
									Nov-18-2009		
FCX	FREEMONT MCMORAN B	N/A	1.29	22.7%	18.7%	58.8%	19.8%	4.9%	7.0%	50.1%	-91.9%
									Jul-10-1995		

Annualized Returns for UNM Regents Student-Run Portfolio (2021) (\$5.03M)

Symbol	Name	Expense							Since Inception		
		Ratio	Yield	YTD	1 Year	3 Years	5 Years	10 Years	Ann. Return	Volatility	Drawdown
GD	GEN DYNAMICS CP	N/A	2.22	-8.6%	11.4%	9.4%	2.2%	14.8%	14.2%	26.8%	-73.9%
									Aug-09-1982		
GILD	GILEAD SCIENCES INC	N/A	3.47	-2.1%	25.2%	14.0%	4.3%	10.4%	17.6%	45.2%	-66.3%
									Jan-20-1992		
HXL	HEXCEL CP DELAWARE	N/A	0.64	5.6%	18.8%	-5.5%	-0.8%	8.6%	4.6%	50.7%	-96.1%
									Oct-04-1982		
HON	HONEYWELL INTL INC	N/A	1.99	-3.6%	3.8%	7.2%	8.0%	14.5%	12.4%	28.4%	-68.6%
									Oct-04-1982		
HII	Huntington Ingalls Industries	N/A	2.29	-6.0%	13.3%	-5.8%	-0.3%	18.7%	17.4%	27.6%	-48.3%
									Mar-22-2011		
INTC	INTEL CORP	N/A	4.92	12.4%	-40.3%	-22.3%	-5.8%	6.5%	12.9%	37.5%	-81.4%
									Oct-11-1982		
INTU	INTUIT INC	N/A	0.78	3.3%	-21.7%	12.4%	19.9%	21.3%	18.7%	43.4%	-74.5%
									Mar-08-1993		
JPM	JP MORGAN CHASE CO	N/A	2.88	3.7%	-2.6%	4.4%	6.7%	14.5%	11.1%	35.5%	-72.0%
									Dec-06-1982		
JNJ	JOHNSON AND JOHNS DC	N/A	2.70	-4.0%	3.8%	7.3%	6.0%	11.6%	13.2%	21.3%	-41.2%
									Dec-06-1982		
LHX	L3Harris Technologies, Inc.	N/A	2.27	-5.1%	-10.7%	-2.3%	8.2%	17.2%	10.9%	31.8%	-64.9%
									Nov-08-1982		
LMT	LOCKHEED MARTIN CP	N/A	2.64	-6.6%	19.6%	4.2%	9.0%	20.6%	13.5%	26.1%	-69.9%
									Nov-08-1982		
MA	MASTERCARD INC	N/A	0.60	10.0%	13.4%	6.2%	18.4%	22.8%	31.1%	31.9%	-59.3%
									May-22-2006		
MCD	MCDONALDS CP	N/A	2.23	3.6%	10.7%	11.2%	11.7%	14.3%	14.8%	22.3%	-72.7%
									Nov-15-1982		
MCK	MCKESSON CORP	N/A	0.57	0.2%	53.8%	36.1%	17.6%	14.3%	12.7%	32.7%	-82.6%
									Nov-07-1994		
MSFT	MICROSOFT CORP	N/A	1.13	0.3%	-16.1%	14.3%	22.5%	26.4%	25.0%	31.9%	-68.7%
									Mar-10-1986		
MU	MICRON TECHNOLOGY	N/A	0.75	23.1%	-23.3%	2.4%	7.6%	22.9%	10.3%	60.7%	-98.1%
									May-28-1984		
NEE	NextEra Energy, Inc.	N/A	2.22	-8.4%	3.6%	7.1%	17.3%	18.5%	14.1%	20.2%	-46.9%
									Sep-13-1982		
NVDA	NVIDIA CORP	N/A	0.08	32.2%	-13.4%	45.6%	27.0%	52.3%	29.6%	62.2%	-88.3%
									Jan-18-1999		
PPG	PPG Industries, Inc.	N/A	1.94	1.9%	-15.7%	2.2%	2.9%	7.5%	12.7%	27.4%	-61.1%
									Oct-18-1982		
PANW	Palo Alto Networks, Inc.	N/A	0.00	8.8%	-4.2%	23.3%	23.7%	23.1%	22.6%	37.4%	-44.9%
									Jul-20-2012		
PYPL	PayPal Holdings, Inc.	N/A	0.00	11.1%	-50.0%	-12.2%	-1.3%		10.7%	36.5%	-77.6%
									Jul-06-2015		

