

BOARD OF REGENTS

FINANCE & FACILITIES COMMITTEE

MEETING AGENDA

February 17, 2026
9:30 a.m.

UNM SUB Ballroom B



THE UNIVERSITY OF
NEW MEXICO



Regents' Finance and Facilities (F&F) Committee Meeting Agenda

University of New Mexico

Tuesday, February 17, 2026 at 9:30 AM

I. Call to Order & Confirmation of a Quorum

II. Adoption of Agenda

III. Approval of Finance and Facilities Committee Meeting Minutes from December 16, 2025

IV. Highlights from the EVPFA

Presenter: Teresa Costantinidis, Executive Vice President for Finance and Administration

V. Action Item(s):

A. Disposition of Surplus Property-November & December 2025

Presenters: Bruce Cherrin, Chief Procurement Officer & Interim Controller; Marcos Roybal, Associate Director, Financial Services

B. UNM Rainforest Innovations

Presenter: Lisa Kuutila, CEO & Chief Economic Development Officer, Rainforest Innovations

1. Annual Report FY 2024-25

2. Acceptance of the FY 2024-25 Audit

C. Lobo Development Corporation Annual Meeting of the Member

Presenters: Thomas Neale, COO, Lobo Development Corporation; Teresa Costantinidis, CEO, LDC and EVPFA, UNM

1. Summarized Minutes of the February 20, 2025 Meeting

2. Acceptance of the FY 2024-25 Audit

D. Lobo Energy Inc. Annual Meeting of the Member

Presenter: Jason Strauss, President & CEO, Lobo Energy Inc.

1. Summarized Minutes of the February 20, 2025 Meeting

2. Acceptance of the FY 2024-25 Audit

E. Approval of Establishing the Core Fund Quasi Endowment

Presenters: Jeremy Hamlin, Executive Director, University Budget Operations; Kenny Stansbury, University Treasurer, Financial Services

VI. Information Items:

A. Fixed Income Investment Portfolio Presentation

Presenters: Kenny Stansbury, University Treasurer, Financial Services, Max Kotary, Aon Investments

B. Information on Future Approval Request for System Improvement and Refunding

Revenue Bonds UNM Series 2026

Presenter: Vahid Staples, Associate Director, University Budget Operations

VII. Recommendations for Action Items for Full Board of Regents' Consent Docket

VIII. Recommendations for Information Items for Full Board of Regents' Agenda

IX. Adjournment

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Finance and Facilities (F&F) Committee DRAFT Meeting Minutes
December 16, 2025

Committee Members Present:

Regent Bill Payne, Chair
Regent Victor Reyes, Vice Chair

Regent Paul Blanchard

Executive Administration Present: Garnett Stokes, University President; Barbara Rodriguez, Interim Provost and EVP for Academic Affairs; Teresa Costantinidis, EVP for Finance and Administration; Daniel Jones, General Counsel for Office of University Counsel

- I. Call to Order & Confirmation of a Quorum.** Regent Payne called the meeting to order at 9:40 a.m. and confirmed that a quorum was established with Regent Reyes and Regent Blanchard.
- II. Adoption of Agenda.** Regent Reyes moved to adopt the agenda and Regent Payne seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- III. Approval of Finance and Facilities Committee Meeting Minutes from October 21, 2025.** Regents' approval was requested for the Finance and Facilities Committee Meeting Summary from October 21, 2025. The supporting documentation is in the E-book. **Regent Reyes moved to approve, and Regent Blanchard Seconded.**

IV. ACTION ITEMS:

PRESENTATION & DISCUSSION: ITEM A

A. Project Construction Approvals (All Items Above \$2 Million):

- 1. New Construction of the Facility Services Building- 1613 University Boulevard NE - \$14M.** Regents' approval was requested for New Construction of the Facility Services Building- 1613 University Boulevard NE. Tabia Murray Allred gave the presentation. The total estimated project budget is \$14M. The supporting documentation is in the E-book.
- 2. Tow Diehm Athletic Facility Student Athlete Space Re-Approval - \$7.5M.** Regents' re-approval was requested for Tow Diehm Athletic Facility Student Athlete Space. Tabia Murray Allred gave the presentation. The total estimated project budget is \$7.5M. The supporting documentation is in the E-book.
- 3. Humanities Building #081 Demolition Re-Approval - \$6.9M.** Regents' re-approval was requested for Humanities Building #081 Demolition. Tabia Murray Allred gave the presentation. The total estimated project budget is \$6.9M. The supporting documentation is in the E-book.

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

MATERIALS ONLY – NO PRESENTATIONS: ITEMS B, C & D

B. Approval of UNM Disposition of Surplus Property- October 2025 (not for Full BOR approval). Regents' approval was requested for the disposition of surplus property from October 2025. Items listed in the E-book are either obsolete or beyond repair. The supporting documentation is in the E-book.
Regent Reyes moved to approve, and Regent Blanchard seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

C. Project Construction Approvals (All Items Below \$2 Million):

1. **Center for Environmental Research, Informatics, & the Arts- Cryogenics Lab Renovation Phase 2 - \$360k.** Regents' approval was requested for the Center for Environmental Research, Informatics, & the Arts- Cryogenics Lab Renovation Phase 2. The total estimated project budget is \$360k. The supporting documentation is in the E-book.
2. **Zimmerman Library- Convert Graduate Commons - \$462k.** Regents' approval was requested for Zimmerman Library- Convert Graduate Commons. The total estimated project budget is \$462k. The supporting documentation is in the E-book.
3. **Scholes Hall- Roberts Room Refresh - \$944k.** Regents' approval was requested for Scholes Hall- Roberts Room Refresh. The total estimated project budget is \$944k. The supporting documentation is in the E-book.

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

D. Approval of Board Appointment to UNM Rainforest Innovations Board of Directors. Regents' approval was requested for the Board Appointment of Terry Dunlay to UNM Rainforest Innovations Board of Directors. The supporting documentation is in the E-book. **Regent Reyes moved to approve, and Regent Blanchard seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

V. INFORMATION ITEMS:

PRESENTATION AND DISCUSSION: ITEMS A, B, C & D

- A. **Quarterly Regents Financial Report.** Susan Rhymer gave the presentation. The supporting documentation is in the E-book.
- B. **UNM Sustainability Strategic Plan.** Shawna Wolfe and Anne Jakle gave the presentation. The supporting documentation is in the E-book.
- C. **Cash and Investment Advisory Report.** Kenny Stansbury gave the presentation. The supporting documentation is in the E-book.
- D. **Regents Endowment Overview.** Jeremy Hamlin and Nadina Paisano gave the presentation. The supporting documentation is in the E-book.

MATERIALS ONLY – NO PRESENTATIONS: ITEM E

- E. **Revisions to the Consolidated Investment Fund (CIF) Investment Policy.**

VI. RECOMMENDATIONS FOR ACTION ITEMS FOR FULL BOARD OF REGENTS' CONSENT DOCKET

- A. **Recommendations for Action Items for full Board of Regents' consent docket.** Regent Payne recommended agenda items IV. A: 1-3 with presentation and IV C and D with no presentation be placed on the Full Board of Regents' consent agenda. **Regent Blanchard moved to approve, and Regent Reyes seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

VII. RECOMMENDATIONS FOR INFORMATION ITEMS FOR FULL BOARD OF REGENTS' AGENDA

A. Recommendations for information items for full Board of Regents' agenda. Regent Payne recommended agenda items V. A-E with no presentation be placed on the Full Board of Regents' consent agenda. **Regent Blanchard moved to approve, and Regent Reyes seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

VIII. ADJOURNMENT

Adjourned at 10:17 a.m.



OFFICE OF THE
EXECUTIVE VICE PRESIDENT FOR
FINANCE & ADMINISTRATION

MONTHLY HIGHLIGHTS

PRESENTED BY
TERESA COSTANTINIDIS
EXECUTIVE VICE PRESIDENT





AGENDA

INTRODUCTION OF NEW
LEADERSHIP

FINANCIAL OUTLOOK
& BUDGET PERSPECTIVE

DATA & INFORMATION: 2021 – 2025

ADMINISTRATION SPOTLIGHT:
KEY UPDATES

CLOSING REMARKS &
APPRECIATION

WELCOME TO THE TEAM

2/17/26

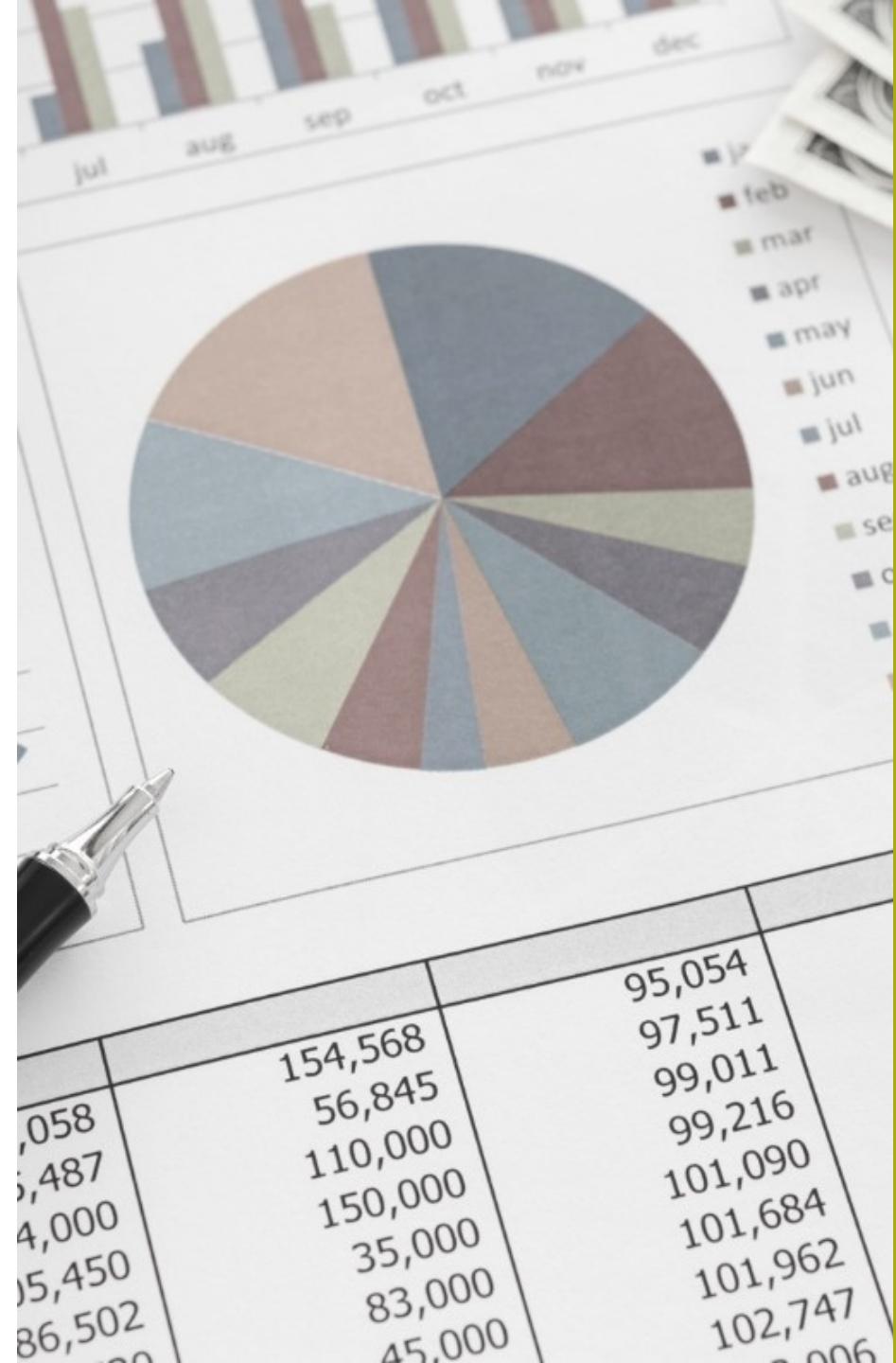


ANDREW JACOBSON

University Controller

KEY HIGHLIGHTS

- **Midpoint of FY26:** University financial outlook remains stable
- Mid-year reviews and updated projections underway to inform the Budget Adjustment Request (BAR) due May 1, 2026
- BAR will be presented to the Board of Regents alongside the FY27 original budget in May
- Budget Leadership Team is more than halfway through scheduled meetings for the academic year
- **Ongoing work includes:**
 - Budget priorities and long-term planning discussions
 - Review of Student Fee Review Board recommendations received in December
 - Monitoring executive and legislative FY27 budget recommendations
- Key FY27 planning assumptions, including tuition, fees and compensation, will be presented to the Regents for approval in March





EVPFA STAFF & UNM STUDENTS COUNTS

2021 – 2025

ALL CAMPUSES

Year	EVPFA Staff	Total Students
2021	1,040	25,012
2022	1,087	25,485
2023	1,116	26,411
2024	1,153	26,657
2025	1,166	27,859

Source: UNM Office of Institutional Analytics (Fact Book, Official Enrollment Reports, and HSC-Specific Data)

EV PFA 2040 PRIORITIES

2025-26

Goal 1: Advance New Mexico

1. Large Language Model/Generative AI Strategy

Goal 4: Sustainability

2. Secure Campus
3. Campus Safety Partnership Initiative
4. Administrative Overhead and Institutional Contributions
5. Culture of Safety
6. Foundational Skills Training
7. Reduce Violence on Campus & Increase Awareness and Effectiveness of CMPD
8. ERP Implementation Project
9. University Stadium and South Campus Plan

Goal 5: One University

10. Directory Consolidation





- Sustainability Strategic Plan
- Water Savings Project
- Green Building Progress (All-Electric + LEED)
- Construction of the New UNM Police Facility

INSTITUTIONAL SUPPORT SERVICES (ISS)

SUSTAINABILITY STRATEGIC PLAN

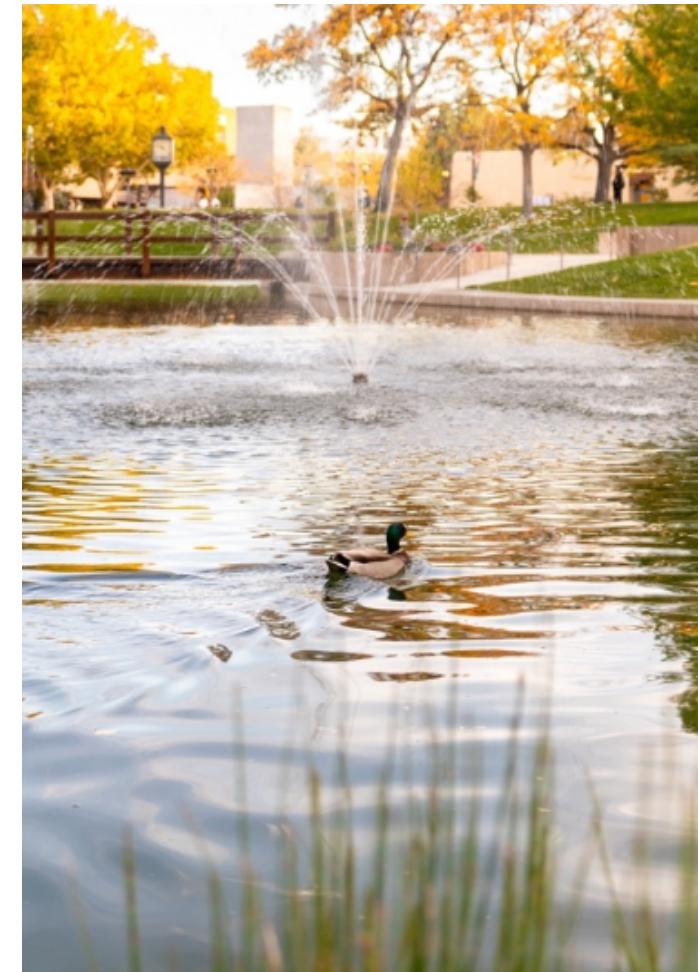
- Sustainability Strategic Plan developed through an institution-wide, stakeholder-driven process
- Integrates climate responsibility, equity, student engagement and the academic mission
- Provides a clear, actionable roadmap for UNM's future
- Student leadership, including the Sustainability Corps, is central to implementation
- Reinforces sustainability as both an operational commitment and a learning opportunity
- Positions UNM as a living laboratory for sustainability in an arid state, with impact beyond campus



INSTITUTIONAL SUPPORT SERVICES (ISS)

WATER SAVINGS PROJECT *(14.3 million gallons annually)*

- Sustainability commitment is already delivering measurable results
- **UNM saves 14.3 million gallons of water annually** through targeted conservation projects
- Water stewardship in New Mexico is both a fiscal and moral responsibility
- Demonstrates operational excellence with measurable impact



INSTITUTIONAL SUPPORT SERVICES (ISS)

GREEN BUILDING PROGRESS *(All-Electric + LEED)*

- Advancing all-electric and LEED-aligned building standards
- Signaling a long-term shift away from fossil-fuel dependency
- Buildings reflect institutional priorities and long-term values
- Investments reinforce resilience, efficiency and future readiness



UNM POLICE DEPARTMENT

CONSTRUCTION OF THE NEW UNM POLICE DEPARTMENT HEADQUARTERS

- New UNM Police facility marks a shift in campus safety, security and belonging
- Purpose-built, accessible location increases visibility and security
- Reframes campus policing around community connection and trust
- Community room supports transparency, engagement and shared responsibility for student safety



THANK YOU





PURCHASING DEPARTMENT – DISPOSITION OF SURPLUS PROPERTY

NOVEMBER & DECEMBER 2025

Surplus Property Disposition - November 2025

Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
N00032555	HSC CIO Office	Server/PowerEdge R710	Dell	8/23/2011	\$46,175.72	\$0.00	Obsolete
167540	Earth and Planetary Sciences Dept	MILL DUAL ION	Gatan	1/1/1984	\$35,345.00	\$0.00	Beyond Repair
252378	Mailing Shipping & Receiving	Box Truck	Ford	9/26/2001	\$24,649.00	\$0.00	Too Costly to Repair
266012	Mechanical Engineering	LATHE	Strategic	5/13/2004	\$23,995.00	\$0.00	Obsolete
N00025743	SOE Mechanical Engr Administration	Dimension BST 3-D Printer	Dimension	5/28/2010	\$21,700.00	\$0.00	Obsolete
N00029474	Neurosciences	Chiller	Lydall	3/17/2011	\$18,655.67	\$0.00	Obsolete
N00017396	Admissions Office	Vehicle	Ford 2008 Ford	9/4/2008	\$17,791.00	\$0.00	Too Costly to Repair
N00004911	UNM Copy Center	MV Passenger	Ford	8/2/2005	\$17,725.00	\$0.00	Obsolete
N00056497	Safety and Risk Services Gen Admin	Vehicle/2016GemE4S	Polaris	5/17/2016	\$16,874.00	\$0.00	Too Costly to Repair
N00032720	Mailing Shipping & Receiving	Vehicle/E250 Cargo Van	Ford	9/6/2011	\$16,620.00	\$0.00	Too Costly to Repair
260365	Mailing Shipping & Receiving	MV VAN	Dodge	4/3/2003	\$16,590.00	\$0.00	Too Costly to Repair
260366	Mailing Shipping & Receiving	MV VAN	Dodge	4/3/2003	\$16,590.00	\$0.00	Too Costly to Repair
254655	Mailing Shipping & Receiving	MV VAN	Dodge	3/28/2002	\$16,490.00	\$0.00	Too Costly to Repair
254657	Mailing Shipping & Receiving	MV VAN	Dodge	3/28/2002	\$16,490.00	\$0.00	Too Costly to Repair
N00022768	KUNM	Server Unit	Xraid	9/22/2009	\$16,342.00	\$0.00	Obsolete
N00025946	Mailing Shipping & Receiving	Vehicle	Chevrolet	6/16/2010	\$15,850.00	\$0.00	Too Costly to Repair
N00015308	Shipping & Receiving	Van	Chevrolet 2008	3/13/2008	\$15,112.00	\$0.00	Too Costly to Repair
N00048406	KUNM Programming	DataStorageUnit/SATAActiveRAID	ActiveStor	9/25/2014	\$14,586.00	\$0.00	Obsolete
154199	Mechanical Engineering	MILLING MACHINE	Lagun	1/1/1982	\$14,540.00	\$0.00	Obsolete
N00058168	Safety and Risk Services Gen Admin	Vehicle/2016GemE2	Polaris	8/12/2016	\$12,506.00	\$0.00	Too Costly to Repair
N00025807	HSC CIO Office	Power Vault Rack 15 Bay	Dell	6/3/2010	\$12,470.50	\$0.00	Obsolete
N00041085	HSC CIO Office	Server/PowerEdge R720	Dell	5/25/2013	\$12,326.85	\$0.00	Obsolete
N00041086	HSC CIO Office	Server/PowerEdge R720	Dell	5/25/2013	\$12,326.85	\$0.00	Obsolete
N00055489	HSC CIO Office	Server/PowerEdgeR630	Dell	3/11/2016	\$12,218.57	\$0.00	Obsolete
225206	Mechanical Engineering	INJECTION SYSTEM	Minipuls	3/14/1997	\$11,300.00	\$0.00	Obsolete
N00019945	SOE Mechanical Engr Administration	PCNC Bench Top Machine Mill	Tormach	3/3/2009	\$10,981.60	\$0.00	Obsolete
154201	Mechanical Engineering	LATHE	Clausing	1/1/1982	\$9,094.00	\$0.00	Obsolete
Total Asset Disposition (#)						27	
Total Capitalization (\$)						\$475,344.76	
Total Net Book Value (\$)						\$0.00	

Surplus Property Disposition - December 2025

Asset Tag	Department	Description	Manufacturer	Purchased	Total Cost (\$)	NBV (\$)	Disposal Method
N00011641	UNM Copy Center	Paper Cutter	LithoSuppl	5/14/2007	\$9,897.00	\$0.00	Too Costly to Repair
240551	Chemistry Department	COOLER	FTSSys	2/22/2000	\$7,995.00	\$0.00	Too Costly to Repair
N00030643	Center for High Tech Materials CHTM	Server	Dell	6/1/2011	\$7,589.40	\$0.00	Obsolete
N00030644	Center for High Tech Materials CHTM	Server	Dell	6/1/2011	\$7,589.40	\$0.00	Obsolete
N00028015	CHTM PI #14	Comuputer	Dell	10/19/2010	\$6,034.84	\$0.00	Beyond Repair
N00058956	Valencia Dean of Instruction Admin	SmartBoard/SPNL4084	SMART Interactive Flat Panel 84	10/24/2016	\$5,931.70	\$0.00	Obsolete
N00058962	Valencia Dean of Instruction Admin	SmartBoard	SMART Interactive Flat Panel 84	10/24/2016	\$5,931.70	\$0.00	Obsolete
<i>Total Asset Disposition (#)</i>							7
<i>Total Capitalization (\$)</i>							\$50,969.04
<i>Total Net Book Value (\$)</i>							\$0.00



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

ANNUAL REPORT TO UNM REGENTS

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

February 17, 2026

OUTLINE

- ❖ UNM Rainforest Innovations Board, Staff, and Interns
- ❖ FY 2025 Accomplishments
 - Technology Transfer
 - University-Based Economic Development
- ❖ FY 2025 Data, Income Analysis & Forecast
- ❖ FY 2024 Peer Institution Comparison Report
- ❖ FY 2025 Audit Results

PRESIDENT'S REPORT FY 2025

UNM Rainforest Innovations
Board, Staff, and Interns

UNM RAINFOREST INNOVATIONS BOARD OF DIRECTORS



Ms. Sandra Begay
Chair, UNM RI Board of Directors



Dr. Donna Riley
Vice Chair, UNM RI Board of Directors



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



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



Mr. Michael F. Buehler



Dr. Bryce Chackerman



Ms. Teresa Costantinidis



Dr. Ellen Fisher



Dr. Robert Fisher



Mr. David Foster



Mr. David W. Gibson



Dr. Donald Godwin



Mr. Riis Gonzales



Ms. Linda Griego



Ms. Maria Griego-Raby



Dr. Richard Luarkie



Dr. Gregg L. Mayer



Mr. Robert Nath



Dr. David L. Perkins



Dr. Hengameh Raissy



Dr. Michael Richards



Dr. Barbara Rodriguez



Mr. Alex O. Romero



Dr. Alton Romig, Jr.