**Annualized Returns for UNM Regents Student-Run Portfolio (2021) (\$5.03M)**

Symbol	Name	Expense							Since Inception		
		Ratio	Yield	YTD	1 Year	3 Years	5 Years	10 Years	Ann. Return	Volatility	Drawdown
PEP	PEPSICO INC	N/A	2.68	-4.8%	2.4%	9.1%	10.3%	12.1%	14.0%	21.9%	-37.9%
									Oct-18-1982		
PFE	PFIZER INC	N/A	3.64	-12.0%	-12.2%	9.7%	8.7%	9.6%	12.3%	26.0%	-66.6%
									Oct-18-1982		
QCOM	QUALCOMM INCORPORATED	N/A	2.29	19.3%	-19.5%	15.7%	17.3%	10.5%	20.8%	48.3%	-85.5%
									Dec-09-1991		
ROST	ROSS STORES INC	N/A	1.03	3.6%	25.8%	2.1%	8.3%	15.7%	16.3%	42.2%	-81.4%
									Aug-05-1985		
CRM	SALESFORCE.COM INC	N/A	0.00	17.8%	-27.5%	-5.0%	6.9%	13.6%	21.8%	41.5%	-69.5%
									Jun-21-2004		
SAP	SAP AKTIENGESELL ADS	N/A	1.79	12.6%	-9.6%	-3.9%	2.4%	5.4%	9.6%	38.3%	-87.6%
									Sep-18-1995		
SQ	Block, Inc.	N/A	0.00	28.5%	-29.9%	4.3%	12.3%		28.8%	61.1%	-81.4%
									Nov-19-2015		
TGT	TARGET CP	N/A	2.63	10.2%	-21.9%	14.9%	19.4%	13.4%	13.1%	30.7%	-62.6%
									Nov-22-1982		
TCEHY	Tencent Holdings Ltd.	N/A	0.39	20.6%	-15.0%	1.6%	-2.6%	22.4%	20.8%	32.6%	-73.9%
									Jan-05-2010		
ULTA	Ulta Salon, Cosmetics & Fragrance, Inc.	N/A	0.00	7.2%	42.5%	22.5%	17.2%	17.5%	19.9%	47.2%	-86.4%
									Oct-22-2007		
UNP	UNION PACIFIC	N/A	2.60	-3.4%	-16.2%	4.7%	10.7%	13.9%	12.8%	26.2%	-57.8%
									Jan-17-1983		
VZ	VERIZON COMMUN	N/A	6.47	4.0%	-19.3%	-8.2%	-1.3%	4.1%	9.3%	22.3%	-54.1%
									Nov-21-1983		
V	VISA INC	N/A	0.80	8.2%	12.2%	3.8%	13.2%	19.7%	21.3%	26.3%	-48.5%
									Mar-19-2008		
AMT	AMER TOWER CP	N/A	2.73	1.6%	-13.1%	-1.6%	10.5%	12.4%	11.5%	54.9%	-98.6%
									Feb-23-1998		
HST	HOST HOTELS & RESORT	N/A	2.63	13.7%	8.5%	3.3%	-0.5%	3.9%	9.0%	74.7%	-86.1%
									Oct-04-1982		
SPG	SIMON PPTY GRP INC	N/A	5.75	6.6%	-10.8%	0.4%	-0.3%	2.3%	11.9%	33.4%	-75.6%
									Dec-13-1993		
Total				5.6%	-9.5%	6.4%	8.4%	12.7%	8.7%	20.4%	-29.4%

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.

## Stress Test Details

### Past Crashes: Financial Crisis 9/1/08 - 3/9/09

#### Description:

This scenario covers the timeframe from September 1, 2008 through March 9th, 2009, and measures the historical change of each lever over those dates.