Dr. Christina Salas



Dr. Garnett S. Stokes



Mr. Charles Wellborn



Ms. Patricia Williams

STAFF ORGANIZATIONAL CHART



UNM RAINFOREST INNOVATIONS STAFF SERVICE

*Employees and their UNM
Rainforest Innovations
service anniversary dates*

Lisa Kuuttila	<i>June 2003 (22 years)</i>
Cara Michaliszyn	<i>May 2006* (19 years)</i>
Arlene Mirabal	<i>June 2013 (12 years)</i>
Matthew Davis	<i>June 2013* (12 years)</i>
Amber Ortega	<i>August 2015 (10 years)</i>
Savanah Romero	<i>May 2016* (9 years)</i>
Cecilia Pacheco	<i>April 2017* (8 years)</i>
Alex Roerick	<i>April 2017* (8 years)</i>
Jessica Peabody	<i>May 2018* (7 years)</i>
Hannah Russert	<i>September 2018* (7 years)</i>
Gregg Banninger	<i>May 2019 (6 years)</i>
Larissa Cardenas	<i>April 2021 (4 years)</i>
H. Brian Mirabal	<i>November 2021 (~4.5 years)</i>
Sally Frye	<i>February 2022 (~3.5 years)</i>
Kelli Monnheimer	<i>November 2023 (~1.5 years)</i>

** includes employment as student intern*

UNM RAINFOREST INNOVATIONS STUDENT INTERNS

FY 2025 Q1-Q4

CURRENT:

- ❖ **Aliah Gibbs** (College of Arts & Sciences)
 - Working on BS in Sociology & Political Science
- ❖ **Audrey Lane** (College of Arts & Sciences)
 - Working on BS in Psychology, Minor in Biology
- ❖ **Trung Le** (School of Engineering)
 - Working on MS in Mechanical Engineering
- ❖ **Kameron Otero** (College of Arts & Sciences)
 - Working on BS in English & Int'l Studies, Minor in Spanish
- ❖ **Hannah Smith** (Anderson School of Management)
 - Working on MS in Project Management (MSPM)
- ❖ **Geneva Stanton** (School of Engineering)
 - Working on BS in Mechanical Engineering
- ❖ **Joshua Zamora-Griego** (Anderson School of Management)
 - Working on BS in Marketing Management, Honors

FORMER:

- ❖ **Marlin Thomas** (College of Arts & Sciences, School of Music)
 - Working on MS in Music, Tuba Performance & Wind Band Conducting
- ❖ **Natasha Somoza** (College of Arts & Sciences)
 - Working on BS in Psychology, Minor in Art
- ❖ **Anna Borders** (College of Arts & Sciences)
 - Working on BS in International Studies & Languages, Minor in Political Science & Honors
- ❖ **Joshua Salas** (School of Engineering)
 - Working on BS in Computer Engineering, Minor in Math
- ❖ **Athina Dimitriadis** (Anderson School of Management)
 - Working on MS in Project Management (MSPM)
- ❖ **Bronston Leach** (Anderson School of Management)
 - Working on BS in Accounting

UNM RAINFOREST INNOVATIONS STUDENT INTERNS

Where are they now?

- ❖ Since 2002, 180+ UNM students have been a part of the student intern program
- ❖ Out of 180 interns, approx. 46% remain in New Mexico *(note: unable to confirm location for 16% of former interns)*
- ❖ 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), and Sandia National Labs
 - Elizabeth Champion, Bernalillo County
 - Monique Chavez, Gonzalez Law Firm & Southwest CannEvents LLC
 - Athena Christodoulou, Uدورامي (local start-up)
 - Isaac Estrada, Nguyen Tarbit IP Law
 - Mark Horlbeck, SANS Institute
 - Sierra Hunter, US Air Force
 - Kameron Kramer, Lw 4 Small Business
 - Dorian (McKenzie) Rader, OneTen Capital
 - Amy Patterson, Sandia National Labs
 - Paulina San Millian, Intersect Illinois
 - Shari King, Albuquerque Public Schools
 - Andrew Pascoe, U.S. Department of Defense
 - Michael Sanchez, General Dynamics
 - Rachel Timmins, Tonkon Torp LLP
 - Nikolas Torres, Sandia National Labs
 - Kymbra Williams, UNM
- Julia Wise, NM SBA, LANL
- Nick Wolf, Wolf Patent Services
- Ergin Yildiz, Citizens Bank
- Laura Meurer, Leidos
- Jenn Tran, Sandia National Labs
- Zachary Binger, LANL
- Yoojin Park, PNM Resources
- Jessica Moose, Sandia National Labs
- Max Preissler, Raytheon Missiles & Defense
- Christian Slough, Vamos Ventures
- Jason Belvin, Sandia National Labs
- Meghan (Garvey) Gutierrez, Freelance Digital Marketing
- Bhavya Wingert, Kearney
- John Casaus-Padilla, McCarthy Building Companies
- Brady Spears, LANL
- Ariana Nava, Ag West Farm Credit
- Pranil Sangroula, UNM Anderson
- Lauren Bailey, Oak Ridge National Laboratory
- Matthew Drum, Cedars Consulting Group
- Athina Dimitriadis, A.O. Thiras Volleyball Team

Staff who were interns:

- ❖ Cara Michalisyn
- ❖ Cecilia Bcenti
- ❖ Matthew Davis
- ❖ Jessica Morgan
- ❖ Savanah Romero
- ❖ Hannah Russert
- ❖ Alex Roerick

PRESIDENT'S REPORT FY 2025

FY 2025 ACCOMPLISHMENTS

TECHNOLOGY TRANSFER

METRICS

TECHNOLOGY TRANSFER

Metrics

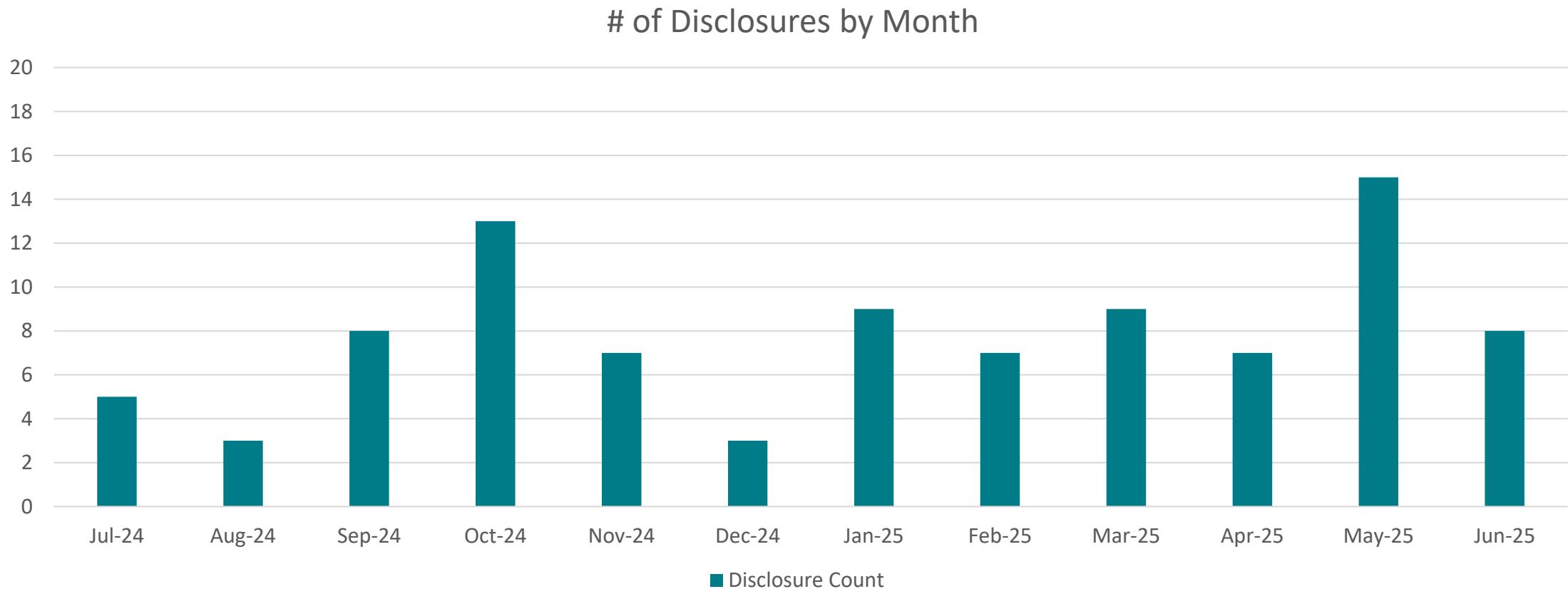
	FY 2022	FY 2023	FY 2024	FY 2025 (Goal)	FY 2025 Q1-Q4 (Actual)	% of Goal
Disclosures	94	78	92	85	94	111%
New U.S. Patent Applications Filed	56	54	70	---	63	---
Issued U.S. Patents	45	31	33	---	46	---
Option/License Agreements	41	38	44	40	44	110%
Start-up Companies	8	8	7	8	7	88%
Patent Expenses						
• Licensee Initiated	\$354,390	\$421,164	\$469,955	\$620,000	\$592,129	102%
• UNM Rainforest Innovations Initiated	\$895,306	\$925,711	\$1,041,819	\$580,000	\$975,667	157%
License Revenues	\$5,588,614	\$1,214,759	\$3,786,081	\$1,737,000	\$1,258,634	71%
Patent Cost Reimbursement Revenues	\$354,390	\$421,164	\$469,955	\$580,000	\$592,129	102%
Combined License & Patent Cost Reimbursement Revenues	\$5,943,004	\$1,635,923	\$4,256,036	\$2,317,000	\$1,850,763	80%
Total Revenues (excludes funding from UNM)	\$6,336,075	\$2,134,471	\$5,762,741	\$6,129,250	\$6,325,423	103%

TECHNOLOGY TRANSFER

SUPPORTING UNM

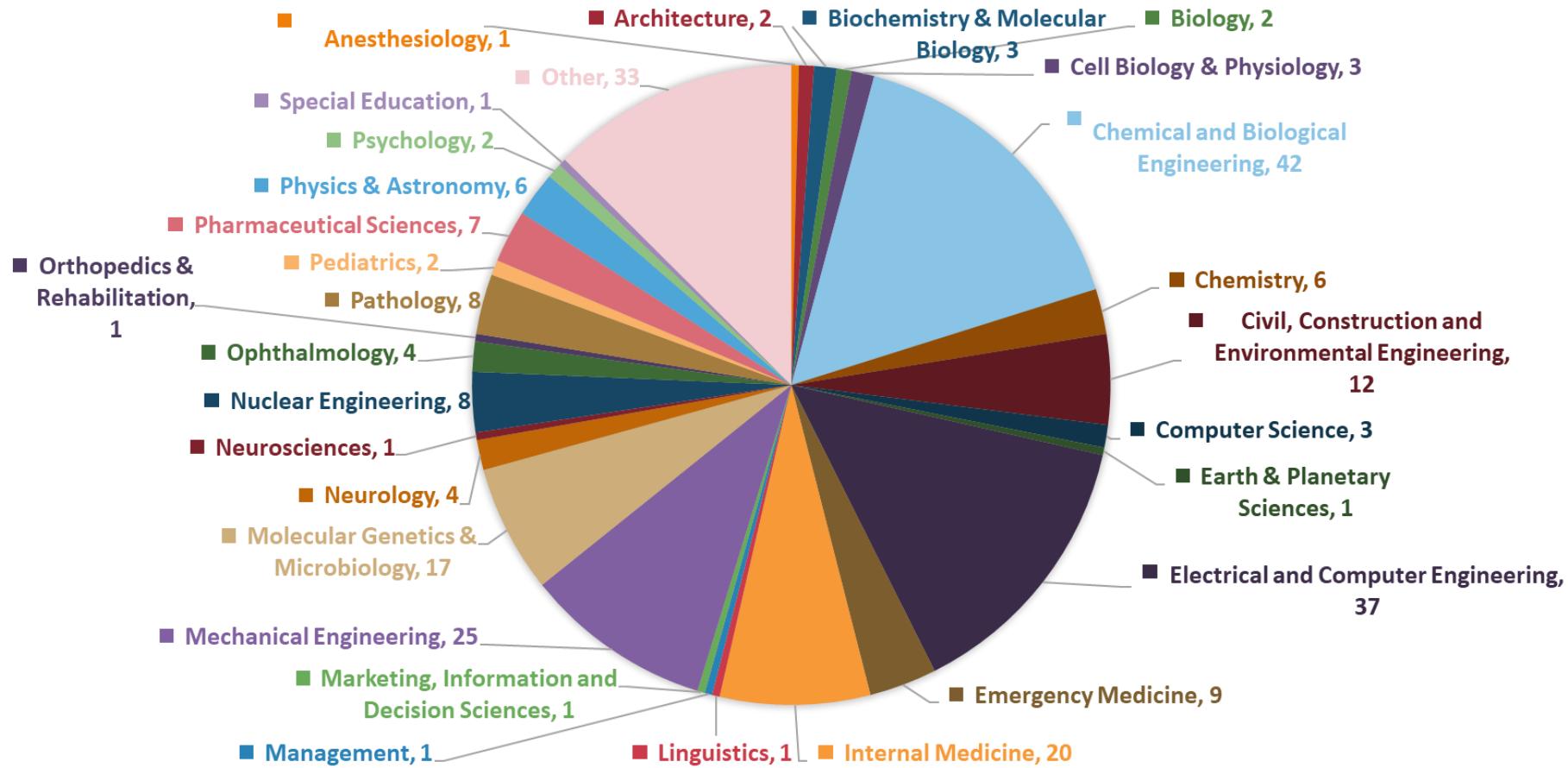
UNMRI DISCLOSURES ANALYSIS

FY 2025 Disclosures by Month



UNMRI DISCLOSURES ANALYSIS

Disclosures by UNM Department FY 2023-2025



SUPPORTING UNM

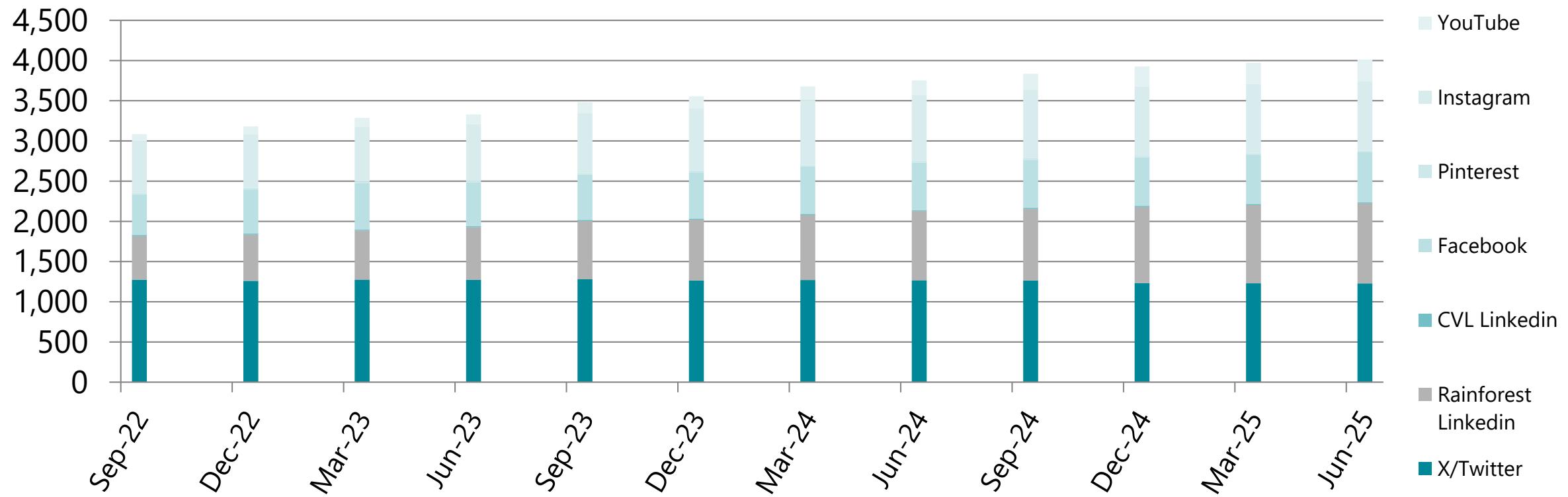
Marketing Response Rate – FY2021 – FY2025 Comparison

	FY2021	FY2022	FY2023	FY2024	FY2025
All Interactions	12.14%	13.30%	15.40%	13.68%	10.92%
E-Mail Campaigns & Targeted E-Mails	5.93%	6.43%	6.22%	5.14%	4.85%

SUPPORTING UNM

UNM Rainforest Innovations Social Media Activities

Followers of @unminnovations



SUPPORTING UNM

Website Update – UNMRI Commercialization Graphic



SUPPORTING UNM

Website Update - Artificial Intelligence (AI) Disclaimer

- ❖ Added pop-up cautioning inventors on submitting novel aspects of their invention into Artificial Intelligence systems.

ATTENTION INVENTORS!

X

Artificial Intelligence (AI) Disclaimer: Do not input any proprietary or confidential information, including new invention disclosures or novel aspects of your idea to generate grant proposals, or other similar information into AI systems. Information submitted into AI systems may be regarded as a public disclosure. Examples of AI systems include, but are not limited to, ChatGPT, Gemini, and Grok.

SUPPORTING UNM

UNM Health Sciences & Main Campus Research Collaboration Seed Grant Pilot

- ❖ UNM Rainforest Innovations is providing a funding source to further support research collaboration efforts at UNM and encourage investigators from the University of New Mexico Main Campus and Health Sciences to work together on advancing research that may lead to invention disclosures.
 - \$250,000 is available to award 10 proposals up to \$25,000 each.
 - Intended to fund early-stage research that supports investigators to develop concepts for joint campus proposals.
 - Proposals must include at least 1 Primary Investigator (PI) from UNM Main Campus and 1 PI from UNM Health Sciences.
 - Accepted proposals from April 20-May 20, 2024.
 - **Awardees Final Summary Report due September 1, 2025.**
- ❖ Proposals were reviewed by Co-Investment Committee Members:
 - Chuck Wellborn, Bob Nath, Gregg Mayer, John Stichman, Lisa Kuutila

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UNM Health Sciences & Main Campus Research Collaboration Seed Grant

- ❖ 19 proposal received; 10 awardees were selected:
 1. Establishing a MALDI-TOF Mass Spectrometry-based Analytical Method for Diagnosing Degradation of Li-ion Batteries – *project extension through December 31, 2025 approved*
 - Dongchang Chen, PhD, Assistant Professor, Department of Chemistry
 - Changjian (Jim) Feng, PhD, Professor & Assistant Dean for Basic Science Research, Department of Pharmaceutical Sciences
 2. Validating the effectiveness of exercise training on regulating glycemic control while decreasing inflammation using HMGB1 as a biomarker in patients with Type 2 Diabetes Mellitus
 - Flavio de Castro Magalhaes, PhD, Assistant Professor, Department of Health, Exercise, & Sports Science
 - Roberto Ivan Mota Alvidrez, MD, MS, FAHA, Physician Scientist, Assistant Professor & KL2 Scholar, Department of Pharmaceutical Sciences
 3. Acoustic Standing Waves with Precisely Positioned Surfaces for Isolation of Nanoplastics
 - Steven Graves, PhD, Professor & Associate Dean for Research & Innovation, Department of Chemical & Biological Engineering
 - Matt Campen, PhD, MSPH, Regent's Professor & Director, Department of Pharmaceutical Sciences
 4. Dry Powder Generation using Microsystems Vibrating Mesh Atomizer – *project extension through December 31, 2025 approved*
 - Nathan Jackson, PhD, Associate Professor & Director, Department of Mechanical Engineering
 - Pavan Muttal, PhD, Associate Professor & Chair, Department of Pharmaceutical Sciences
 5. Controlling cellular behavior using heterochiral DNAzymes
 - Matthew Lakin, PhD, Assistant Professor, Department of Computer Science
 - Diane Lidke, PhD, Associate Professor, Department of Pathology

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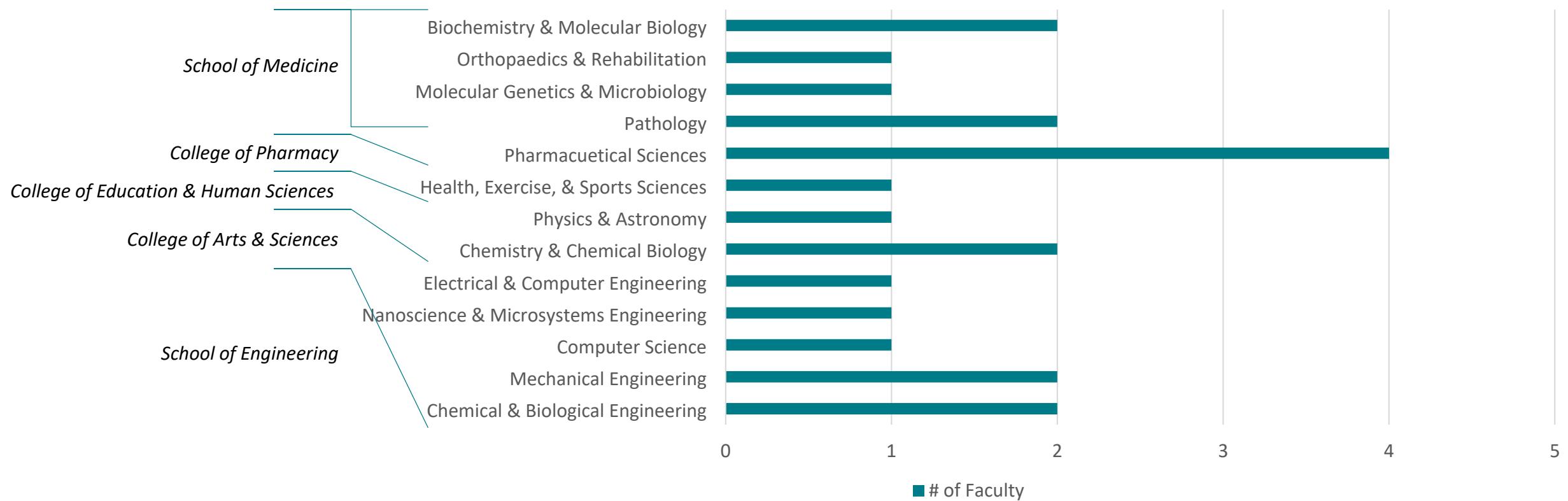
UNM Health Sciences & Main Campus Research Collaboration Seed Grant

- ❖ 19 proposal received; 10 awardees were selected (continued):
 - 6. Rapid, Culture-free Optical Discrimination of Fungal Pathogens during Acute Infection
 - Aaron Neumann, PhD, Associate Professor, Department of Pathology
 - Keith Lidke, PhD, Professor, Department of Physics & Astronomy
 - 7. Structural Study of the Interaction between SARS-CoV-2 Protein ORF3a and Host protein VPS39
 - Jing Pu, PhD, Assistant Professor, Department of Molecular Genetics & Microbiology
 - Jun-yong Choe, PhD, Associate Professor, Department of Chemistry & Chemical Biology
 - 8. Dynamic Prosthetic Interface Biking Mount for Transfemoral Amputees: A Biomechanical Study
 - Christina Salas, PhD, Associate Professor, Department of Mechanical Engineering
 - Selina Silva, MD, Associate Professor & Board-Certified Orthopaedic Surgeon, Department of Orthopaedics & Rehabilitation
 - 9. Advancing Drug Discovery for Obesity: A Federated Generative Adversarial Network Approach
 - Xiang Sun, PhD, Assistant Professor, Department of Electrical & Computer Engineering
 - Xing Zhang, PhD, Research Assistant Professor, Department of Biochemistry & Molecular Biology
 - 10. Nanoparticle-mediated Targeted Iron Chelation Therapy for Colorectal Cancer – *project extension through December 31, 2025 approved*
 - Xiang Xue, PhD, Associate Professor, Department of Biochemistry & Molecular Biology
 - Achraf Noureddine, PhD, Research Assistant Professor, Department of Chemical & Biological Engineering

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UNM Health Sciences & Main Campus Research Collaboration Seed Grant

Faculty by Department



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UNM Gap Funding Program - Submitted Proposals - FY 2025

- ❖ Received 15 proposals
- ❖ Total request: \$347,340
- ❖ Proposals from:
 - 10 Main Campus
 - 5 HSC
- ❖ Committee Reviewed and Selected Awardees on October 24, 2024

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UNM Gap Funding Program - Submitted Proposals - FY 2025

Proposal Title	PI Name(s)	Campus
Forensic Anthropology Database	Soraya Abad-Mota Heather Edgar	Main
Diode-Pumped Cryogenic Optical Refrigerator	Alexander Albrecht	Main
Packaging & Marketing MyAccessibleHome App Suite	Suzanne Burns	HSC
Treating Dysbiosis-Induced Excessive Weight Gain with Community-Based Bacteriophage	Amanda Carroll Portillo Henry Lin	HSC
Fiber-Optics-based Spectroscopic Diagnosis & Prognosis for Batteries Operating Under Extreme Conditions	Dongchang Chen	Main
BowelSense: A Smart Toilet Attachment for Gastrointestinal Health Monitoring	Ahmed Eltelbany Swathi Paleti	HSC
Reversible Electrochemical Mirror using Cation Conducting Membranes	Fernando Garzon	Main
Integrated Fuel Cell & Combustion System	Fernando Garzon	Main
From Greenhouse Gas to Sustainable Building Material: Mineralizing Carbon Dioxide into Eco-Friendly Cool Roof Coatings	Sungjin Kim	Main
XafetyKar	Bryan Medina De La Paz	Main
Low-Cost Efficient Wireless Intelligent Sensors (LEWIS) Sonars for Long-term Deployment and Monitoring Outdoors	Fernando Moreu	Main
Formulation of an Asteroid Simulant for the Characterization of Mechanical Properties with Applications in Asteroid Deflection Technology and Mining	Madura Pathirage Maryam Hojati	Main
Laminar-resolved Real-time Task- and Resting-state fMRI of Sensory Processing using Multi-Band Echo-Volumar Imaging at 7 Tesla	Stefan Posse	HSC
Zinctec Energy: Enhanced Resilience in Grid-Scale Batteries with Materials and Systems for Safer Energy Storage	Shuya Wei	Main
Block of Histamine H3 Receptors Reduces Chronic Orofacial Pain	Karin Westlund High	HSC

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UNM Gap Funding Program – Awardees – FY 2025

PI Name	Proposal Title	School/Department	Funds Awarded
Dongchang Chen, PhD, Assistant Professor	Fiber-Optics-based Spectroscopic Diagnosis & Prognosis for Batteries Operating Under Extreme Conditions	School of Arts & Sciences: Department of Chemistry & Chemical Biology	\$25,000
Sungjin Kim, PhD, Assistant Professor	From Greenhouse Gas to Sustainable Building Material: Mineralizing Carbon Dioxide into Eco-Friendly Cool Roof Coating	School of Engineering: Department of Chemical & Biological Engineering	\$25,000
Fernando Moreu, PhD, Associate Professor	Low-Cost Efficient Wireless Intelligent Sensors (LEWIS) Sonars for Long-term Deployment and Monitoring Outdoors	School of Engineering: Department of Civil, Construction, and Environmental Engineering	\$25,000
Karin Westlund High, PhD, Distinguished Professor & Vice Chair for Research	Block of Histamine H3 Receptors Reduces Chronic Orofacial Pain	School of Medicine: Department of Anesthesiology & Critical Care Medicine	\$25,000

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UNM Gap Funding Program – Optioned/License to Startups

❖ Highlights from past awardees:

- **A Transformative Approach to Capture Carbon Dioxide Directly in a Flow Metal-air Battery by Shuya Wei:** Gap funding enabled the team to address the technical challenges to manufacture the battery at a large scale. The team we partnered with Techlab, an accelerator program based on the University of Michigan, for analysis of the technology in the carbon capture space. These advancements provided critical data, catalyzing further investment and customer acquisition. [Licensed by startup, Zenthos Energy, Inc. \(formerly Flow Aluminum\).](#)
- **Spray Drying of Essential Oil-Based Larvicides by Ivy Hurwitz:** Gap funding allowed for the demonstration that spray drying is a viable solution to support mass larvicide production for commercialization. These advantages resulted in a better ability to upscale production and increase the shelf life of the spray-dried material. [Licensed by startup, YEEO Eco Safe, Inc.](#)
- **Virus-Like Particle (VLP)-Based Vaccines Against Inflammasomes in Various Inflammatory Diseases Including Alzheimer's Disease by Bryce Chackerian:** Gap funding was applied for purchasing surgical supplies, animals and reagents necessary for all analyses to test the efficacy of the ASC-VLP vaccine in tauopathy mice. [Optioned by startup, Kondor Pharma, Inc.](#)
- **PICA – Prosthetic Implant for CMC Arthritis by Nathan Morrell:** The gap funding is being utilized to conduct further implant testing required for FDA approval pathways. Data reports collected form the proposed testing will be incorporated into a deliverable suitable for journal publication. The team has also collected separate funds from the NM EDD Research University Team Pilot Program. [Optioned by startup, Sandia Medical Technologies.](#)
- **Colorimetric Ionizing Radiation Detector by Fernando Garzon and Kannan Ramaiyan:** Through this project, UNM researchers evaluated the potential mechanism for the UV sensing material and how to quantify the UV dosage exposure. Additionally, a variety of dye molecules were tested to gain better color contrast upon UV irradiation. [Optioned by startup, Sun Safe Technology, LLC.](#)

- ❖ 51 total gap fund awarded projects (including this round)*
- ❖ 26 awarded projects were option/licensed by startups

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Rainforest Accelerator

- ❖ Assist teams of UNM faculty or students to go outside of their laboratories and into the marketplace
- ❖ Learn first-hand about entrepreneurship while going through the market discovery process
- ❖ Receive \$3,000 of funding and paired with a mentor

- ❖ Spring 2025 program took place on Mondays, February 3 – March 24, 2025, 4:00pm-5:00pm

- ❖ Next program is scheduled for fall 2025 – Mondays, September 22-November 10, 2025

- ❖ More information is at: <https://innovations.unm.edu/program-activities/rainforest-accelerator/>.

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Rainforest Accelerator

- ❖ Projects developed during the spring 2025 cohort included:
 - XafetyKar – an automated human or pet detection system inside a vehicle
 - Antibacterial Deep Wound Healing Medical Patch – an antimicrobial, deep wound healing medical patch designed to have strong antimicrobial properties and promote faster wound healing
 - Smartfacturing – developing methods to enhance the productivity and reduce the downtime of equipment by using sensors to gather and interpret data
 - Maynes – Universal Hand-Gesture Robotics Software
 - CHTM EMI Shields – a multifunctional device that blocks radiofrequency (RF) waves and detects infrared (IR) radiation
 - RxEd – a patient medical education software program used to provide patient medical education on demand
 - Sandia Data Technologies – a software that utilizes user uploaded information, database listings and matchmaking algorithms to facilitate trade between businesses



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E-Newsletters FY 2025 Q4

Indigenous Entrepreneurs Podcast

The Indigenous Entrepreneurs podcast aims to tell the story of the Entrepreneur's Journey, specifically that of the indigenous entrepreneur, through candid conversations featuring successful indigenous entrepreneurs.

Bringing Economic Empowerment & Language Revitalization to San Juan County with Anthony Chee Emerson

Tribal Entrepreneurship Enhancement Program

INTERVIEW WITH:
Anthony Chee Emerson
Artist and Founder, Ma"ii Productions LLC

In this episode, Anthony Chee Emerson, Artist and Founder of [Ma"ii Productions, LLC](#), shares his journey as a successful artist eventually leading him to starting his own media and production company. His mission is to preserve and promote the Navajo culture and language through art, animated characters, and various story lines.

[Listen on Spotify](#)
[Watch on YouTube](#)



UNM Rainforest Innovations Celebrates 30 Years of Innovation



This year marks the 30th anniversary of UNM Rainforest Innovations (UNMRI), founded in 1995 as a nonprofit to protect technologies developed at the University of New Mexico and facilitate the transfer of these innovations to the marketplace. Initially launched with just two staff members, it has grown into a highly successful technology-transfer and economic-development program. Today, UNMRI's team of business, science, and legal professionals work together to commercialize technology, foster an entrepreneurial ecosystem, and protect intellectual property.

Since 2012, UNMRI has spearheaded the University of New Mexico's economic development initiatives, adopting the Rainforest model to build a sustainable innovation economy in New Mexico. This framework led to the creation of Innovate ABQ and the Lobo Rainforest Building, both of which are now cornerstones of Albuquerque's research and innovation district.

UNMRI Received 12 U.S. Issued Patents for Invention, Feb., Mar.

[Hackathon, April 11](#)
[Advanced Award Pitch, attend](#)
[Innovation April 29](#)
[Podcast](#)

UNM Ranks on Top 100 Worldwide Universities Granted Utility Patents in 2024

The University of New Mexico (UNM) has ranked #93 on the Top 100 Worldwide Universities Granted Utility Patents in 2024, a list published by the National Academy of Inventors (NAI). Released annually by the Academy since 2013, the Top 100 Worldwide Universities List ranks the top universities holding U.S. utility patents to highlight the important research and innovation taking place within academic institutions.

"The Top 100 Worldwide list showcases the vital role U.S. patents play in moving technologies from bench to marketplace at academic institutions around the globe," said Dr. Paul R. Sanberg, FNAI, President of the National Academy of Inventors. "By recognizing and celebrating this crucial step in the commercialization process, we aim to highlight how intellectual property can benefit inventors and their institutions, as well as encourage them to pursue commercializing technologies that can have beneficial societal and economic impacts."



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2025 UNM Rainforest Innovations Calendar

January



Jane Lehr, PhD

February



Matthew Campen, PhD, MSPH

March



Dongchang Chen, PhD

April



Judy Cannon, PhD

May



Nick Carroll, PhD

June



Nathan Morell, MD

July



Maryam Hojati, PhD

August



Christos Argyropoulos MD,
MS, PhD, FASN

September



Sungjin Kim, PhD

October



Ahmed Telbany, MD, MPH

November



Adam Hecht, PhD

December



Suzanne Burns, PhD, OTR/L



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National Academy of Inventors Fellow Nominees FY 2025

- ❖ UNM RI nominated two inventors for the National Academy of Inventor Fellows Award and one inventor as a Member Institution Champion for Hispanic Heritage Month.



Mahmoud R. Taha, Ph.D.
Nominated for NAI Fellow Award



Angela Wandinger-Ness, Ph.D.
Nominated for NAI Fellow Award



Gabriel Lopez, Ph.D.
Nominated for NAI Hispanic Heritage Month

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National Academy of Inventors Fellow



- ❖ **Angela Wandinger-Ness Ph.D.**
*Emerita Distinguished Professor, Department of Pathology
University of New Mexico Health Sciences Center*
- ❖ NAI Fellowship is the highest professional distinction awarded solely to inventors whose innovations are making significant tangible societal and economic impacts today and will well into the future.
- ❖ Dr. Wandinger-Ness' expertise is in protein biochemistry, molecular biology, and cancer biology, with a primarily focus on studying Rab and Rho-family GTPases, exploring their roles in disease pathology and their potential as therapeutic targets.
- ❖ [Press release](#)

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UNM Rainforest Innovation Fellow



“Dear Lisa, I want to thank you and all of your staff for making last night special for everyone who was recognized. I appreciate the honor and all the contributions Rainforest has made to the project.” – Laurie Hudson

- ❖ **2025 Innovation Fellow: Laurie G. Hudson, Ph.D.**
*UNM Regents Professor, Pharmaceutical Sciences
Cellular & Molecular Oncology, UNM Comprehensive Cancer Center*
- ❖ Research focuses on different aspects of cancer biology, including the contributions of environmental metals to cancer and novel therapeutics for ovarian cancer.
- ❖ **2025 Innovation Awards** was held on April 29, 5:00 – 7:30 p.m. at the Lobo Rainforest Building

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Rainforest Innovation Fellows - Protecting Intellectual Property Videos

- ❖ UNM Rainforest Innovation Fellow videos on ***The Importance of Disclosing Inventions and Protecting Intellectual Property***



[WATCH HERE](#)



[WATCH HERE](#)



[WATCH HERE](#)



[WATCH HERE](#)

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National Academy of Inventors Ranking

- ❖ UNM makes list of top 100 worldwide universities with largest number of issued US patents.
- ❖ Recognized by National Academy of Inventors (NAI) and the Intellectual Property Owners Association (IPO)
- ❖ In 2024, ranked 93 worldwide and 53 in the U.S.



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UNM HSC Strategic Plan

- ❖ Certificate to recognize service
to the UNM HSC Strategic Plan

Certificate of Appreciation

for dedicated service in calendar year 2024 to the

Connection to Industry Subteam of the
Workforce Development Strategic
Priority Team of the Health Sciences
Center Strategic Plan

to

Elizabeth Kuuttila

Presented on the 4th day of March, 2025



Akshay Sood, MD, MPH, Interim Director of Health Sciences Center Faculty Academic Affairs

SUPPORTING UNM

World Intellectual Property Day

- ❖ April 26 is World IP Day
- ❖ The Congressional Inventions Project threw a party to celebrate it on April 29
- ❖ First established by the World IP Organization in 2000 to raise awareness about the role that intellectual property plays in fostering innovation and creativity.



TECHNOLOGY TRANSFER

START-UP SUPPORT

START-UP SUPPORT

Cecchi VentureLab Activities FY 2025 Q1-Q4

UNM | Rainforest
Innovations

Joseph L. Cecchi
VENTURE LAB

❖ CVL Program Participants

- The CVL provided services to 12 companies (6 physical tenants and 6 virtual program participants) in FY 2025 Q1-Q4.
- Physical Tenants
 - Active (4): Maverick Scholar/ADTI; Zenthalos Energy (formerly Flow Aluminum, Inc.); Raven Indigenous Capital Partner; OAM Photonics
 - Inactive (2): LANL-Feynman; Integrated Offgrid
- Co-Working/Virtual Program Participants
 - Active (5): Verus Research; ShearIT; TheraVac Biologics; Sun Safe Technology; Integrated Offgrid
 - Inactive (1): Enthentica
- Prospective Participants
 - Envision Community Capital, Ventura Prototypes, Noble Spaces, NMexus

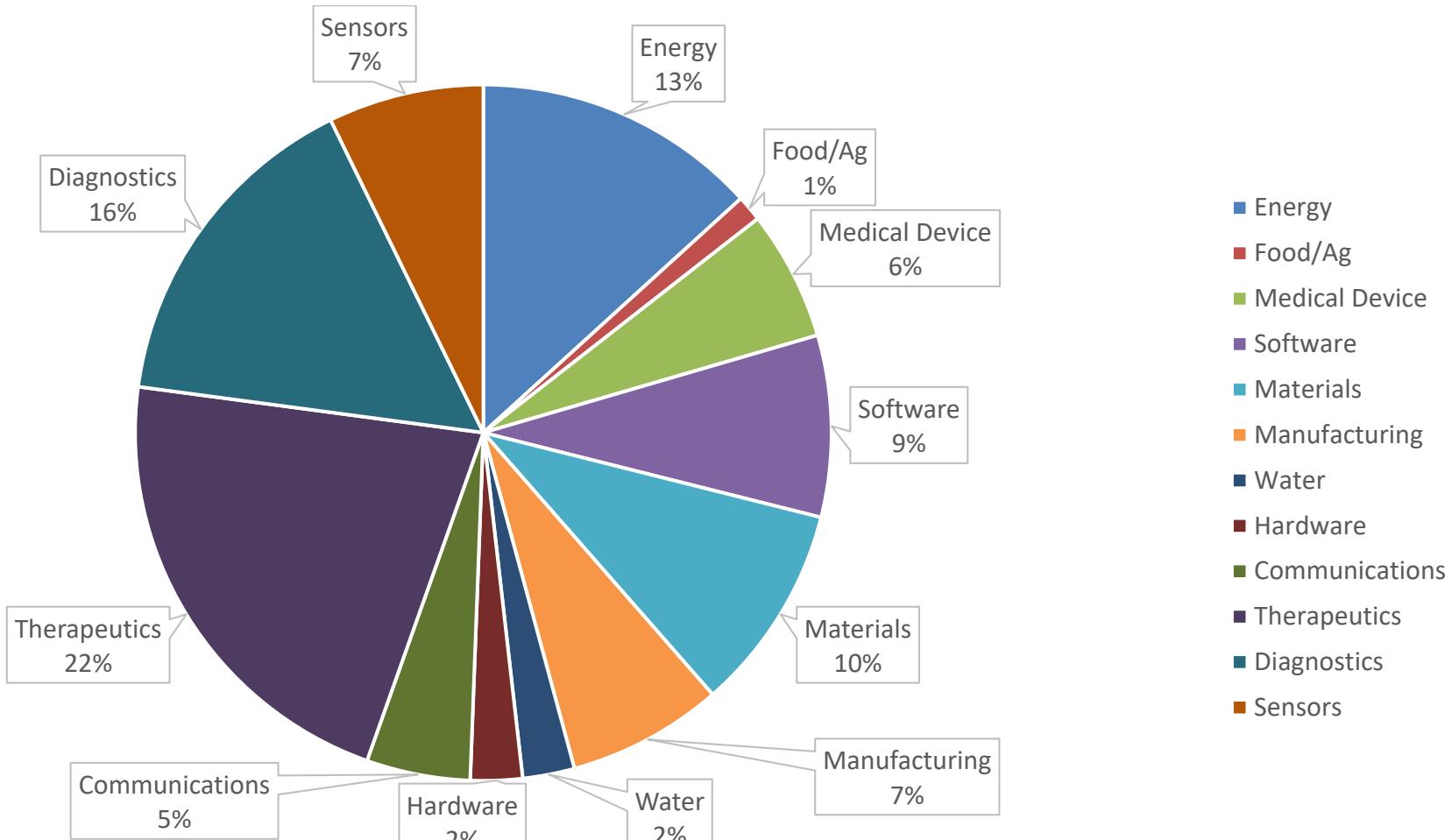
START-UP SUPPORT

New Start-up Option/Licenses Signed – FY 2025 Q1-Q4

- ❖ Roadrunner Venture Studios
 - Option signed
- ❖ Cerebal Energy, LLC
 - Option signed
- ❖ JusNano, Inc.
 - Option signed
- ❖ Darrow Industries, LLC
 - Option signed
- ❖ Ironiks, Inc.
 - Option signed
- ❖ High Peak Engineering, LLC.
 - Option signed
- ❖ Loren Hillier/LORDYN
 - Option signed

START-UP SUPPORT

Active UNM Start-ups By Industry



START-UP SUPPORT

Innosphere Ventures



- ❖ Joined Innosphere Ventures' University Partner Program (FY 2022)
- ❖ Innosphere Ventures is a Colorado-based incubator and commercialization program that accelerates business success of science and technology-based companies.
- ❖ Activities for FY 2025:
 - 2024 Innosphere Life Sciences Incubator Graduation on December 5, 2024 – 2 UNM teams participated
 - 2025 Innosphere Life Sciences Incubator – currently have 1 team participating (Accessibility NextGen)
 - Mike Freeman served as a “shark” at the 2025 Innovate New Mexico Tech Showcase on March 4, 2025