#### Outcome:

- This scenario outcome reflects the economic movements between Sept. 1, 2008 and March 9th, 2009.
- For monthly and other less granular levers, the nearest time period is used

#### Timeframe:

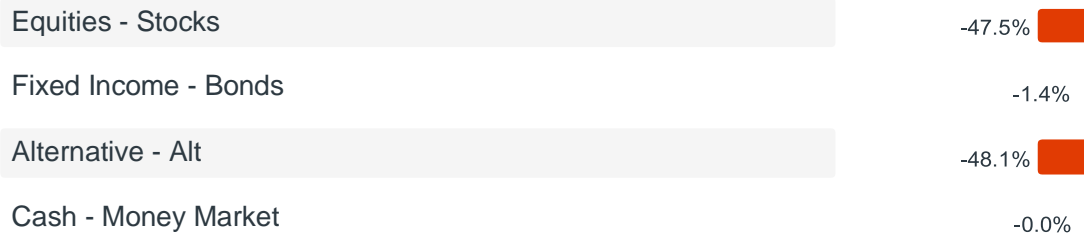
6 Months

#### Scenario Progress:

0% Complete

Levers	Current	Projected	Change
S&P 500	4016.22	2083.32	-48.13%
10Y UST Yield	3.46%	2.62%	-0.84%
12M T-Bill Yield	4.7%	3.86%	-0.84%
CPI	6.42%	3.48%	-2.94%
EUR	1.09\$	0.96\$	-11.93%
Oil	80.13\$/barrel	59.43\$/barrel	-25.83%
Retail Sales	6.02%	0.08%	-5.94%
Unemployment	3.5%	8.5%	5.0%
US GDP Growth	1.77%	-2.37%	-4.14%
USD	101.65(Index Value)	116.05(Index Value)	14.17%

### UNM Regents Student-Run Portfolio (\$4.56M)

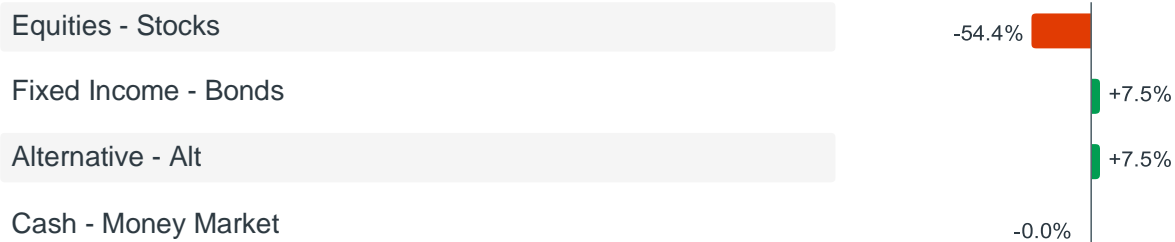


Current Total = **\$4,555,108.44**    Scenario Total = **\$2,714,093**    Total % = **-40.4 (+/-**

**1.18%)**

### Regents Student-Run Portfolio (2021) (\$4.94M) †

UNM



Current Total = **\$4,937,352.00**    Scenario Total = **\$2,340,666**    Total % = **-52.6 (+/-**

**1.60%)**



### Past Crashes: March 2020 COVID19 Crash

#### Description:

Covers the timeframe from February 19 2020 through March 23 2020, during which time the SP 500 fell 32%.

#### Outcome:

While the market rebounded sharply thereafter, the Q1 2020 correction was the fastest in history in terms of the velocity of the drop.

#### Timeframe:

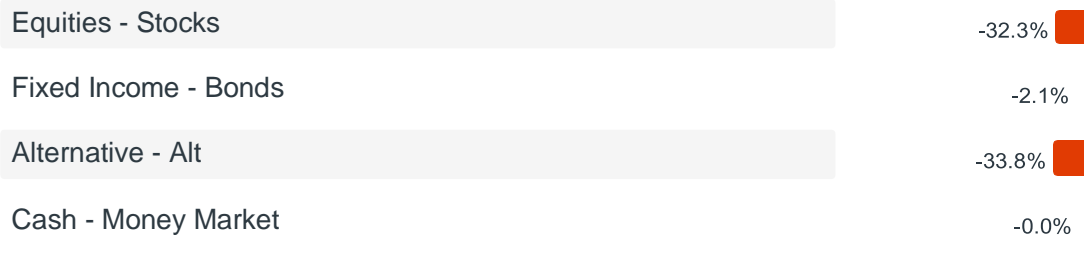
Feb 19 2020 - Mar 23 2020

#### Scenario Progress:

0% Complete

Levers	Current	Projected	Change
S&P 500	4016.22	2716.17	-32.37%
10Y UST Yield	3.46%	2.76%	-0.7%
12M T-Bill Yield	4.7%	4.59%	-0.11%
CPI	6.42%	6.26%	-0.16%
EUR	1.09\$	1.08\$	-0.92%
Oil	80.13\$/barrel	53.49\$/barrel	-33.25%
Retail Sales	6.02%	5.99%	-0.03%
Unemployment	3.5%	3.4%	-0.1%
US GDP Growth	1.77%	1.39%	-0.38%
USD	101.65(Index Value)	105.01(Index Value)	3.31%