PRESIDENT'S REPORT FY 2025

UNIVERSITY-BASED ECONOMIC DEVELOPMENT

UNIVERSITY-BASED ECONOMIC DEVELOPMENT

GRANTS

GRANTS

Tribal Entrepreneurship Enhancement Program



Tribal Liaisons

- ❖ Funded by EDA
- ❖ 8 liaisons hired, 1 remain actively involved in the program (funded)
 - Tribal Liaisons pictured to right: **Joseph Toledo**, Smart Tribe 275 & Smash N' Crispy Burger, Jemez Pueblo; **Zachariah Ben**, Owner, Bidii Baby Foods, Shiprock, NM, Navajo Nation; **Heather Gomez**, Owner, Big D's Flooring & Dulce Base Tipi AirBnB, Dulce, NM, Jicarilla Apache Nation; **Mytegia Lee**, Executive Director, Southwest Native Assets Coalition, Manuelito, NM, Navajo Nation; **Scott Tafoya**, Owner, Truth Dancer Leadership Coaching, Albuquerque, NM, Santa Clara Pueblo
- ❖ 635 unique individuals have engaged with the program
- ❖ 205 interviews & discovery sessions conducted to assess needs and barriers
- ❖ 53 intake forms completed by Indigenous Entrepreneurs
- ❖ 167 Meetings with participants and strategic partners
- ❖ 240 Mentoring Sessions/Interactions with 124 unique Indigenous Entrepreneurs
- ❖ 447+ Referrals made to partners and other State and Federally funded resource providers/programs/opportunities
 - Referrals have led clients to other opportunities as well as helped them secure funding and technical assistance from other resource providers
- ❖ 1656+ Connection Points Made (Ecosystem Building, Navigation, Introductions, etc.)
- ❖ 29 Community Engagement & Technical Assistance Events
- ❖ 18 total events in FY2025
- ❖ 107 YouTube and Spotify Podcast Episodes
- ❖ ~40 jobs created or maintained through NMTEEP and by Indigenous Entrepreneurs, the majority located in coal-impacted communities with more anticipated

GRANTS

Entrepreneur Bootcamp for Native American Veterans – 2nd Cohort

- ❖ In September 2024, UNM RI in partnership with Hesperus and UNM Veteran Services held the 2nd cohort for the Entrepreneur Bootcamp for Native American Veterans
 - Participants were from New Mexico, Arizona, & Oklahoma
 - Participants were from various branches of the military service and various tribes
- ❖ Phase 1 was held online where participants earned their Entrepreneurial Capabilities Certificate from the NM Rainforest University Center
 - 18 participants, 10 received ECC
- ❖ Phase 2 was held in-person where participants attended a series of trainings related to starting and growing their businesses
 - 10 participants from Phase 1 made it to Phase 2
- ❖ At the reception held on September 25th, participants pitched their businesses in front of sponsors, classmates, and community members
 - Most businesses were social ventures geared toward serving and improving the veteran's communities
- ❖ Phase 3 includes ongoing mentoring and support from UNM RI and Hesperus



UNM Rainforest Innovations

HESPERUS
nusenda[®]
CREDIT UNION

COMCAST
MILITARY

GRANTS

NMTEEP Transition Plan

- ❖ NMTEEP is in its final quarter of funding from the U.S. Economic Development Administration ARPA grant
- ❖ Tribal Liaisons will transition into other roles with their businesses and other partner organizations to continue to provide support for Native American and tribal entrepreneurs throughout New Mexico
- ❖ Program Manager for NMTEEP will work on transition, reporting, strategic partnerships for continuation of the work, wrapping up the grant and program through June 2025
- ❖ **Showcase and Celebration** to present Discovery Report and celebrate the work and accomplishments of the program and its Tribal Liaisons as held at the Lobo Rainforest on **Thursday, April 24th, 10am-2pm**
- ❖ Collaboration with WESST through events and liaisons
 - Three UNM RI tribal liaisons signed contracts with WESST to work as contractors/consultants for the WESST Santa Fe, Farmington, and Rio Rancho offices.
- ❖ Libraries as Launchpads
 - Creative Startups Libraries as Launchpads applied for the PINON Digital Equity grant. If the grant is received, UNM RI would consult with Libraries as Launchpad to help network and build-off of current relationships with tribal communities
- ❖ Partnership with City of Santa Fe through December 31, 2025
 - UNM RI hired Deborah Torres as the Tribal Liaison for the City of Santa Fe
- ❖ Presentation at the Annual Summit of the Action Collaborative on Education and Workforce Trajectories in Tech



UNIVERSITY-BASED ECONOMIC DEVELOPMENT

PARTNERSHIPS

PARTNERSHIPS

Jointly-owned Inventions - Activity with Sandia, LANL, and Veterans Affairs

	Sandia	LANL	VA
Jointly-owned inventions			
• Active	260	60	59
• Closed	103	14	25
	157	46	34
Number of commercialization agreements	139	30	19
Number in which UNM Rainforest Innovations has taken lead	99	28	17
Number of option and license agreements executed with UNM Rainforest Innovations as lead	42	5	29
Number of option and license agreements executed with partners as lead	6	1	1
Income from option and license agreements with UNM Rainforest Innovations as lead	\$87,093,403 ^(a)	\$336,013	\$960,365
Start-ups from option and license agreements with UNM Rainforest Innovations as lead	11	3	8
Revenues from option and license agreements with partners as lead	\$200,203	\$-0-	\$-0-
Start-ups from option and license agreements with partners as lead	3	-	1

- ❖ Outstanding commercialization agreements (CA): 4 with Sandia, 2 with LANL; additional CAs to be drafted on newly filed IP
- ❖ FY2025 Q1-Q4 newly disclosed inventions:
 - 8 with Sandia, 6 with the VA , 2 with LANL

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

PARTNERSHIPS

Partnership Intermediary Agreement with AFRL through NMT

- ❖ **UNM Rainforest Innovations Members Providing Support For AFRL:**
 - Arlene Young, Director of Commercialization, AFRL PIA Project Manager
 - Hannah Russert, Technology Marketing Manager
 - Innovation Interns
- ❖ **FY 2025 Q1-Q4 Activities:**
 - 7 non-confidential summaries (NCS) drafted/posted
 - 7 technology marketing campaigns prepared
 - Updated Flintbox technology postings to include AFRL PRS docket reference number
 - Exported queries from Sophia for AFRL which included details on inventions, intellectual property information, contacts, companies, marketing interactions, and agreements before the expiration of the Sophia account
 - Reviewed status of provisional patent applications from Sophia query export to compare against related technology summaries posted on Flintbox; made recommendations for technology summaries that should be removed, updated, or added to Flintbox

PARTNERSHIPS

Innovation Academy - Program Data and Activities

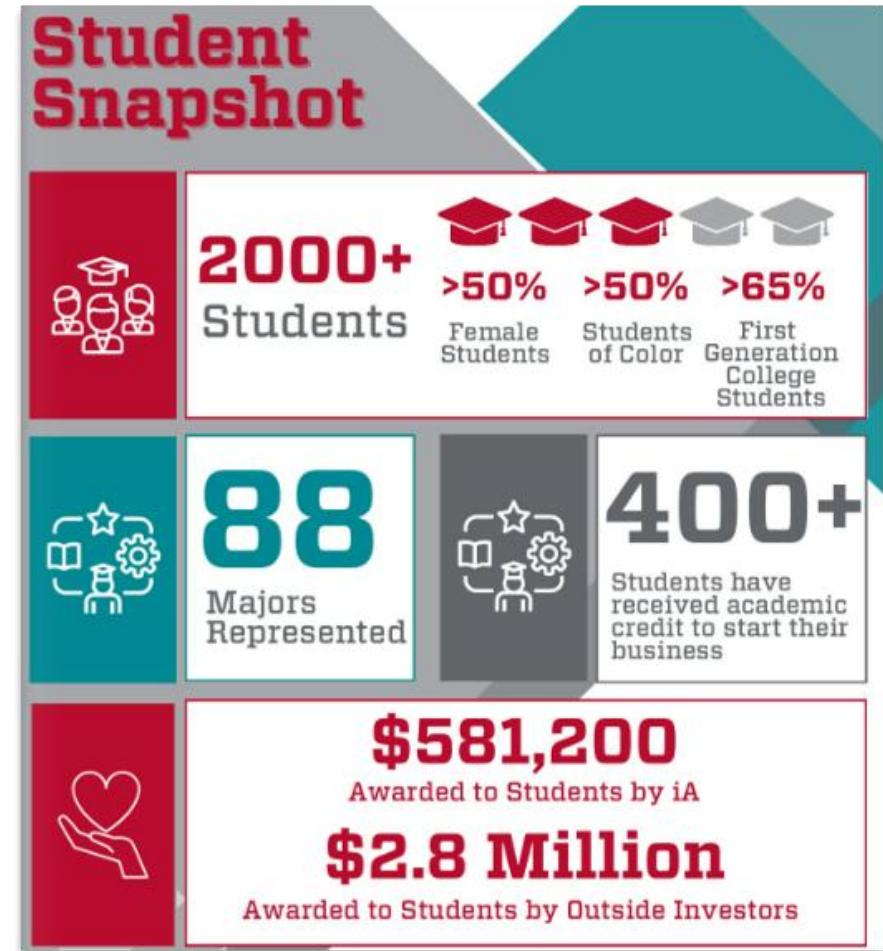


Robert G. DelCampo, Ph.D.

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

Activities

- ❖ Rainforest Pitch Competitions – 21 competitions held since 2015
- ❖ Pitch Deck Competitions – 5 competitions held since 2019
- ❖ UNM Student Innovation Fund
- ❖ Lobo Hackathon



From latest Innovation Academy Impact Report (2023)

PARTNERSHIPS

Innovation Academy – Rainforest Student Pitch Competition

- ❖ Hosted by UNMRI and the UNM Innovation Academy, 19 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
- ❖ Next Rainforest Pitch Competition finals to be held:
November 5, 2025
Bow & Arrow Brewing
<https://innovations.unm.edu/epc/>



PARTNERSHIPS

Innovation Academy

Rainforest Student Pitch Competition April 16, 2025 at Bow & Arrow Brewing

Bank of Albuquerque Audience Choice Winner:
Kiana Alvarez - Roadshow

Judges' Choice Winners:
Myah Rupley – GradGrab
Emmanuel Shepard - Pathora

Finalists:
Gabriel Gurule – Uni-Sync
Charles Aguirre – MedGuard
Gavin Richards – Gamble Quit
Kelly McTeigue – MedAssess Financials
Ryder Cockrell – Instant Tint
Isabella Ugalde – Dorm Talk
Diego Nunez – Aeralytics



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Innovation Academy – 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.
- ❖ <https://innovations.unm.edu/program-activities/2024-pitch-deck-competition/>



Next competition to be held December 4, 2025, 3:30-6:00pm.

PARTNERSHIPS

Innovation Academy – Pitch Deck Competition

Pitch Deck Finals held on December 5, 2024 at the Lobo Rainforest Building.

- ❖ The judging panel included
 - Chris Japp, Managing Partner of Tramway Venture Partners
 - Yeri Lopez, Director of Partnerships of J2 Ventures; and
 - John Stormont, Ph.D., Chief Technology Officer and Founder of TS-Nano, Inc. and Distinguished Professor in the Department of Civil Engineering at UNM.
- ❖ The winners were:
 - First Place (\$10,000 Prize) – CampusCore – Charles Aguirre, Psychology, UNM; Dorian Obisike, Computer Science, UNM; and Evan Widner, Finance, UNM
 - Second Place (\$5,000 Prize) – TerraMind – Elizabeth Kent, Business Administration, UNM
 - Third Place (\$2,500 Prize) – Portal – Gabriel Gurule, Mechanical Engineering, UNM
 - Finalist (\$1,250 Prize) – Mimir – James Michael, Biomedical Engineering, UNM
 - Finalist (\$1,250 Prize) – LoboLocate – Pradip Basnet, Business Administration, UNM and Aayush Kafle, Computer Science, UNM
 - ARID Special Award (\$2,000 Prize) – GreenGro Media- Joshua Zamora-Griego, Business, UNM and Alex Coker, Mechanical Engineering, UNM



PARTNERSHIPS

New Mexico Economic Development Department



- ❖ UNM Rainforest Innovations has a partnership with the New Mexico Economic Development Department for two science and tech pitch and grant opportunities:
 - [University Team Pitch Award Pilot Program](#) (grants between \$100K to \$200K)
 - [Advanced Energy Award Pilot Program](#) (grants between \$250K and \$1M)
- ❖ EDD partnered with UNMRI in May 2024 to deploy award funds and build on our existing and successful pitch deck infrastructure.
- ❖ A second round is expected and selected applicants will present live to determine awardees.
 - 2025 Advanced Energy Pitch event – **April 16, 2025, 9am-11:30am at the Lobo Rainforest**
 - University Team Pitch event – **TBA for next round**

PARTNERSHIPS

New Mexico EDD



- ❖ 2025 Advanced Energy Pitch event – April 16, 2025
- ❖ Awardees included (\$3.36M awarded):
 - Spiritus – \$925,000 for development of direct air capture technology.
 - VastVision – \$925,000 for asset-tracking technology to support infrastructure management.
 - Kilonewton – \$550,000 to expand professional technical services for the renewables and manufacturing sectors.
 - FireEscape – \$500,000 for data-driven wildfire risk mitigation solutions.
 - Carbogenics – \$440,000 for sustainable carbon adsorbents made from hard-to-recycle organic waste.
 - Dash2 Labs – \$10,000 for Generative AI solutions aimed at enhancing operational decision-making.
 - TrollWorks – \$10,000 for biomass conversion technologies focused on biochar and energy generation.



PARTNERSHIPS

2025 Lobo Hackathon



- ❖ Two-day event at the Lobo Rainforest Building
 - **April 10-11, 2025**
- ❖ Teams collaborate on improving or creating an idea
- ❖ Final pitches will be presented to a panel of judges for the chance to win cash prizes
 - prize pool of \$19,000
- ❖ Open to students, faculty, staff, entrepreneurs, and others in the community
- ❖ <https://innovations.unm.edu/program-activities/lobo-hackathon/>

PARTNERSHIPS

2025 Lobo Hackathon



Awardees

- \$5,000 ShredLeash (snowboard safety leashes) – Breanna Barna, Matt Channon
- \$5,000 Movelt! (movement app targeting childhood obesity) – Gabriela Pineda Dominguez, Ivan Pineda Dominguez
- \$2,500 VivaVape (improved vaping technology) – Joshua Zamora-Griego, Jeremy Hammer, Alexander Coker
- \$2,500 Desert Rain (passive rainwater catchment system) – Tony Wallace, Frankie Baca-Lucero, Polly Bungum
- \$1,000 Readable Legislature (app for more assessable and readable legislation) – Calvin Stahoviak, Dayeon Yoo, Ian Tateisi, Peter Nguyen
- \$1,000 IncludeMe (app for adults with disabilities) – Sarah (Hutch) Vermeulen, Yomi Tadfor
- \$500 PantrySage (a food waste prevention app) – Roshan Subedi, Anuj Bhattacharai
- \$500 LoboLibrary (app to unify library services on campus) – Max Lambert, Dmitri Azih
- \$500 Bitez (Food delivery service for students on campuses) – Gabriel Gurule, James Gentry
- \$500 Bite Bank (app that simplifies getting points from fast food orders) – Estevan Romero, Kalyn Chang



Sponsors:

**ANDERSON SCHOOL
OF MANAGEMENT**

**SCHOOL OF
ENGINEERING**

**HEALTH
SCIENCES
CLINICAL & TRANSLATIONAL
SCIENCE CENTER**

**HEALTH
SCIENCES**

RESEARCH

**BERN
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**Rainforest
Innovations**

PARTNERSHIPS

Grow Innovate New Mexico

- ❖ 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)

Save the date for the next
Innovate New Mexico
Technology Showcase:
Tuesday, March 3, 2026

INNOVATE NEW MEXICO®

Discover The State of Innovation



Join us for the 2025 Innovate New Mexico® Technology Showcase! This collaborative 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.

Taking place at the Event Center at Sandia Golf Club, the day will include technology panel sessions, a keynote speaker, start-up companies on display and breaks for networking!

Registration is \$30; space is limited.



March 4, 2025
8:00 am - 5:00 pm



Event Center at Sandia Golf Club
30 Rainbow Rd NE
Albuquerque, NM 87113



Register here:
<https://2025InnovateNewMexico.eventbrite.com>



PARTNERSHIPS

Innovate New Mexico Technology Showcase – March 4, 2025

- ❖ The event featured five panel discussions, a keynote address by Mahmoud R. Taha, PhD, PE, a lunchtime panel on venture capital in New Mexico, and ample networking opportunities during scheduled breaks.
- ❖ View the recording of the event:
<https://www.youtube.com/watch?v=epJGrGCJVmU>



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.
- ❖ FLC provided a sponsorship for the 2023, 2024 and 2025 Innovate New Mexico Showcase

PARTNERSHIPS

Right to Start

- ❖ Right to Start (R2S) wants to expand entrepreneurial opportunity for all.
- ❖ 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
- ❖ Right to Start's CEO and Head of Government Affairs testified on entrepreneurship policies to the New Mexico Legislature's Economic Development and Policy Committee (EDPC) in November 2021, per an invitation from Representative Garratt and Senator Hamblen.
- ❖ R2S Albuquerque Advocate hired - Edgar Solis, Owner, Alma's Salsa
- ❖ R2S presented to the UNMRI board in February 2022 and participated in the 2022 UNM Pitch Deck Competition.
- ❖ R2S participated in the 2022 UNM Business and Economic Summit on October 26, 2022
- ❖ HB 118; Senate Bill 62 – introduced in the 2023 NM legislative session to create an Office of Entrepreneurship
 - Office of Entrepreneurship created within NMEDD's Office of Strategy, Science and Technology
- ❖ Right to Start assisted with July 13, 2023 publication regarding Innovate ABQ on Brookings.
 - <https://www.brookings.edu/articles/how-a-community-innovation-site-is-advancing-entrepreneurship-in-albuquerque/>
- ❖ Op-ed submitted in April 2024
- ❖ Starting in FY25, UNMRI is giving a **Lucky Entrepreneur Coin™** to each newly founded startup company based on University of New Mexico technology.
- ❖ Victor Hwang served as the Keynote Speaker at the 2025 UNM Business & Economic Summit
- ❖ Right to Start launching virtual coalition for New Mexico in 2025
- ❖ Op-ed submitted in January 2025



PARTNERSHIPS

International – KOSEI, LLC

❖ Professional Internship Academy

- Designed for professionals seeking to gain an understanding of the role of a technology transfer office, the program aims to give participants a comprehensive knowledge on the commercialization and management of inventions. During their week-long visit, the group attended lectures on technology transfer, commercialization, marketing and communications, and economic development held by UNMRI staff members.

❖ November 2024 training

- Participants included 6 tech transfer professionals from Tokyo University, Kyoto University, Okayama University Hospital and Campus Create Inc.

❖ January 2025 training

- Hosted a group of 10 students and university professionals from Osaka Metropolitan University (OMU) and Kyushu Institute of Technology.



PARTNERSHIPS

- ❖ NMBIO*
- ❖ New Mexico Angels*
- ❖ Greater Albuquerque Chamber of Commerce
- ❖ New Mexico Tech Council*
- ❖ NMEDD Technology Research Collaborative*
- ❖ New Mexico Chamber of Commerce
- ❖ American Indian Chamber of Commerce of New Mexico
- ❖ New Mexico Bioscience Authority*

*UNM Rainforest Innovations staff is a member of the board.

ECONOMIC DEVELOPMENT

UNM Economic Development Council – FY 2025

- ❖ EDC meetings began on June 26, 2013
- ❖ FY 2025 presenters:

Speaker(s)	Date	Topic
• Max Gruner, Executive Director, City of Albuquerque Economic Development	7/25/2024	Overview of City of Albuquerque's Economic Development Activities
• Rob Black, Cabinet Secretary, New Mexico Economic Development Department	10/31/2024	Overview of NMEDD Activities and Strategies
• Emerson Horace, III, CFO, Navajo Nation Division of Economic Development • Alisha Murphy, Economist, Navajo Nation Division of Economic Development	1/23/2025	Navajo Nation Division of Economic Development
• Johanna Nelson, Director, Office of Economic Development, City of Santa Fe	4/24/2025	City of Santa Fe Economic Development

ECONOMIC DEVELOPMENT

APLU IEP Redesignation for UNM

- ❖ Association of Public and Land-Grant Universities (APLU) has extended UNM's designation as an [Innovation and Economic Prosperity \(IEP\) University](#) – redesignated in 2024
- ❖ Designation first received in 2015.
- ❖ The IEP designation program recognizes institutions that are exemplary in their institution-wide commitment to regional economic engagement. It also helps higher education institutions strengthen their strategy and practices in economic and community development.
- ❖ Winner for IEP Innovation Award



UNIVERSITY-BASED ECONOMIC DEVELOPMENT

EVENTS

EVENTS

Showcases, Seminars, and Office Hours - FY 2025 Q1-Q3

- ❖ Artificial Intelligence for Leaders: A Practical Guide presented by John Boersma – July 25, 2024, Hybrid, 45 attendees, 31 views on YouTube
- ❖ Copyright, Fair Use, and Artificial Intelligence: Rules of the Road presented by Chuck Valauskas – August 30, 2024, 43 attendees
 - In collaboration with UNM School of Architecture
- ❖ Creating a Patent Strategy to Move Your Startup Toward Unicorn Status presented by Steve Sponseller – December 3, 2024, Hybrid, 35 attendees, 37 views on YouTube
- ❖ 2024 Pitch Deck Competition – December 5, 2024
- ❖ Rainforest Forum: How UNM Technologies Find their Start-up Team – December 12, 2024
- ❖ UNM Business & Economic Summit – January 14, 2025
- ❖ Science & Engineering Showcase for Entrepreneurs & Investors – February 5, 2025
- ❖ Innovate New Mexico Technology Showcase – March 4, 2025
- ❖ SCORE Office Hours – July 26 (5 participants), September 27 (6 participants), October 25 (4 participants), November 26 (1 participant), January 31 (1 participant), February 28 (5 participants)

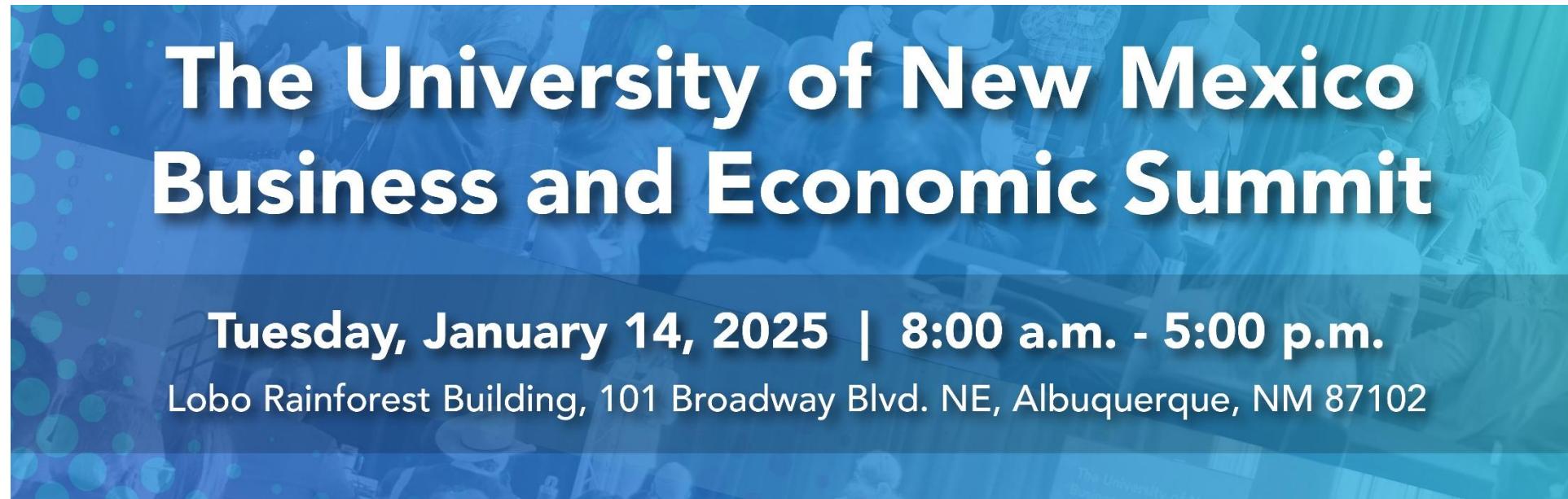
EVENTS

Showcases, Seminars, and Office Hours - FY 2025 Q4

- ❖ 2025 Lobo Hackathon – April 10-11, 2025
- ❖ 2025 New Mexico Advanced Energy Award Pitch – April 16, 2025
- ❖ 2025 spring Rainforest Pitch Competition – April 16, 2025
- ❖ Rainforest Forum: Showcase & Celebration Event - NM Tribal Entrepreneurship Enhancement Program – April 24, 2025
- ❖ SCORE Office Hours – April 25, 2025 (2 participants), May 30, 2025 (5 participants), June 27, 2025 (2 participants)
- ❖ 2025 Innovation Awards – April 29, 2025
- ❖ Life Sciences - Intellectual Property & Patents (Chris Gram) - April 30, 2025
- ❖ Engineering – Intellectual Property & Patents (Jay Kesan& Alfonso Chan) – April 30, 2025

EVENTS

2025 UNM Business and Economic Summit



New Mexico: A National Leader in Entrepreneurship
Keynote: Victor Hwang, Founder, Right to Start

EVENTS

2025 UNM Business and Economic Summit

- ❖ 230 attendees in-person & online
- ❖ Following the UNM President's welcome remarks were seven different panel discussions with leaders, researchers, entrepreneurs, and business owners from across the state.
- ❖ Keynote Speaker – Victor Hwang, Founder & CEO, Right to Start
- ❖ Recordings of the event available at: <https://innovations.unm.edu/unm-business-and-economic-summit/>



EVENTS

Science & Engineering Showcase for Entrepreneurs & Investors

- ❖ On February 5, UNMRI hosted a technology showcase featuring some of the latest technologies from UNM:
 - [Developing New Approaches to Lower Cholesterol and Reduce the Risk of Heart Disease](#)— Bryce Chackerian, PhD, Regents Professor & Vice Chair, Department of Molecular Genetics & Microbiology
 - [Realizing Two-Dimensional Silicon Carbide \(2D SiC\) Nanosheet Electronics](#)— [Sakineh Chabi](#), PhD, Associate Professor, Department of Mechanical Engineering
 - [Low-cost Efficient Wireless Intelligent Sensors \(LEWIS\) for Research](#)— Fernando Moreu, PhD, Department of Civil, Construction, & Environmental Engineering
 - [Accessible Home App Suite](#)— Suzanne Burns, PhD, OTR/L, Associate Professor, Division of Occupational Therapy
 - [Nanobese: Nanosystem to Treat Obesity...Differently](#)— Achraf Noureddine, PhD, Research Assistant Professor, Department of Chemical & Biological Engineering
 - [Oncolytic Myxoma Virus: A Novel Immunotherapy for Cancer](#)— Eric Bartee, PhD, Dana C Wood Endowed Professor, Division of Cancer Immunotherapy
 - [Radioactive Glass Microspheres for Tumor Medical Imaging and Therapy](#)— Nick Carroll, PhD, Associate Professor, Department of Chemical & Biological Engineering
 - [Microsystems-Based Aerosol Generator](#)— Nathan Jackson, PhD, Associate Professor, Department of Mechanical Engineering
 - [Humanized Non-Opioid Composition and Therapies for Pain Management](#)— Karin Westlund High, PhD, Vice Chair of Research & Distinguished Professor, Department of Anesthesiology & Critical Care Medicine



ECONOMIC DEVELOPMENT

INNOVATE ABQ

INNOVATE ABQ

- ❖ Partnership with Lobo Development and UNM Rainforest Innovations
- ❖ Advisory Board Meetings – No FY2025 meetings
- ❖ Executive Committee Meetings
- ❖ Master Plan Completed
- ❖ Negotiations underway with developer
- ❖ UNMRI Board Members donated funding for Conceptual Placemaking and Visualization Package developed by Dekker

FY 2025 UNM RAINFOREST INNOVATIONS

FY 2025 Data, Income Analysis & Forecast

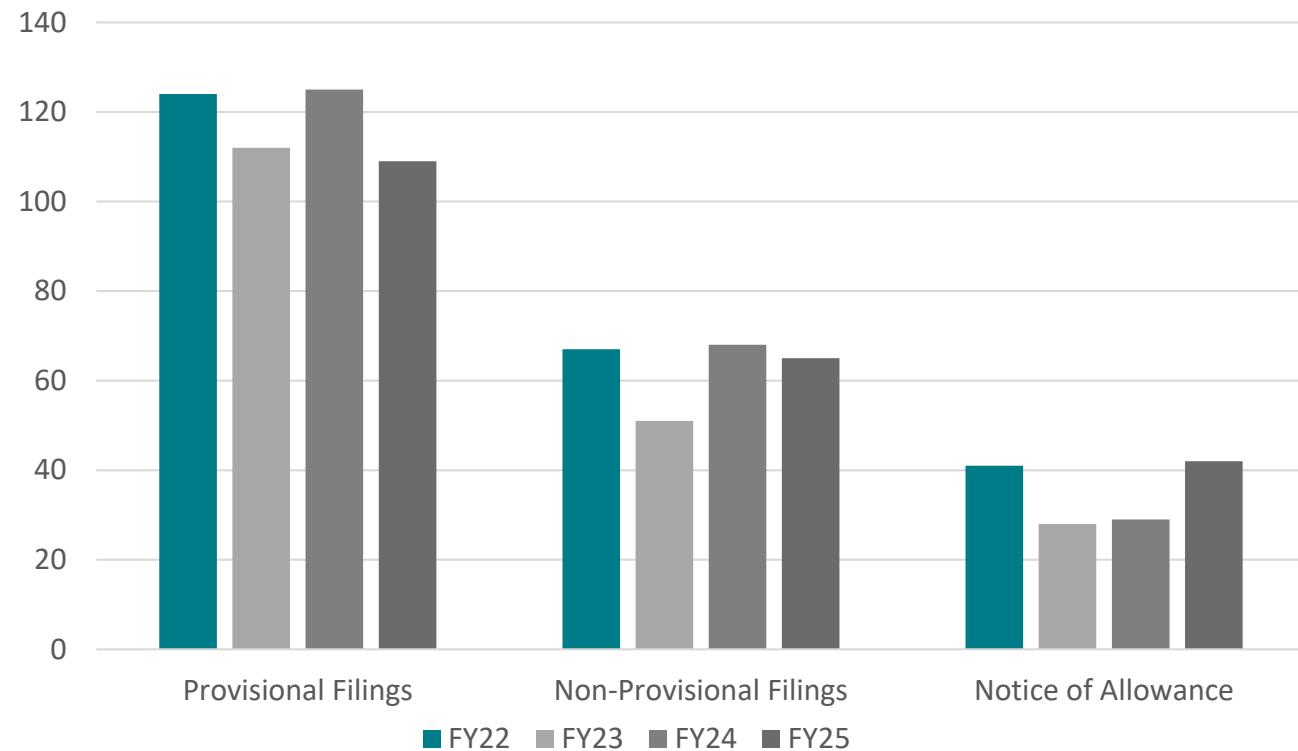
DATA, INCOME ANALYSIS, & FORECAST

❖ FY 2025 Data

- UNM Rainforest Innovations filed first-time patent applications on 48 of the 94 UNM patent disclosures in FY 2025 (51% in FY 2025 vs. 65% in FY 2024)
- UNM Rainforest Innovations generated \$388,750 of new (agreements) license revenues in FY 2025, representing 31% of total license revenues (vs. \$253,756 of new revenues in FY 2024– 7% of total)
- Of the 94 total disclosures (patents & copyrights) received in FY 2025, representing 71 unique lead inventors, 35 were first-time inventors (50% in FY 2025 vs. 32% in FY 2024 and 30% in FY 2023)

PATENT ANALYSIS

Trends in Patent Activity



	FY22	FY23	FY24	FY25
Provisional Filings	124	112	125	109
Non-Provisional Filings	67	51	68	65
Notice of Allowance	41	28	29	42

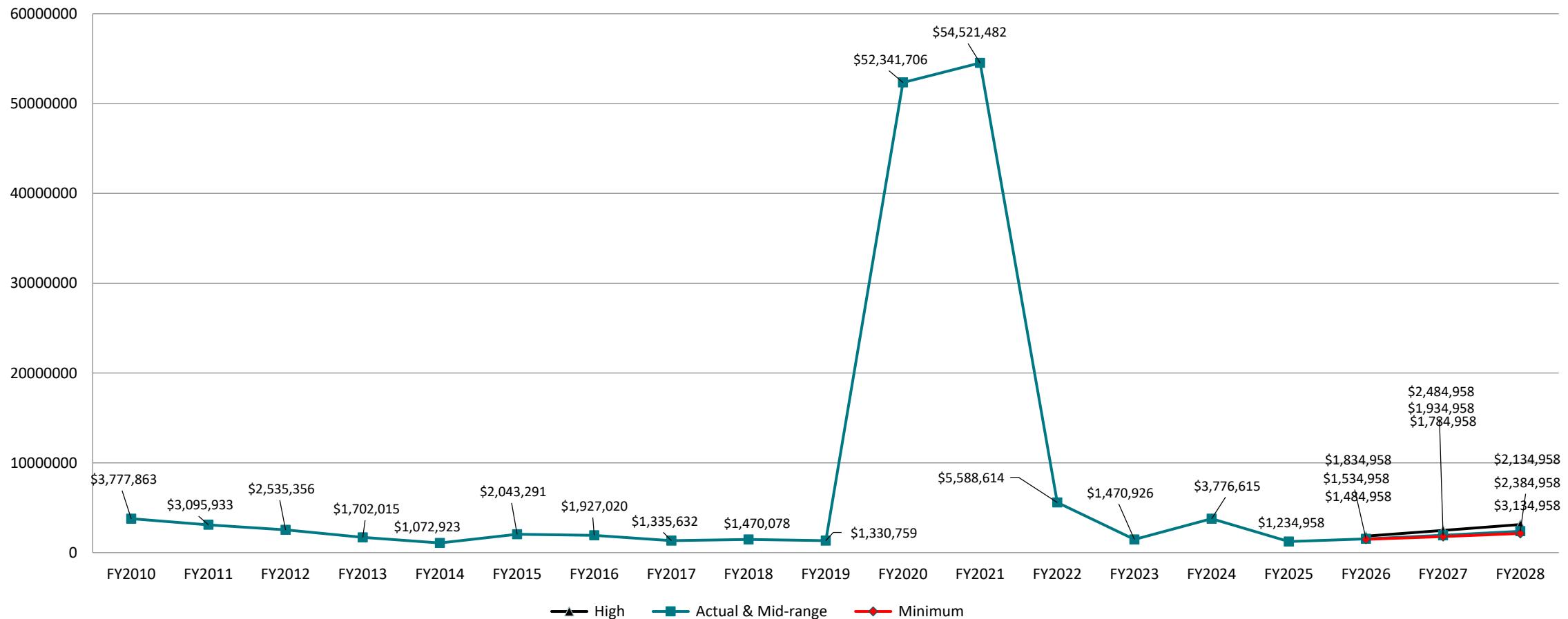
DATA, INCOME ANALYSIS, & FORECAST

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

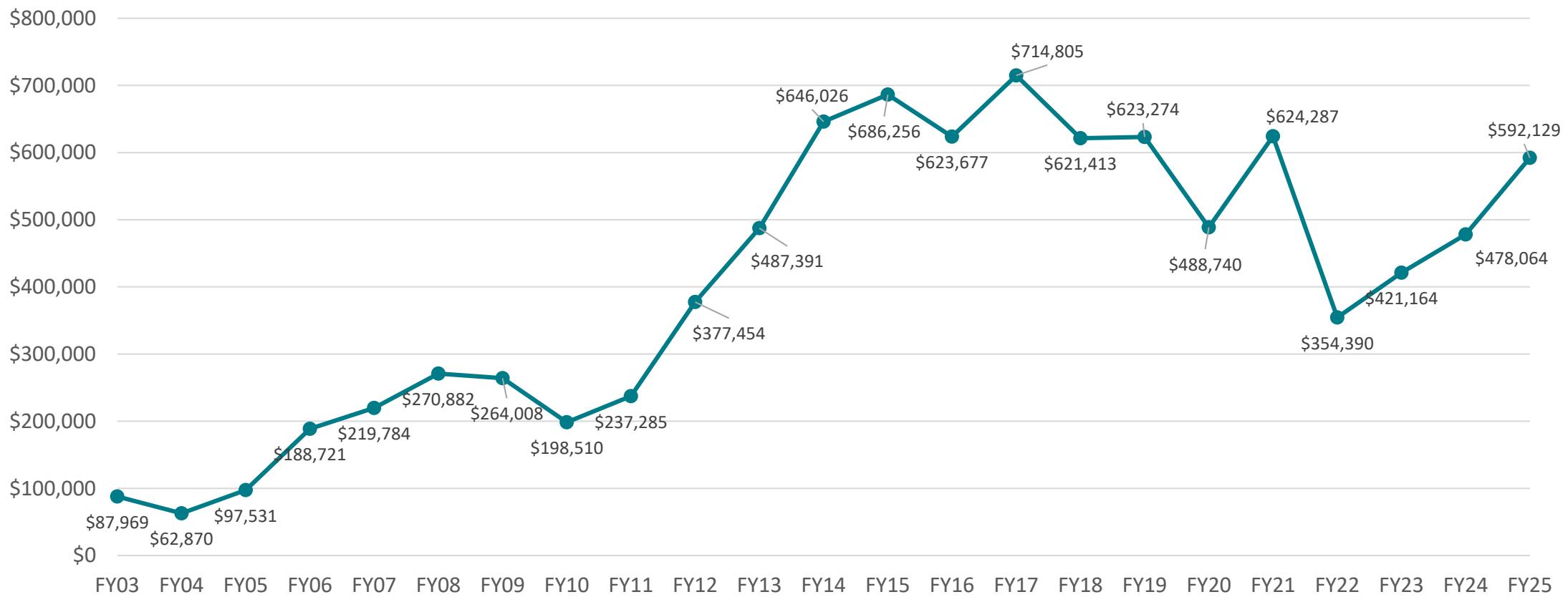
- ❖ Minimum numbers for FY2026 through FY2028 represent minimum fees and payments from existing licenses.
- ❖ FY2026 mid-level represents approx. \$300,000 of new license income. FY2026 upper end represents \$600,000 of new license income.
- ❖ FY2027 mid-level represents \$400,000 of new license income and/or minimums from deals closed in FY2026. FY2026 upper end represents \$650,000 of new license income and/or minimums from deals closed in FY2026.
- ❖ FY2028 mid-level represents \$450,000 of new license income and/or minimums from deals closed in FY2026 and FY2027. FY2028 upper end represents \$650,000 of new license income and/or minimums from deals closed in FY2026 and FY2027.
- ❖ No equity liquidations included.
- ❖ No forecasted terminations of agreements included.
- ❖ No unknown substantial earned royalties forecasted.

LICENSE REVENUES

Updated 3-year Forecast

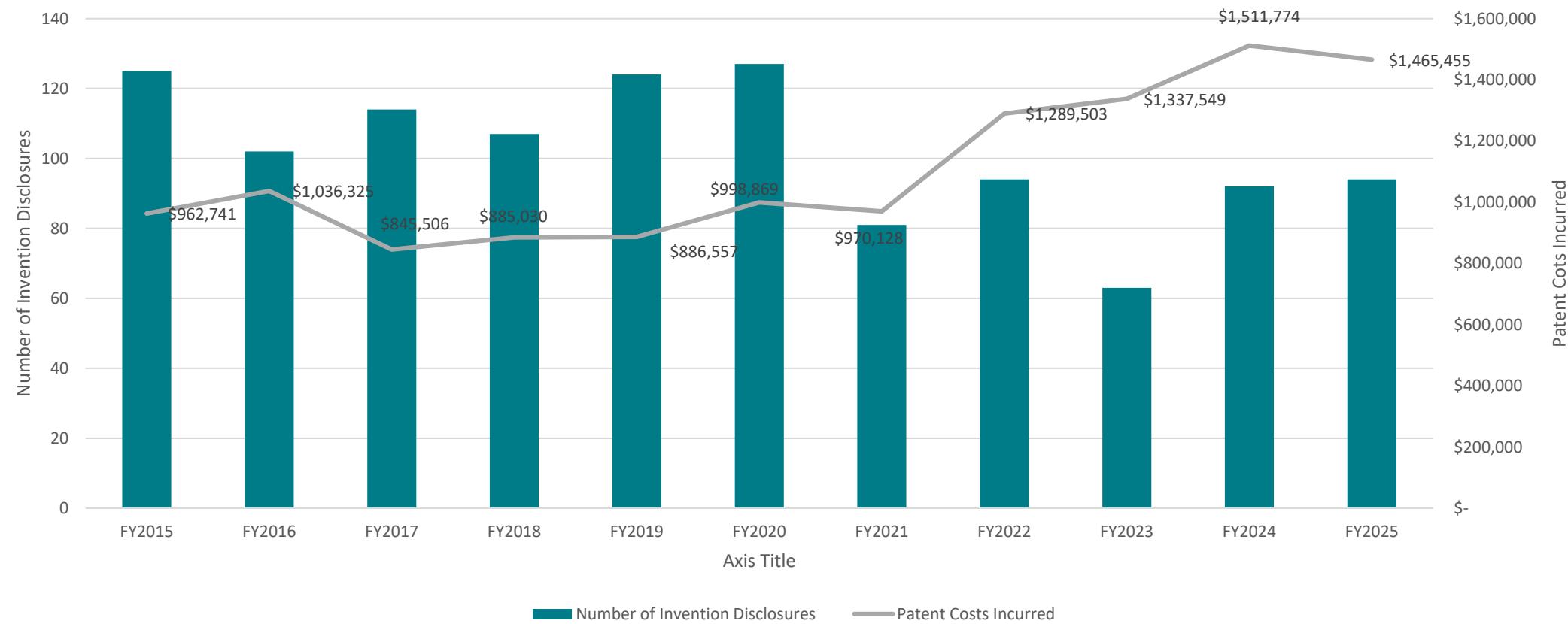


PATENT COST REIMBURSEMENT REVENUES

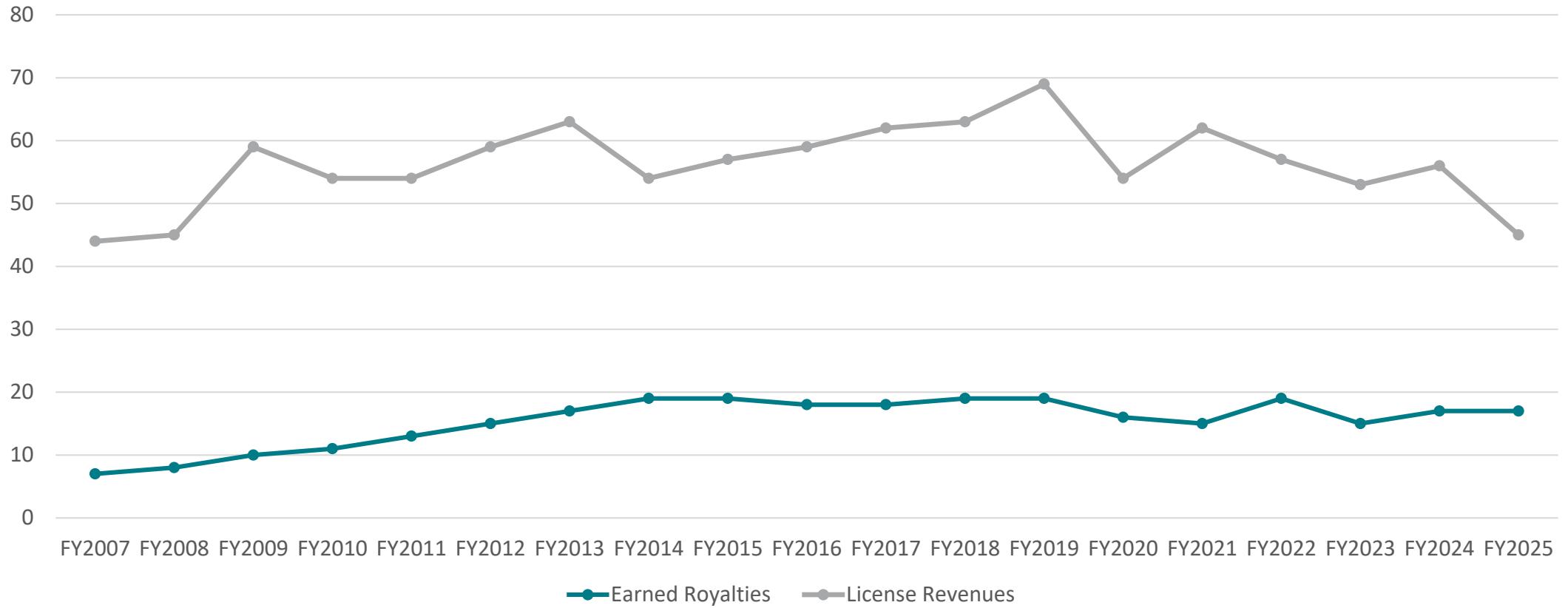


PATENT COSTS INCURRED

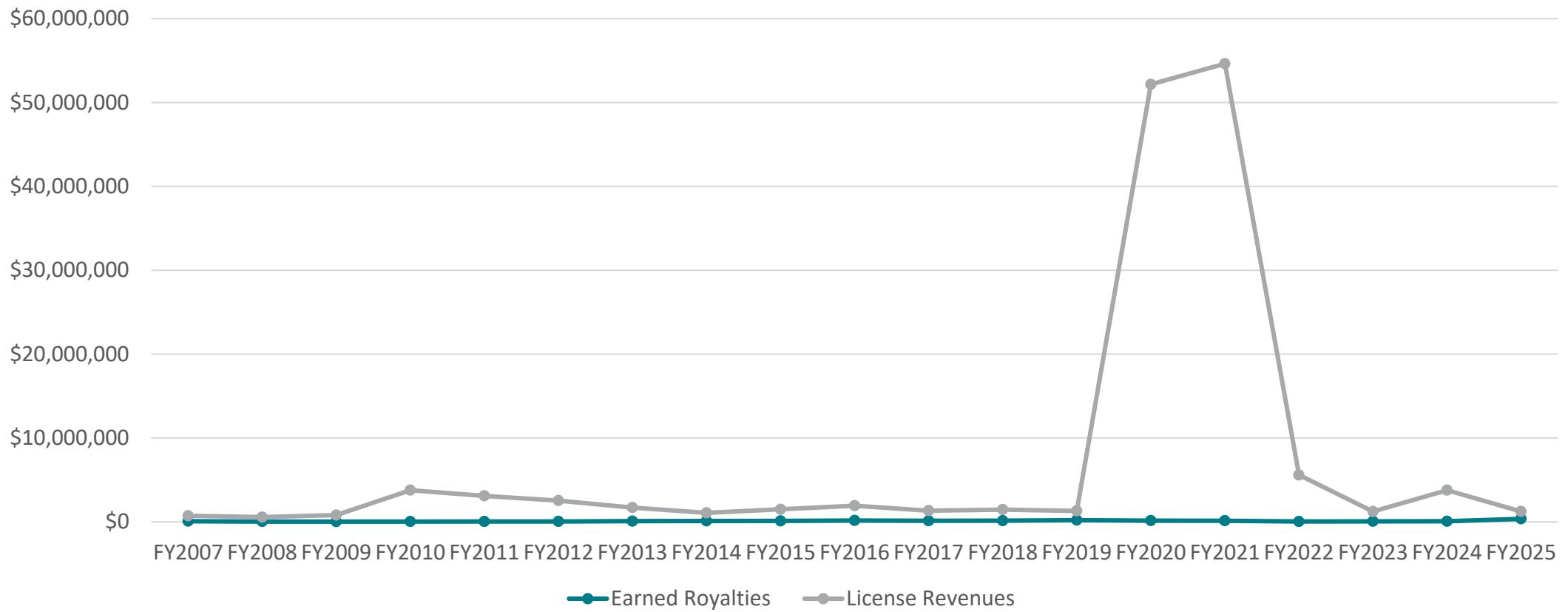
Rainforest Innovations-initiated; non-licensee reimbursed