### UNM Regents Student-Run Portfolio (\$4.56M)



Current Total = **\$4,555,108.44**    Scenario Total = **\$3,298,513**    Total % = **-27.6 (+/-**

### Regents Student-Run Portfolio (2021) (\$4.94M) †



Current Total = **\$4,937,352.00**    Scenario Total = **\$3,251,215**    Total % = **-34.2 (+/-**

1.35%)

### Past Crashes: 2000 Nasdaq Cut in Half

#### Description:

This scenario covers the Dot-Com bubble crash, which begins at the peak of the Nasdaq in March 2000 and continues for an entire year, as the Nasdaq tumbled.

#### Outcome:

- The Dot-Com bubble burst in March 2000 when the Fed increased interest rates six times
- Only 50% of the dot-coms survived through 2004
- A recession ensued, which was magnified by 9/11

#### Timeframe:

Historical

Scenario Progress:

0% Complete

Levers	Current	Projected	Change
Nasdaq	11313.36	5656.68	-50.0%
S&P 500	4016.22	3052.33	-24.0%
10Y UST Yield	3.46%	2.86%	-0.6%
12M T-Bill Yield	4.7%	4.56%	-0.14%
CPI	6.42%	5.58%	-0.84%
EUR	1.09\$	0.9\$	-17.43%
Oil	80.13\$/barrel	72.03\$/barrel	-10.11%
Retail Sales	6.02%	-2.98%	-9.0%
Unemployment	3.5%	4.3%	0.8%
US GDP Growth	1.77%	-7.23%	-9.0%
USD	101.65(Index Value)	112.85(Index Value)	11.02%

### UNM Regents Student-Run Portfolio (\$4.56M)

Equities - Stocks	-26.9%
Fixed Income - Bonds	-1.0%
Alternative - Alt	-24.8%
Cash - Money Market	-0.0%

Current Total = **\$4,555,108.44**      Scenario Total = **\$3,512,118**      Total % = **-22.9 (+/-**

### Regents Student-Run Portfolio (2021) (\$4.94M) †

Equities - Stocks	-33.4%
Fixed Income - Bonds	-0.0%
Alternative - Alt	-0.0%
Cash - Money Market	-0.0%

Current Total = **\$4,937,352.00**      Scenario Total = **\$3,340,170**      Total % = **-32.3 (+/-**

2.89%)

### Past Crashes: October 1987 Market Crash

#### Description:

This scenario covers the timeframe from October to early November of 1987, which includes the Black Monday crash.

#### Outcome:

On October 19, 1987 markets unexpectedly fell in a very short period of time (-22.61% for the DJIA). No clear answer has been found to explain why and how this crash happened. Amongst the factors that have been identified as potential causes of the crash are computer trading failures, market psychology and lack of liquidity.