TOTAL NUMBER OF LICENSES/OPTIONS YIELDING REVENUES



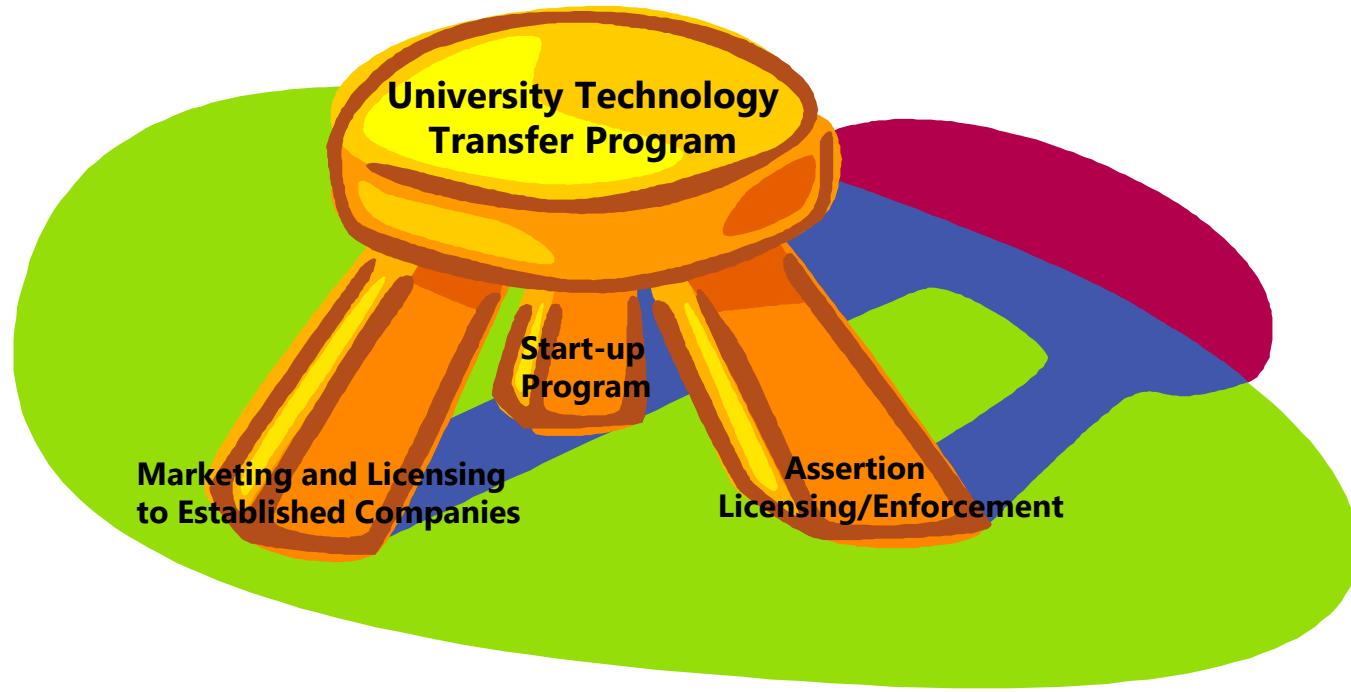
TOTAL DOLLAR AMOUNT OF LICENSES/OPTIONS YIELDING REVENUES



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
		Tax Problems for Inventors
		More complex accounting



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

Peer Institution Comparison

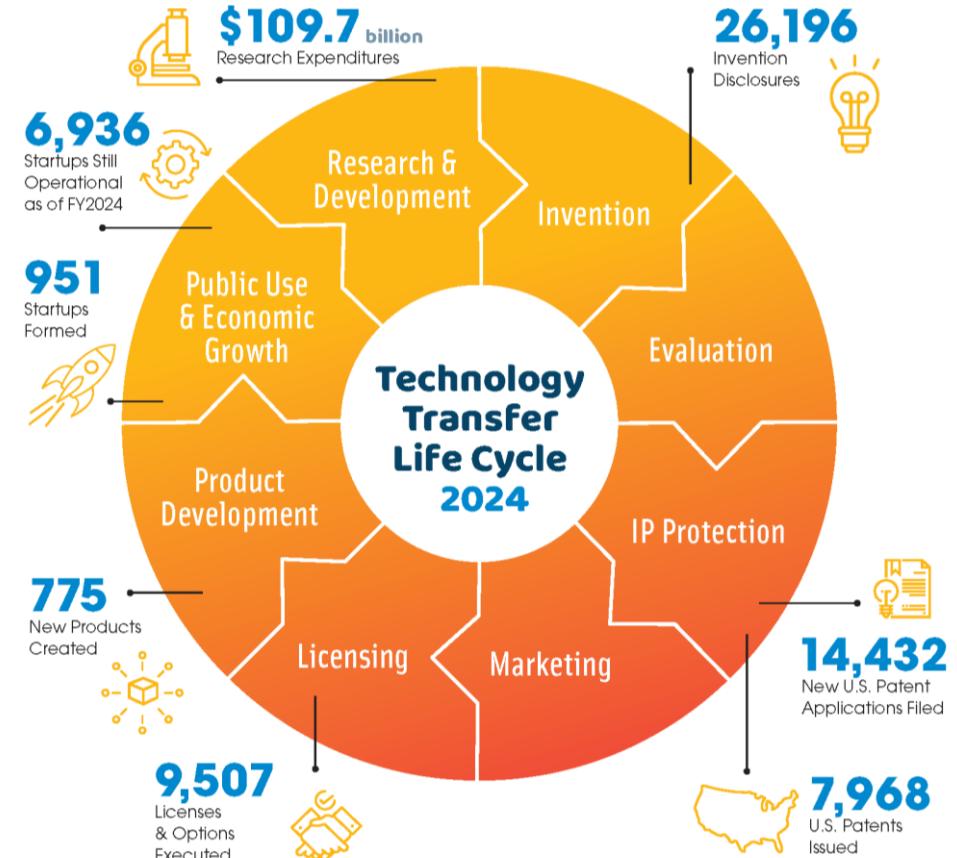
Based on FY 2024 Reported Data (AUTM)

February 17, 2026

FY 2024 AUTM LICENSING SURVEY

Key Findings of the 2024 US Survey

- ❖ Total research funding topped \$109 billion, a meaningful gain in a changing landscape.
- ❖ Federal support grew modestly, industry funding dropped by more than 5%, prompting institutions to find creative ways to fill the gap — resulting in a 10% increase in alternative funding sources.
- ❖ Revenue from equity cash-outs climbed 25%, and income from other sources jumped 34%, highlighting how offices are diversifying revenue streams.
- ❖ Inter-institutional agreements rose by 15%, with corresponding payments increasing 37%, reflecting stronger partnerships across institutions.
- ❖ Startups saw a modest 4% increase, and the number of new products hitting the market climbed 8%, reinforcing the tangible impact of tech transfer on the economy and society.



UNM PEER INSTITUTIONS*

22 Reporting Institutions in FY 2024

- ❖ Arizona State University
- ❖ Florida International University²
- ❖ New Mexico State University²
- ❖ Oklahoma State University
- ❖ Texas A & M University
- ❖ Texas Tech University
- ❖ University of Tennessee
- ❖ University of Texas at Arlington
- ❖ University of Texas at Austin
- ❖ University of Texas at El Paso²
- ❖ University of Arizona
- ❖ University of California-Riverside
- ❖ University of California-Davis
- ❖ University of Colorado-Boulder
- ❖ University of Colorado-Denver/Anschutz Medical Campus²
- ❖ University of Houston
- ❖ University of Iowa
- ❖ University of Kansas
- ❖ University of Missouri-Columbia¹
- ❖ University of Nebraska-Lincoln¹
- ❖ University of Nevada-Las Vegas²
- ❖ University of Oklahoma-Norman¹
- ❖ University of Utah
- ❖ Rutgers University-New Brunswick¹
- ❖ University of Florida
- ❖ University of South Florida
- ❖ Virginia Commonwealth University

*Source: [Higher Education Department & Integrated Postsecondary Education Data System Peer Institutions](#)

¹Only system wide data was available; ² Data not reported in FY 2023 and/or FY 2024

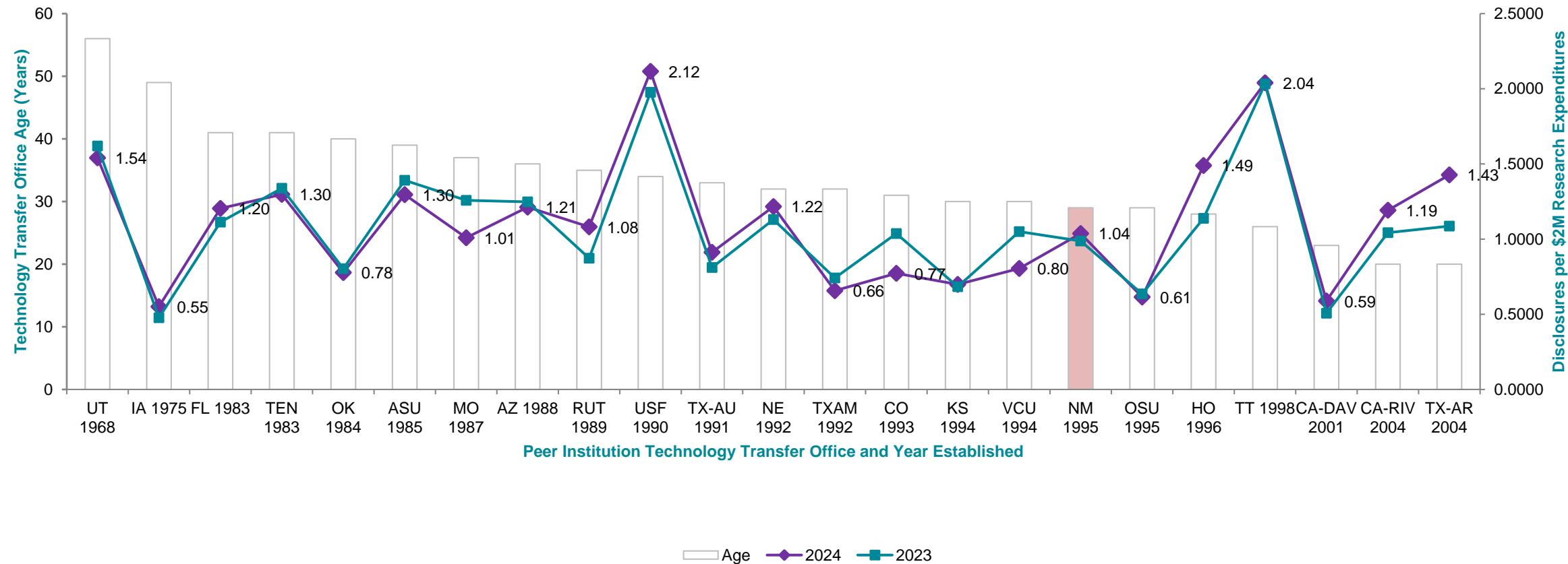
PEER INSTITUTION COMPARISON

Research Expenditures – FY 2024

Name of Institution	Expenditures
Univ. of Utah	\$849,216,000
Univ. of Iowa Research Fdn.	\$631,738,362
Univ. of Florida	\$1,272,492,341
Univ. of Tennessee	\$524,072,797
Univ. of Oklahoma, All Campuses	\$349,830,643
Arizona State University	\$1,003,271,080
Univ. of Missouri, all campuses	\$649,842,000
Univ. of Arizona	\$1,012,404,000
Rutgers University - New Brunswick	\$872,874,349
Univ. of South Florida	\$521,892,000
Univ. of Texas at Austin	\$1,143,917,442
Univ. of Nebraska	\$657,668,000
Texas A&M University System	\$1,393,823,496
Univ. of Colorado Boulder	\$683,558,623
Univ. of Kansas	\$412,322,340
Virginia Commonwealth University	\$526,944,068
Univ. of New Mexico/RI	\$354,875,424
Oklahoma State University	\$253,770,000
Univ. of Houston	\$238,995,806
Texas Tech University System	\$256,918,821
Univ. of California-Davis	\$1,005,757,000
Univ. of California-Riverside	\$231,596,000
Univ. of Texas at Arlington	\$117,733,483
Univ. of Utah	\$849,216,000
Univ. of Iowa Research Fdn.	\$631,738,362

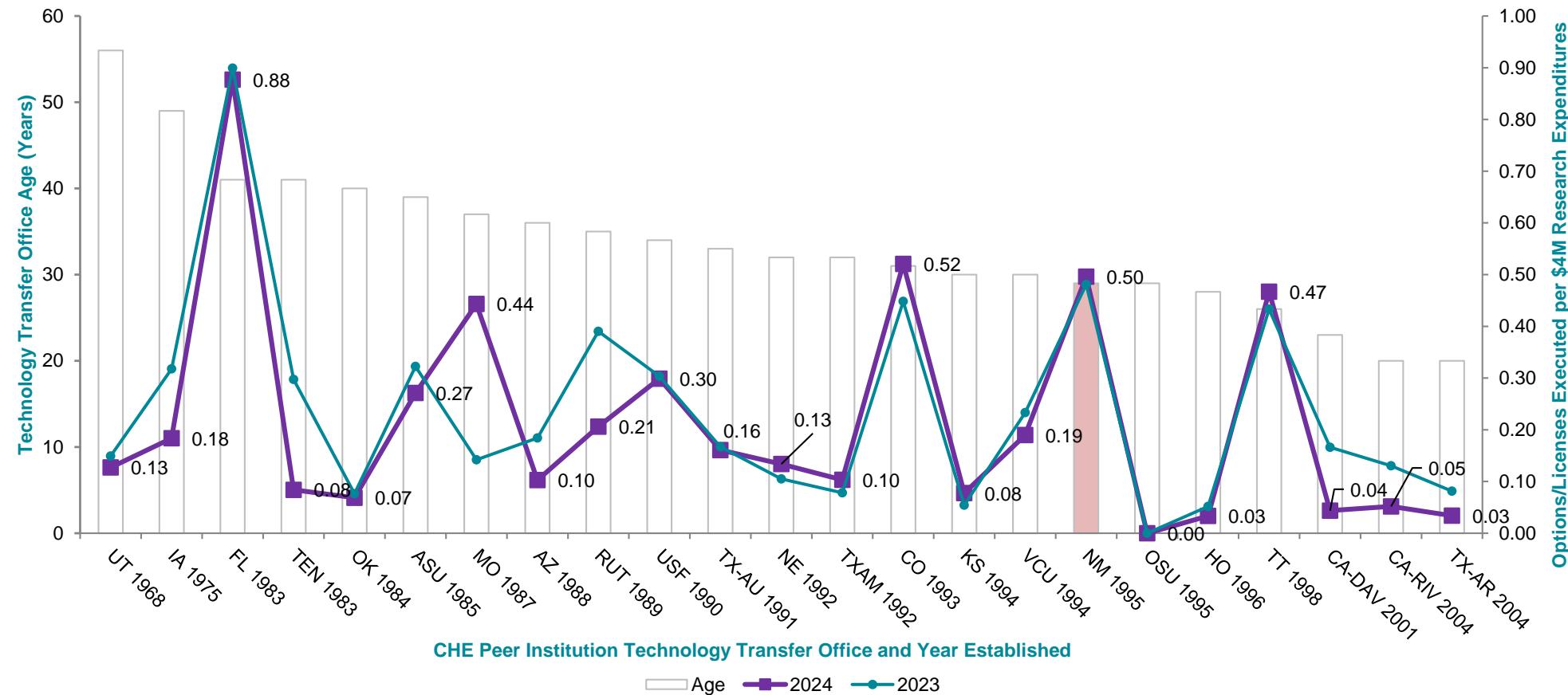
PEER INSTITUTION COMPARISON

Disclosures/\$4M Research



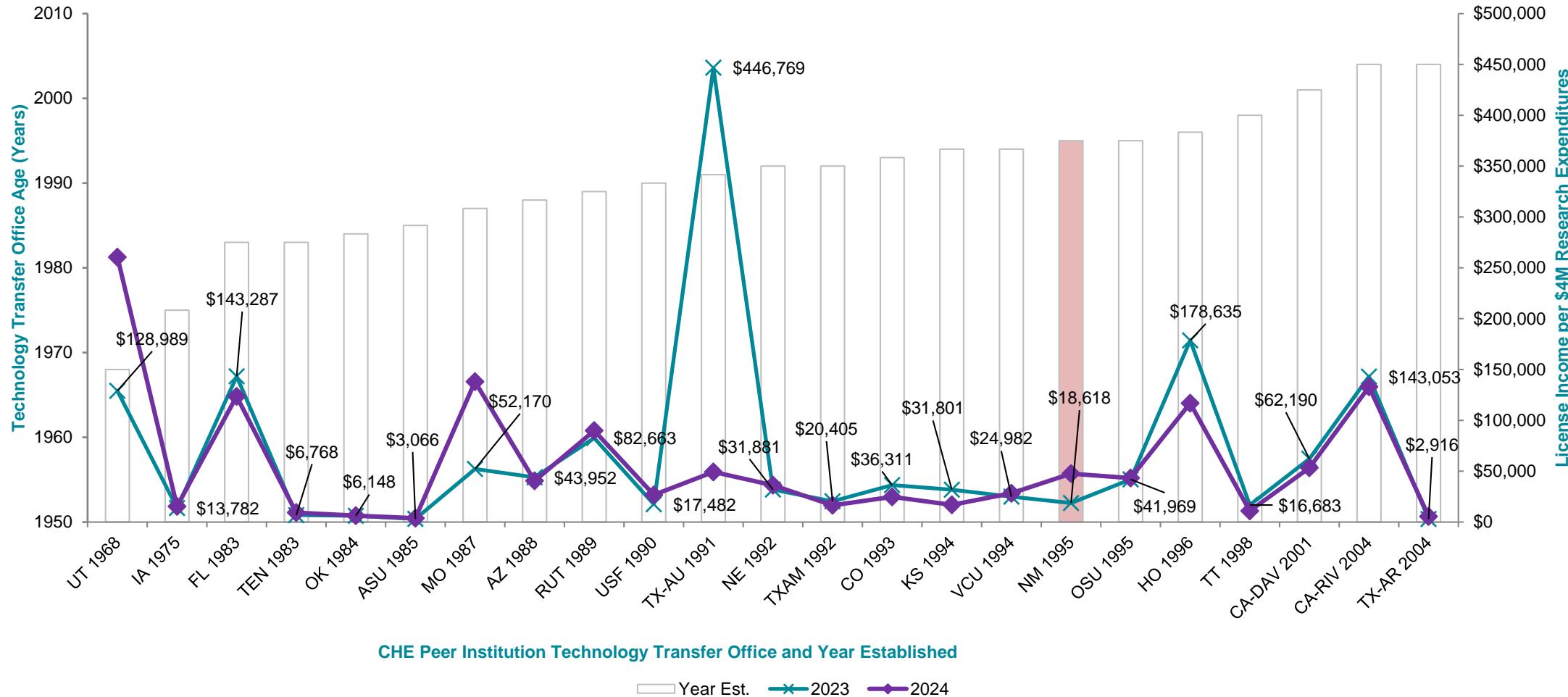
PEER INSTITUTION COMPARISON

Options/Licenses Executed/\$4M Research



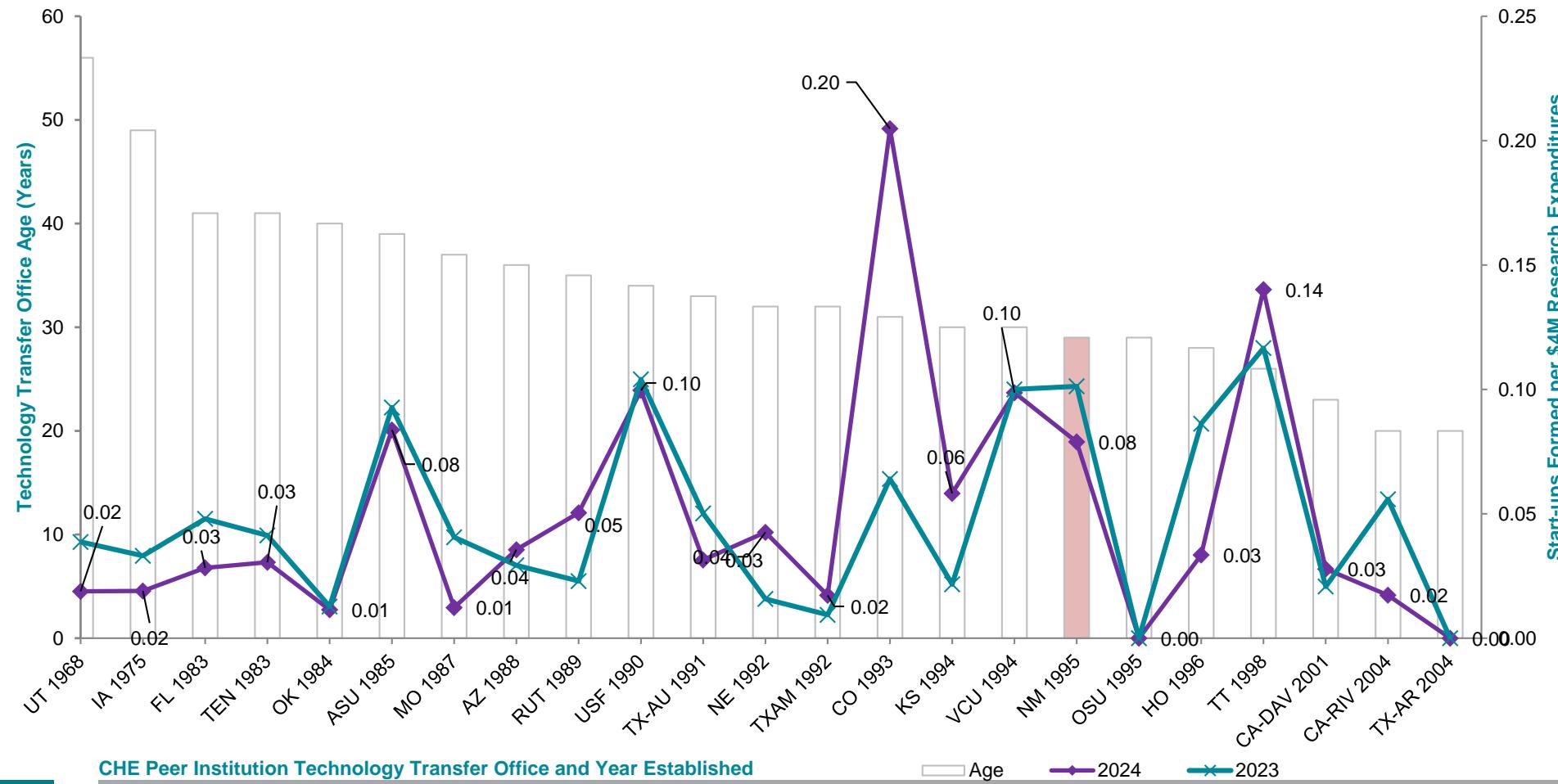
PEER INSTITUTION COMPARISON

License Income/\$4M Research Expenditures



PEER INSTITUTION COMPARISON

Start-ups Formed/\$4M Research



PEER INSTITUTION COMPARISON

Fiscal Year	Disclosures/\$4M	Licenses Executed/\$4M	License Income/\$4M	Start-ups Formed/\$4M
2024	1. USF 2. Texas Tech 3. Utah 13. UNM	1. UFL 2. CU Boulder 3. UNM	1. Utah 2. U of Missouri 3. UC-Riverside 9. UNM	1. CU Boulder 2. Texas Tech 3. USF 6. UNM
2023	1. Texas Tech 2. USF 3. Utah 15. UNM	1. UFL 2. UNM 3. CU Boulder	1. UT - Austin 2. U of Houston 3. UFL 17. UNM	1. Texas Tech 2. USF 3. UNM
2022	1. U of Houston 2. USF 3. Utah 12. UNM	1. UFL 2. Texas Tech 3. U of Houston 4. UNM	1. U of Houston 2. UFL 3. Utah 9. UNM	1. U of Houston 2. Texas Tech 3. USF 6. UNM



**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

For the Years Ended June 30, 2025 and 2024

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UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
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UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Official Roster

CHAIR

Sandra Begay

VICE CHAIR

Dr. James P. Holloway

SECRETARY / TREASURER

Dr. John H. Stichman

CEO & CHIEF ECONOMIC DEVELOPMENT OFFICER

Elizabeth Kuuttila

EXECUTIVE ASSISTANT TO BOARD OF DIRECTORS

Larissa Cardenas

COMMITTEE CHAIRS

Sandra Begay, Chair, Executive Committee and Nominating Committee

Dr. John H. Stichman, Chair, Finance and Compensation Committee

Gregg L. Mayer, Chair, Endowment Fund Committee

Chuck Wellborn, Chair, Co-Investment Fund Committee

Lindo Griego, Development Advisory Committee

BOARD MEMBERS

Sandra Begay	Dr. Richard Luarkie
Michael Buehler	Gregg L. Mayer
Dr. Bryce Chackerian	Robert H. Nath
Teresa Costantindis	Dr. David L. Perkins
Dr. Ellen Fisher	Dr. Hengameh Raissy
David H. Foster	Dr. Michael Richards
Dr. Robert H. Fisher	Dr. Donna Riley
David W. Gibson	Alex O. Romero
Dr. Donald Godwin	Dr. Alton D. Romig, Jr.
Riis Gonzales	Dr. John H. Stichman
Linda Griego	Dr. Garnett S. Stokes
Maria Griego-Raby	Dr. John C. Stormont
Dr. James P Holloway	Chuck I. Wellborn Dr.
Elizabeth Kuuttila	Patricia Williams



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Joseph M. Maestas, PE, CFE, New Mexico State Auditor
UNM Rainforest Innovations Board
UNM Rainforest Innovations
Albuquerque, New Mexico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of UNM Rainforest Innovations ("the Corporation"), a blended component unit of the University of New Mexico ("UNM"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Corporation, as of June 30, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 opinion.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of the entity are intended to present the financial position and the changes in financial position of only the Corporation. They do not purport to, and do not, present fairly the financial position of the UNM, as of June 30, 2025 and 2024, the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As described in Note 8 to the financial statements, in 2025, the Corporation adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. 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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 statement.
- 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 10-12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The accompanying schedule of deposit and investment accounts is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of deposit and investment accounts is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the table of contents, official roster, and other disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the 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 the 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 the Corporation's internal control over financial reporting and compliance.



Carr, Riggs & Ingram, L.L.C.
Albuquerque, New Mexico
September 30, 2025

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2025 and 2024

FINANCIAL POSITION

The Corporation's current assets decreased by \$3,919,358 for the year ended June 30, 2025 to \$17,496,219 compared to \$21,415,577 as of June 30, 2024; and current assets increased by \$7,364,011 for the year ended June 30, 2024 to \$21,415,577 compared to \$14,051,566 as of June 30, 2023. The decrease from fiscal year 2024 to fiscal year 2025 was primarily attributable to cash usage of a forward funded state grant expense.

Current liabilities decreased by \$4,233,291 for the year ended June 30, 2025 to \$5,280,344 compared to \$9,513,635 as of June 30, 2024; and increased by \$7,209,325 for the year ended June 30, 2024 to \$9,513,635 compared to \$2,304,310 as of June 30, 2023. The change from fiscal year 2024 to fiscal year 2025 is primarily attributable to decrease in the liability for a state forwarded funded grant.

The statements of net position for the years ended June 30, 2025, 2025 and 2024 consisted of the following:

June 30,	2025	2024	2023
Current assets	\$ 17,496,219	\$ 21,415,577	\$ 14,051,566
Investment in stock	3,448	3,448	3,448
Capital assets, net	15,397	25,986	29,941
RTU Lease Asset, net	338,875	495,279	651,683
 Total assets	 \$ 17,853,939	 \$ 21,940,290	 \$ 14,736,638
 Current liabilities	 \$ 5,280,344	 \$ 9,513,635	 \$ 2,304,310
Noncurrent liabilities	188,059	347,000	503,707
 Total liabilities	 5,468,403	 9,860,635	 2,808,017
 Net position			
Net investment in capital assets	6,878	18,774	37,274
Unrestricted	12,378,658	12,060,881	11,891,347
 Total net position	 12,385,536	 12,079,655	 11,928,621
 Total liabilities and net position	 \$ 17,853,939	 \$ 21,940,290	 \$ 14,736,638

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2025 and 2024

CAPITAL ASSETS

Capital Assets purchased during the fiscal year 2025, 2024 and 2023 were \$0, \$10,953 and \$8,660, respectively for furniture and equipment, leasehold improvements and software and had depreciation expense of \$10,589, \$14,908 and \$13,772, respectively. A right-to-use asset, net of \$338,875 and offsetting lease liability of \$347,394 was recorded as of June 30, 2025. Amortization of the right-to-use asset for fiscal year ended 2025 and 2024 was \$156,404 and \$156,404.

DEBT AND LEASE LIABILITIES

The Corporation has a building lease liability for the fiscal year 2025, 2024 and 2023 of \$347,394, \$502,491 and \$644,350, respectively. The current portion of this lease liability as of June 30, 2025, 2024 and 2023 was \$159,335, \$155,491 and \$140,643, respectively.

COMPARISON OF FISCAL 2025 TO FISCAL 2024 RESULTS OF OPERATIONS

Total operating revenues increased by \$136,457 from \$8,231,890 in fiscal years 2024 to \$8,368,347 for fiscal year 2025. The majority of the increase is primarily attributable to collection of patent cost reimbursements in fiscal year 2025.

Total operating expenses increased by \$131,812 from \$9,731,709 to \$9,863,521 for fiscal year 2025 compared to fiscal year 2024. This increase was primarily attributable to a decrease in licensing distribution and administrative expenses offset by an increase in economic development initiatives during fiscal year 2025.

COMPARISON OF FISCAL 2024 TO FISCAL 2023 RESULTS OF OPERATIONS

Total operating revenues increased by \$3,763,637 from \$4,468,253 in fiscal years 2023 to \$8,231,890 for fiscal year 2024. The majority of the increase is primarily attributable to settlements of two assertion claims and liquidation of stock in fiscal year 2024.

Total operating expenses increased by \$4,046,234 from \$5,685,475 to \$9,731,709 for fiscal year 2024 compared to fiscal year 2023. This increase was primarily attributable to legal expenses incurred to two assertions claims settlements during fiscal year 2024.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2025 and 2024

The statements of revenues, expenses and changes in net position for the years ended June 30, 2025, 2024 and 2023 consisted of the following:

For the Years Ended June 30,	2025	2024	2023
Total operating revenues	\$ 8,368,347	\$ 8,231,890	\$ 4,468,253
Total operating expenses	9,863,521	9,731,709	5,685,475
Operating (loss)	(1,495,174)	(1,499,819)	(1,217,222)
Net non-operating revenues (expenses)	1,801,055	1,650,853	1,233,776
Change in net position	305,881	151,034	16,554
Net position, beginning of year	12,079,655	11,928,621	11,912,067
Net position, end of year	\$ 12,385,536	\$ 12,079,655	\$ 11,928,621

ECONOMIC CONDITIONS

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

CONTACTING THE COMPANY'S MANAGEMENT

This report is meant to accurately describe the financial condition and position of the Corporation. If you have any questions about this report or need additional financial information, contact UNM Rainforest Innovations at 101 Broadway Blvd NE, Suite 1100, Albuquerque, New Mexico 87102.



BASIC FINANCIAL STATEMENTS

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Statements of Net Position

<i>June 30,</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 4,219,990	\$ 8,219,474
Investments	12,561,341	12,685,152
Accounts receivable, net	714,888	510,834
Prepaid insurance	-	117
Total current assets	17,496,219	21,415,577
Noncurrent assets		
Investment in stock	3,448	3,448
Capital assets, net	15,397	25,986
RTU Lease Asset, net	338,875	495,279
Total noncurrent assets	357,720	524,713
Total assets	\$ 17,853,939	\$ 21,940,290
Liabilities		
Current liabilities		
Accounts payable	\$ 373,158	\$ 331,814
Accrued expenses	128,522	583,163
Accrued compensated absences	183,118	84,975
Unearned revenue	3,026,518	6,799,867
Accrued royalty sharing, net	867,845	923,224
Due to the University of New Mexico	541,848	635,101
RTU lease liability, current	159,335	155,491
Total current liabilities	5,280,344	9,513,635
RTU lease liability, net of current	188,059	347,000
Total liabilities	5,468,403	9,860,635
Net position		
Net investment in capital assets	6,878	18,774
Unrestricted	12,378,658	12,060,881
Total net position	12,385,536	12,079,655
Total liabilities and net position	\$ 17,853,939	\$ 21,940,290

The accompanying notes are an integral part of these financial statements.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Statements of Revenues, Expenses and Changes in Net Position

<i>For the years ended June 30,</i>	2025	2024
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	592,129	469,956
Licensing and royalties, net	1,267,560	4,221,229
Rental income	30,355	20,570
New Mexico EDD AEAPP grant revenue	3,966,250	1,032,750
Other	478,053	453,385
 Total operating revenues	 8,368,347	8,231,890
Operating expenses		
Patent costs incurred	1,567,795	1,511,773
Licensing distributions	688,238	1,013,119
Economic development initiative	4,339,687	1,436,969
Depreciation or amortization expense	166,993	171,312
Administrative expenses	3,100,808	5,598,536
 Total operating expenses	 9,863,521	9,731,709
 Operating (loss)	 (1,495,174)	(1,499,819)
 Non-operating revenues (expenses)		
Interest expense	(4,156)	(6,305)
Interest income	478,824	317,558
Gain on investments, net	1,326,387	1,339,600
 Net non-operating revenues (expenses)	 1,801,055	1,650,853
 Change in net position	 305,881	151,034
 Net position, beginning of year	 12,079,655	11,928,621
 Net position, end of year	 \$ 12,385,536	\$ 12,079,655

The accompanying notes are an integral part of these financial statements.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Statements of Cash Flows

<i>For the years ended June 30,</i>	2025	2024
Cash flows from operating activities		
Receipts from licensees	\$ 1,063,506	\$ 11,533,677
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	592,129	469,956
Receipt from New Mexico EDD AEAPP grant revenue	192,901	1,032,750
Receipts from other	478,053	453,385
Receipts for economic development initiatives funding		
revenue from UNM	288,000	288,000
Receipt of rental income	30,355	20,570
Payment for patent cost incurred	(1,567,795)	(1,511,773)
Payment for licensing distribution expense	(836,870)	(1,132,094)
Payments to suppliers and employees	(7,755,532)	(6,520,025)
Net cash (used in) provided by operating activities	(5,769,253)	6,380,446
Cash flows from capital financing activities		
Purchase of capital assets	-	(10,953)
Payments on leases	(155,097)	(141,859)
Net cash (used in) capital financing activities	(155,097)	(152,812)
Cash flows from investing activities		
Purchase of investments	(2,595,521)	(3,877,225)
Investment proceeds	2,719,332	2,187,229
Interest expense	(4,156)	(6,305)
Interest income	478,824	317,558
Unrealized and realized gains on investments	1,326,387	1,339,600
Net cash provided by (used in) investing activities	1,924,866	(39,143)
Net change in cash and cash equivalents	(3,999,484)	6,188,491
Cash and cash equivalents, beginning of year	8,219,474	2,030,983
Cash and cash equivalents, end of year	\$ 4,219,990	\$ 8,219,474

The accompanying notes are an integral part of these financial statements.

For the years ended June 30,

	2025	2024
Operating (loss)	\$ (1,495,174)	\$ (1,499,819)
Reconciliation of operating loss to net cash (used in) provided by operating activities		
Depreciation expense	166,993	171,312
Bad debt expense	-	435,147
Changes in assets and liabilities		
Accounts receivable, net	(204,054)	77,434
Prepaid insurance	117	1,895
Accounts payable	41,344	50,800
Accrued expenses	(454,641)	462,358
Accrued compensated absences	98,143	427
Unearned revenue	(3,773,349)	6,799,867
Accrued royalty sharing, net	(55,379)	(270,766)
Due to the University of New Mexico	(93,253)	151,791
Net cash (used in) provided by operating activities	\$ (5,769,253)	\$ 6,380,446

The accompanying notes are an integral part of these financial statements.

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UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

UNM Rainforest Innovations (the Corporation) (a blended component unit of the University of New Mexico (UNM) and 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, 2025, the governing board consisted of 28 members, including 12 members of certain officers and faculty of UNM, the President of the Corporation, and 16 members of the community.

The Corporation is a blended component unit of UNM and reported upon as a part of the basic financial statements of UNM. Additional information regarding the University of New Mexico may be obtained directly from their administrative office as follows: 1 University of New Mexico, MSC01 1300, Albuquerque, NM 87131.

These financial statements include those activities and functions related to UNM Rainforest Innovations which are controlled by or dependent upon its Board. The accompanying financial statements do not present the financial position and results of operations of UNM, taken as a whole in accordance with generally accepted accounting principles (GAAP).

Reporting Entity

In evaluating how to define the Corporation, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90.

Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only-criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the nomination and voting on income board members, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Corporation has no component units required to be included in these financial statements.

Basis of Accounting and Financial Statement Presentation

As a blended component unit of UNM, the Corporation presents its financial statements in accordance with accounting standards generally accepted in the United States as established by the Governmental Accounting Standards Board (GASB). The Corporation applies the business-type activity accounting and the Corporation's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. The significant accounting policies utilized by the Corporation in the preparation of the financial statements are described below.

Assets, Liabilities, and Net Position

Cash and Cash Equivalents

Cash and cash equivalents include consist of 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 of three months or less to be cash equivalents.

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.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position (Continued)

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.

Allowance for Doubtful Accounts

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. There was an allowance for doubtful accounts of \$2,198 as of both June 30, 2025 and June 30, 2024.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For furniture and equipment, right-of-use assets, software and leasehold improvements, the Corporation's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Information technology equipment including software is being capitalized for assets with a useful life of greater than one year in accordance with 2.20.1.9(C)(5) NMAC (9-30-99, recompiled 10/01/01). The furniture and equipment, leasehold improvements and software are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Furniture and equipment	5 - 7
Leasehold improvements	2.5 - 3
Software	3

Accrued expenses

Accrued liabilities refer to expenses that a business has incurred but has not yet paid. These liabilities arise from events that occur during the normal course of business and are recorded on the statement of net position for accrued payroll and taxes and fees of \$53,322, accrued incentive compensation liability of \$75,189, and other accruals of \$78,871. These amounts combined with accrued compensated absences of \$183,118 resulted in total accrued expenses of \$311,640 as of June 30, 2025. Accrued liabilities for the year ended June 30, 2024 totaled \$668,138 which includes compensation of \$551,487, payroll taxes and fees of \$31,676 and compensated absences of \$84,975.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position (Continued)

Compensated Absences

The Corporation policy grants eligible employees' compensated absences. In accordance with GASB Statement No. 101, the Corporation accrues a liability for compensated absences when the leave is earned by the employee and will be paid out when an employee uses or leaves employment with the Corporation. The liability is measured at the employee's pay rate in effect at the financial statement date and includes the Corporation's share of associated costs such as Social Security, and Medicare. The Corporation does not accrue for compensated absences related to sporadic events affecting only a small portion of employees in a particular reporting period (parental leave, holidays, bereavement leave, jury duty and family and medical leave (FMLA)). Additional details regarding the Corporation's compensated absences policies and liability are provided in Note 8.

Unearned Revenue

In 2024 the Corporation received grant funding totaling approximately \$7.8 million through the New Mexico Economic Development Department's Advanced Energy Award Pilot Program (AEAPP). As of June 30, 2025 and 2024, \$3,026,518 and \$6,799,867, respectively, of this funding remained unspent and is recorded as unearned revenue. The unused portion is recognized as a liability until the Corporation fulfills the conditions of the grant agreement. Revenue will be recognized as qualifying activities are completed and expenses are incurred.

Net Position

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. The Corporation had no restricted net position for the years ending June 30, 2025 and 2024.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenses

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 \$30,355 and \$20,570 of rental/occupancy income associated with these agreements in fiscal years 2025 and 2024, respectively.

For the fiscal years ended June 30, 2025 and 2024, the Corporation had bad debt expense related to royalties and licenses of \$0 and \$435,147, respectively. For the fiscal years ended June 30, 2025 and 2024, the Corporation had no 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.

Economic Development Costs

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

Income Tax Status

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 \$0 and \$3,338 of unrelated business taxable income during the years ended June 30, 2025 and 2024, respectively.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the Corporation is management's estimate of depreciation on assets over their estimated useful lives, amortization of leases and the calculation of compensated absences.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2025 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

During the fiscal year ended June 30, 2025, the Corporation adopted GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. The implementation of these statements, besides GASB Statement No. 101, *Compensated Absences*, did not have a significant impact on the Corporation because the activities of the Corporation were not affected by the statement in a material manner. GASB Statement No. 101, *Compensated Absences*, did have a significant impact on the Corporation. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 8.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement aim to improve reporting on capital assets by separately disclosing specific types of capital assets in financial statement notes. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

The Corporation is evaluating the requirements of the above statements and the impact on reporting.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 2: 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 2025 and 2024, certain patent settlement claims resulted in two and zero 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 Corporation incurred \$0 and \$2,108,998 as of June 30, 2025 and 2024, 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.

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, 2025 and 2024, \$541,848 and \$635,101, respectively, are owed to UNM for UNM's share of licensing distributions.

Note 3: DEPOSITS AND INVESTMENTS

Deposits

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. As of June 30, 2025 and 2024, the Corporation had deposits totaling \$1,469,799 and \$4,459,609, respectively. As a separate legal 501(c)(3) entity, the Corporation is not subject to the public money act pledged collateral requirements. At June 30, 2025 and 2024, the checking account balance was in excess of amounts insured by the FDIC by \$1,219,799 and \$4,209,609, respectively.

<u>June 30, 2025</u>	BMO	Total
Total amount of deposits	\$ 1,469,799	\$ 1,469,799
Deposit accounts covered by the FDIC coverage	(250,000)	(250,000)
Total uninsured and uncollateralized	\$ 1,219,799	\$ 1,219,799

<u>June 30, 2024</u>	BMO	Total
Total amount of deposits	\$ 4,459,609	\$ 4,459,609
Deposit accounts covered by the FDIC coverage	(250,000)	(250,000)
Total uninsured and uncollateralized	\$ 4,209,609	\$ 4,209,609

UNM Rainforest Innovations
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Notes to Financial Statements

Note 3: DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of Deposits and Investments to the Statement of Net Position

<u>June 30,</u>	2025	2024
Deposits	\$ 1,469,799	\$ 4,459,609
Money market accounts	2,785,358	3,899,960
Domestic fixed income	3,255,277	2,838,185
Domestic equities	6,459,159	6,796,899
International equities	2,850,353	3,053,516
 Total deposits and investments	 16,819,946	21,048,169
 Less reconciling items	 (35,167)	(140,095)
 Total cash and cash equivalents and investments	 <u>\$ 16,784,779</u>	 <u>\$ 20,908,074</u>
 Statement of net position		
Cash and cash equivalents	\$ 4,219,990	\$ 8,219,474
Investments	12,561,341	12,685,152
Investment in stock	3,448	3,448
 Net deposits and investments	 <u>\$ 16,784,779</u>	 <u>\$ 20,908,074</u>

Investments

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.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the Corporation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk

The following represents the concentration of credit risk regarding the investments of the Corporation at June 30, 2025 and 2024:

Investment	June 30, 2025		Percent of Corporation's Investment		June 30, 2024		Percent of Corporation's Investment	
		Market Value		Investment		Market Value		Investment
Domestic fixed income	\$ 3,255,277		25.9%	\$ 2,838,185			22.4%	
Domestic equities	6,459,159		51.4%	6,793,451			53.6%	
International equities	2,850,353		22.7%	3,053,516			24.1%	
Total investments	\$ 12,564,789		100.0%	\$ 12,685,152			100.0%	

Credit Risk

Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The Corporation has a policy on investment credit risk that limits it 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.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Corporation has a policy to limit its exposure to 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.