#### Timeframe:

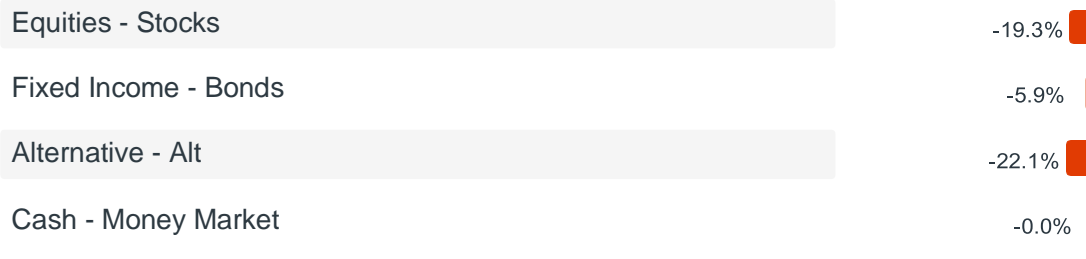
Sep 28, 1987 - Oct 19, 1987

#### Scenario Progress:

0% Complete

Levers	Current	Projected	Change
S&P 500	4016.22	3180.75	-20.8%
10Y UST Yield	3.46%	3.7%	0.24%
12M T-Bill Yield	4.7%	4.84%	0.14%
CPI	6.42%	5.3%	-1.12%
EUR	1.09\$	1.22\$	11.93%
Oil	80.13\$/barrel	71.13\$/barrel	-11.23%
Retail Sales	6.02%	4.22%	-1.8%
Unemployment	3.5%	3.2%	-0.3%
US GDP Growth	1.77%	1.77%	0.0%
USD	101.65(Index Value)	96.05(Index Value)	-5.51%

### UNM Regents Student-Run Portfolio (\$4.56M)



Current Total = **\$4,555,108.44**    Scenario Total = **\$3,784,253**    Total % = **-16.9 (+/-**

1.21%)

### Regents Student-Run Portfolio (2021) (\$4.94M) †

UNM



Current Total = **\$4,937,352.00**    Scenario Total = **\$3,877,363**    Total % = **-21.5 (+/-**

1.33%)

### Past Crashes: 2011 US Credit Downgraded

#### Description:

This historical scenario covers the time period from July 22 to Oct 3 2011, when political gridlock almost caused a US government default and led to the first downgrade of US debt from AAA, leading to a 19% S&P correction.

#### Outcome:











Contrary to intuition, U.S. Treasuries continued to be a safe haven, even with America's own credit in jeopardy. Yields on both short-term and long term rates went down, and GSE-backed mortgage loan rates followed suit. Consumer spending and sentiment were diminished, perhaps in part by the political infighting accompanying the debt debate.

#### Timeframe:

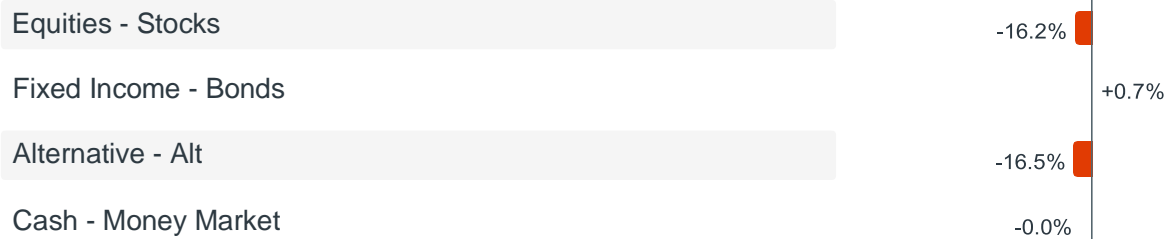
July 22 2011 - Oct 3 2011

Scenario Progress:

0% Complete

Levers	Current	Projected	Change
 S&P 500	4016.22	3373.62	-16.0%
 10Y UST Yield	3.46%	2.86%	-0.6%
 12M T-Bill Yield	4.7%	4.56%	-0.14%
 CPI	6.42%	6.84%	0.42%
 EUR	1.09\$	1.01\$	-7.34%
 Oil	80.13\$/barrel	71.13\$/barrel	-11.23%
 Retail Sales	6.02%	5.3%	-0.72%
 Unemployment	3.5%	3.3%	-0.2%
 US GDP Growth	1.77%	0.87%	-0.9%
 USD	101.65(Index Value)	106.45(Index Value)	4.72%

### UNM Regents Student-Run Portfolio (\$4.56M)



Current Total = **\$4,555,108.44**    Scenario Total = **\$3,931,922**    Total % = **-13.7 (+/- 4.10%)**

### Regents Student-Run Portfolio (2021) (\$4.94M) †

UNM



Current Total = **\$4,937,352.00**    Scenario Total = **\$4,070,395**    Total % = **-17.6 (+/- 1.32%)**

# TAB 15

## #15

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

## **ACTION ITEM RECOMMENDATIONS:**

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

# TAB 16

## #16

Recommendations for Information Agenda Items to be Added to the Full Board of Regents' Agenda (Sandra Begay, Chair, Regents' Finance & Facilities Committee)



## **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 17

**#17**

Executive Session

## **EXECUTIVE SESSION:**

None