UNM Rainforest Innovations
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Notes to Financial Statements

Note 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The Corporation had the following investments and maturities at June 30, 2025 and 2024:

June 30, 2025	Fair Value	Less than 1	1-5	6-10	More than 10	Not Available
Fixed income						
Domestic bond mutual funds	\$ 3,255,277	\$ 471,702	\$ 2,042,995	\$ 740,580	\$ -	\$ -
Total	\$ 3,255,277	\$ 471,702	\$ 2,042,995	\$ 740,580	\$ -	\$ -

June 30, 2024	Fair Value	Less than 1	1-5	6-10	More than 10	Not Available
Fixed income						
Domestic bond mutual funds	\$ 2,838,185	\$ 1,666,301	\$ 525,709	\$ 646,175	\$ -	\$ -
Total	\$ 2,838,185	\$ 1,666,301	\$ 525,709	\$ 646,175	\$ -	\$ -

The following tables provide information on the credit ratings associated with the Corporation's investments in debt securities at June 30, 2025 and 2024.

June 30, 2025	Fair Value	AAA	AA	A	BBB	B	NR
Fixed income							
Domestic bond mutual funds	\$ 3,255,277	\$ 79,853	\$ 75,519	\$ 314,729	\$ 260,481	\$ -	\$ 2,524,695
Total	\$ 3,255,277	\$ 79,853	\$ 75,519	\$ 314,729	\$ 260,481	\$ -	\$ 2,524,695

June 30, 2024	Fair Value	AAA	AA	A	BBB	B	NR
Fixed income							
Domestic bond mutual funds	\$ 2,838,185	\$ 47,180	\$ 110,906	\$ 268,488	\$ 139,683	\$ -	\$ 2,271,928
Total	\$ 2,838,185	\$ 47,180	\$ 110,906	\$ 268,488	\$ 139,683	\$ -	\$ 2,271,928

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Fair Value Measurements

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

Money Markets, Equities and Fixed Income Securities are valued at the daily closing price as reported by the fund. These investments held by the Corporation are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Corporation are deemed to be actively traded.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

UNM Rainforest Innovations
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Notes to Financial Statements

Note 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Furthermore, while the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Corporation maintained a balance of \$12,561,341 in investments at June 30, 2025, which required fair value disclosure. The following table sets forth by level within the fair value hierarchy of the Corporation's assets at fair value as of June 30, 2025:

	Total	Level 1	Level 2	Level 3
Domestic fixed income	\$ 3,255,277	\$ 3,255,277	\$ -	\$ -
Domestic equities	6,459,159	6,459,159	-	-
International equities	2,850,353	2,850,353	-	-
Total	\$ 12,564,789	\$ 12,564,789	\$ -	\$ -

The Corporation maintained a balance of \$12,685,152 in investments at June 30, 2024, which required fair value disclosure. The following table sets forth by level within the fair value hierarchy of the Corporation's assets at fair value as of June 30, 2024:

	Total	Level 1	Level 2	Level 3
Domestic fixed income	\$ 2,838,185	\$ 2,838,185	\$ -	\$ -
Domestic equities	6,796,899	6,796,899	-	-
International equities	3,053,516	3,053,516	-	-
Total	\$ 12,688,600	\$ 12,688,600	\$ -	\$ -

During the year ended June 30, 2025 and 2024, the Corporation had the following gains on investments:

June 30,	2025	2024
Realized gain	\$ 301,371	\$ 96,086
Unrealized gain	1,025,016	1,243,514
Gain on investments, net	\$ 1,326,387	\$ 1,339,600

UNM Rainforest Innovations
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Notes to Financial Statements

Note 4: CAPITAL ASSETS

The following is a summary of changes in capital assets during the years ended June 30, 2025 and 2024:

	June 30, 2024	Additions	Deletions	June 30, 2025
Capital assets being depreciated/amortized				
Furniture and equipment	\$ 160,490	\$ -	\$ (34,611)	\$ 125,879
Leasehold improvements	4,782	-	-	4,782
Software	66,583	-	-	66,583
Right-to-use asset	1,120,895	-	-	1,120,895
Total capital assets being depreciated/amortized	1,352,750	-	(34,611)	1,318,139
Less accumulated depreciation/amortization				
Furniture and equipment	(136,530)	(9,789)	34,611	(111,708)
Leasehold improvements	(2,756)	(800)	-	(3,556)
Software	(66,583)	-	-	(66,583)
Right-to-use asset	(625,616)	(156,404)	-	(782,020)
Total accumulated depreciation/amortization	(831,485)	(166,993)	34,611	(963,867)
Total capital assets, net of depreciation/amortization	\$ 521,265	\$ (166,993)	\$ -	\$ 354,272
	June 30, 2023	Additions	Deletions	June 30, 2024
Capital assets being depreciated/amortized				
Furniture and equipment	\$ 153,793	\$ 10,953	\$ (4,256)	\$ 160,490
Leasehold improvements	4,782	-	-	4,782
Software	66,583	-	-	66,583
Right-to-use asset	1,120,895	-	-	1,120,895
Total capital assets being depreciated/amortized	1,346,053	10,953	(4,256)	1,352,750
Less accumulated depreciation/amortization				
Furniture and equipment	(126,675)	(14,111)	4,256	(136,530)
Leasehold improvements	(1,959)	(797)	-	(2,756)
Software	(66,583)	-	-	(66,583)
Right-to-use asset	(469,212)	(156,404)	-	(625,616)
Total accumulated depreciation/amortization	(664,429)	(171,312)	4,256	(831,485)
Total capital assets, net of depreciation/amortization	\$ 681,624	\$ (160,359)	\$ -	\$ 521,265

UNM Rainforest Innovations
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Notes to Financial Statements

Note 5: LEASES

A summary of the lease asset activity during the years ended June 30, 2025 and 2024 is as follows:

	June 30, 2024	Additions	Deductions	June 30, 2025
Right-to-use, Leases				
Buildings	\$ 1,120,895	\$ -	\$ -	\$ 1,120,895
Accumulated amortization				
Buildings	(625,616)	(156,404)	-	(782,020)
Right to use leases, net	\$ 495,279	\$ (156,404)	\$ -	\$ 338,875

	June 30, 2023	Additions	Deductions	June 30, 2024
Right-to-use, Leases				
Buildings	\$ 1,120,895	\$ -	\$ -	\$ 1,120,895
Accumulated amortization				
Buildings	(469,212)	(156,404)	-	(625,616)
Right to use leases, net	\$ 651,683	\$ (156,404)	\$ -	\$ 495,279

A summary of changes in the related lease liability and deferred inflow of resources during the years ended June 30, 2025 and June 30, 2024 is as follows:

	June 30, 2024	Additions	Deductions	June 30, 2025	Current Portion
Lease liabilities	\$ 502,491	\$ -	\$ (155,097)	\$ 347,394	\$ 159,335

	June 30, 2023	Additions	Deductions	June 30, 2024	Current Portion
Lease liabilities	\$ 644,350	\$ -	\$ (141,859)	\$ 502,491	\$ 155,491

The Corporation is a lessee and lessor for numerous noncancelable leases. For leases with a maximum possible term of 12 months or less at commencement (short term), the Corporation recognizes expense based on the provisions of the lease contract. For leases that are not short-term, the Corporation recognizes a lease liability and an intangible right-to-use (RTU) lease asset. Initial measurement of the lease receivable/payable amount is calculated at the present value of payments expected to be received/paid during the lease term, discounted using the Corporation's incremental borrowing rate. Leases for the Corporation is a lessee that are accounted for under this standard are capitalized as a right to use asset and lease payable discounted by the incremental borrowing rate.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 5: LEASES (Continued)

The right-to use-asset is also amortized on a straight-line basis over the term of the lease. Leases for which the Corporation is the lessor are also discounted by the incremental borrowing rate, with anticipated payments being recorded as a deferred inflow of resources, amortized on a straight-line basis over the term of the lease.

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

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

Minimum Lease Payment

(a) The Corporation as Lessee

The following is a schedule of future minimum lease payments for the Corporation as a lessee as of June 30, 2025.

Year Ending June 30,	Principal Payments	Interest Payments	Total Lease Payments
2026	\$ 159,335	\$ 2,384	\$ 161,719
2027	160,726	993	161,719
2028	27,333	29	27,362
Total	\$ 347,394	\$ 3,406	\$ 350,800

Note 6: 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 2025 and 2024, the Corporation matched employee contributions at a rate of 15.0% in FY25 and 12.4% in FY24 of the employee's base salary commensurately. Employer contributions are immediately vested. The Corporation's contributions were \$225,269 and \$174,658 for the years ended June 30, 2025 and 2024, respectively. Employee contributions were \$173,711 and \$145,512 for the years ended June 30, 2025 and 2024, respectively.

UNM Rainforest Innovations
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Notes to Financial Statements

Note 7: 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 \$70,682 and \$482,323 as of June 30, 2025 and 2024, 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 2025 and 2024 were 8,320 and 11,077, respectively.

Note 8: COMPENSATED ABSENCES

Compensated absences are recorded as a liability when earned and when used or paid out in accordance with the Corporation's policy. The Corporation's liability is estimated based on its policies for only personal or vacation form of leave.

Annual Leave

Regular full-time employees who work at least twenty (20) hours per week are eligible to accrue annual leave. Annual leave is accrued at 14 hours per pay period. Employees may carry forward a maximum of 252 hours of annual leave into a new calendar year. Upon separation from employment, employees are paid for their unused annual leave at their then current pay rate, up to 252 hours due to voluntary or involuntary separation.

Sick Leave

Full (exempt) and part-time (non-exempt) eligible employees also accrue sick leave. Usage of sick leave is limited to specific circumstances. Employees' sick leave accrual begins with the first day of regular employment. Full-time (exempt) eligible employees earn 8 hours per pay period up to the maximum of 1040 hours. Excess hours cannot be carried over into the next calendar year. Full-time (exempt) eligible employees can convert sick leave hours to annual leave hours at a rate of 8 hours of sick leave to 4 hours of annual leave when a full-time (exempt) employee has accumulated more than 200 hours (25-days) of sick leave. Part-time (non-exempt) eligible employees can accrue 2 hours per pay period for a maximum hours of 64 hours per fiscal year. Full-time (exempt) and part-time (non-exempt) will not receive payment for any accumulated unused sick leave due to voluntary or involuntary separation.

The Corporation's liability for sick leave is recognized for leave that is earned and more likely will not be used or paid out. Based on the Corporation's policy and historical usage patterns, the liability represents estimated leave payments for employees eligible for the aforementioned cash-out provisions as employees earn more sick leave than historically utilized.

UNM Rainforest Innovations
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Notes to Financial Statements

Note 8: COMPENSATED ABSENCES (Continued)

Changes in Compensated Absences

The following table summarizes the changes in the accrued compensated absences liability for the years ended June 30, 2025 and 2024. The column labeled 'Net Change' represents the net change during the fiscal year.

	Balance at July 1	Net Change	Balance at June 30
Fiscal Year 2025	\$ 84,975	\$ 98,143	\$ 183,118
Fiscal Year 2024	\$ 84,548	\$ 427	\$ 84,975

For the years ended June 30, 2025 and 2024 the full amount of compensated absences was current. During fiscal year 2025 the Corporation implemented GASB Statement No. 101, *Compensated Absences*. This statement changed how the compensated absences liability is recognized and measured by moving from a vesting to more likely than not recognition model, as well as including certain salary related expenses in the measurement of the liability.

Implementation of this statement increased accrued compensated absences and total operating expenses in 2025 as reflected in the following schedule.

Ending fiscal year 2025 accrued compensated absences before implementation	\$ 104,258
Increased by implementing GASB 101	<u>78,860</u>

Adjusted fiscal year 2025 ending accrued compensated absences	<u>183,118</u>
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Ending fiscal year 2025 operating expenses before implementation	\$ 9,784,661
Increased by implementing GASB 101	<u>78,860</u>

Adjusted fiscal year 2025 ending operating expenses	<u>9,863,521</u>
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UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 9: 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.

Note 10: 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 2025, the Corporation approved one proposal from a start-up company and provided successful co-investment totaling \$100,000 based on direct pass-thru funding from the UNM Foundation to the Corporation per the terms of the policy. During fiscal year 2024, the Corporation approved two proposals from two separate start-up companies and provided successful co-investments totaling \$200,000.

Note 11: 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 private carriers 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
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Notes to Financial Statements

Note 12: RECLASSIFICATION

The Corporation changed its presentation of the investment breakout on the statement of cash flows as of June 30, 2024 as follows:

<i>For the year ended June 30,</i>	2024 Previously	Stated	Reclassification	2024
Cash flows from investing activities				
Purchase of investments	\$ (3,440,708)	\$ (436,517)	\$ (3,877,225)	
Investment proceeds	2,187,229	-	2,187,229	
Proceeds from sale of common stock	1,214,336	(1,214,336)	-	
Interest expense	-	(6,305)	(6,305)	
Interest income	-	317,558	317,558	
Unrealized and realized gains on investments	-	1,339,600	1,339,600	
Net cash provided by (used in) investing activities	\$ (39,143)	\$ -	\$ (39,143)	

This was just a reclassification and did not affect assets, liabilities, net position or net income.

Note 13: COMMITMENTS AND CONTINGENCIES

The Corporation is party to various litigation and other claims in the ordinary course of business. In 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 2025 and 2024, 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. The Corporation is unaware of any material pending or threatened litigation, claims, or assessments against the Corporation that are not covered by insurance.

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SUPPORTING SCHEDULES



UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Schedule of Deposit and Investment Accounts
June 30, 2025

Account Name	Type	BMO	TIAA	Total
Operating Account	Checking-non-interest bearing	\$ 1,469,799	\$ -	\$ 1,469,799
UNM Rainforest Innovations	Money market	2,667,108	118,250	2,785,358
UNM Rainforest Innovations	Equities	-	9,309,512	9,309,512
UNM Rainforest Innovations	Fixed income	-	3,255,277	3,255,277
Amounts on deposit		4,136,907	12,683,039	16,819,946
Outstanding items		(35,167)	-	(35,167)
Reconciled balance		<u>\$ 4,101,740</u>	<u>\$ 12,683,039</u>	<u>16,784,779</u>
Total deposits and investments				<u>\$ 16,784,779</u>
Reconciliation to the financial statements				
Cash and cash equivalents				\$ 4,219,990
Investments				12,561,341
Investments in stock				3,448
Total deposits and investments				<u>\$ 16,784,779</u>

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Schedule of Deposit and Investment Accounts
June 30, 2024

Account Name	Type	BMO	TIAA	Total
Operating Account	Checking-non-interest bearing	\$ 4,459,609	\$ -	\$ 4,459,609
UNM Rainforest Innovations	Money market	3,503,681	396,279	3,899,960
UNM Rainforest Innovations	Equities	-	9,850,415	9,850,415
UNM Rainforest Innovations	Fixed income	-	2,838,185	2,838,185
Amounts on deposit		7,963,290	13,084,879	21,048,169
Outstanding items		(140,095)	-	(140,095)
<u>Reconciled balance</u>		<u>\$ 7,823,195</u>	<u>\$ 13,084,879</u>	<u>20,908,074</u>
<u>Total deposits and investments</u>				<u>\$ 20,908,074</u>
Reconciliation to the financial statements				
Cash and cash equivalents				\$ 8,219,474
Investments				12,685,152
Investments in stock				3,448
<u>Total deposits and investments</u>				<u>\$ 20,908,074</u>

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COMPLIANCE SECTION





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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

Joseph M. Maestas, PE, CFE, New Mexico State Auditor and
UNM Rainforest Innovations Board
UNM Rainforest Innovations
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of UNM Rainforest Innovations (the "Corporation"), a blended component unit of the University of New Mexico (the "University"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive style with a vertical line extending from the top of the 'I' in "Ingram".

Carr, Riggs & Ingram, L.L.C.

Albuquerque, NM

September 30, 2025

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Schedule of Findings and Responses
June 30, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Type of auditor's report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements?	No

SECTION II: FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III: SECTION 12-6-5 NMSA 1978 FINDINGS

None noted.

SECTION IV: SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None noted.

UNM Rainforest Innovations
(A Blended Component Unit of the University of New Mexico)
Other Disclosures
June 30, 2025

EXIT CONFERENCE

The contents of this report and its schedules were discussed on September 17, 2025. The following individuals were in attendance:

UNM Rainforest Innovations Officials

Sandra Begay	Board Chair
Gregg Mayer	Board Member
John Stichman	Board Member
Dr. Ellen Fisher	Board Member
Teresa Costantinidis	Board Member
Dr. Mike Richards	Board Member
Elizabeth Kuuttila	CEO and Chief Economic Development Officer
H. Brian Mirabal	CFO

Carr, Riggs & Ingram, L.L.C.

Paul Garcia, CPA	Partner
------------------	---------

AUDITOR PREPARED FINANCIALS

Carr, Riggs & Ingram, L.L.C. prepared the GAAP-basis financial statements and footnotes of the UNM Rainforest Innovations from the original books and records provided to them by the management of the UNM Rainforest Innovations. The responsibility for these financial statements remains with UNM Rainforest Innovations.



January 21, 2026

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 17, 2026. There are two approval items to be presented by Thomas Neale, Chief Operating Officer, Lobo Development Corporation.

- A. Summarized Minutes of the February 20, 2025 Annual Meeting of the Member
- B. Acceptance of Lobo Development Corporation's FY 2024-25 Audit

All documents are attached for your use.

Sincerely,

A handwritten signature in blue ink that appears to read 'Keelie Garcia'.

Keelie Garcia
Director of Operations

Tackett)

HEALTH SCIENCES CENTER COMMITTEE (HSCC) Jack Fortner, Co-Chair

The Health Sciences Center moved three items forward for approval by the Board. Kate Becker, CEO, UNMH, and Mike Chicarelli, COO, UNMH presented each of the three items.

SANDIA VISTA PRIMARY CARE CLINIC - \$19,000,000

- The motion to approve the Sandia Vista Primary Care Clinic passed unanimously (1st Payne; 2nd Tackett)

UH-MAIN 2nd FL. OR SUITE RENOVATION - \$40,000,000

- The motion to approve UH-Main 2nd Fl. OR Suite Renovation passed unanimously (1st Payne; 2nd Tackett)

UNM HOSPITAL PAVILLION BACKFILL DESIGN - \$6,000,000

- The motion to approve UH-Main 2nd Fl. OR Suite Renovation passed unanimously (1st Reyes; 2nd Tackett)

VOTE TO RECESS THE BOARD OF REGENTS

to hold the 'Meeting of the Member' for Lobo Energy, Inc.; Lobo Development Corporation; Rainforest Innovations; and UNM Medical Group, Inc.

- The motion to recess the Board of Regents meeting passed unanimously (1st Tackett; 2nd Reyes)

VOTE TO CONVENE THE MEMBER OF THE MEETING – LOBO ENERGY, INC.

- The motion to convene the Meeting of the Member passed unanimously (1st Payne; 2nd Tackett)

Jason Strauss, President/CEO, Lobo Energy Inc. briefly presented the agenda items below for approval.

VOTE TO ACCEPT THE LOBO ENERGY, INC. SUMMARIZED MINUTES OF THE FEBRUARY 15, 2024 MEETING

- The motion to accept the summarized minutes of the February 15, 2024 meeting passed unanimously (1st Payne; 2nd Blanchard)

VOTE TO ACCEPT THE LOBO ENERGY, INC. FY 2023-24 AUDIT

- The motion to accept the FY2023-24 Audit meeting passed unanimously (1st Reyes; 2nd Campos)

VOTE TO ADJOURN THE MEMBER OF THE MEETING – LOBO ENERGY, INC.

- The motion to adjourn the Meeting of the Member passed unanimously (1st Reyes; 2nd Tackett)

VOTE TO CONVENE THE MEMBER OF THE MEETING – LOBO DEVELOPMENT

- The motion to convene the Meeting of the Member passed unanimously (1st Reyes; 2nd Payne)

Thomas Neale, Interim Executive Director, Lobo Development Corporation briefly presented the agenda items for approval.

VOTE TO ACCEPT THE LOBO DEVELOPMENT SUMMARIZED MINUTES OF THE FEBRUARY 15, 2024 MEETING

- The motion to accept the summarized minutes of the February 15, 2024 meeting passed unanimously (1st Payne; 2nd Reyes)

VOTE TO ACCEPT THE LOBO DEVELOPMENT FY 2023-24 AUDIT

- The motion to accept the FY2023-24 Audit meeting passed unanimously (1st Williams; 2nd Tackett)

VOTE TO ADJOURN THE MEMBER OF THE MEETING – LOBO DEVELOPMENT

- The motion to adjourn the Meeting of the Member passed unanimously (1st Tackett; 2nd Reyes)

VOTE TO CONVENE THE MEMBER OF THE MEETING – RAINFOREST INNOVATIONS

- The motion to convene the Meeting of the Member passed unanimously (1st Blanchard; 2nd Campos)
Lisa Kuuttila, CEO & Chief Economic Development Officer, UNM Rainforest Innovations, briefly presented the agenda items for approval.

VOTE TO ACCEPT THE RAINFOREST INNOVATIONS SUMMARIZED MINUTES OF THE FEBRUARY 15, 2024 MEETING and TO ACCEPT THE RAINFOREST INNOVATIONS FY 2023-24 AUDIT

- The motion to accept the summarized minutes of the February 15, 2024 meeting and to accept the FY2023-24 Audit meeting passed unanimously (1st Tackett; 2nd Reyes)

VOTE TO ADJOURN THE MEMBER OF THE MEETING –RAINFOREST INNOVATIONS

- The motion to adjourn the Meeting of the Member passed unanimously (1st Payne; 2nd Campos)

VOTE TO CONVENE THE MEMBER OF THE MEETING –UNM MEDICAL GROUP

- The motion to convene the Meeting of the Member passed unanimously (1st Payne; 2nd Campos)

Gary Mlady Interim CEO, UNM Medical Group briefly presented the agenda items for approval.

VOTE TO ACCEPT THE UNM MEDICAL GROUP FY 2023-24 ANNUAL REPORT AND AUDIT

- The motion to accept the FY2023-24 Annual Report and Audit meeting passed unanimously (1st Tackett; 2nd Campos)

VOTE TO ADJOURN THE MEMBER OF THE MEETING –UNM MEDICAL GROUP

- The motion to adjourn the Meeting of the Member passed unanimously (1st Reyes; 2nd Tackett)

VOTE TO RECONVENE THE BOARD OF REGENTS

- The motion to reconvene the Board of Regents meeting passed unanimously (1st Reyes; 2nd Tackett)
ADVISORS COMMENTS NOT RELATED TO AGENDA

Cris Elder, President, Faculty Senate, welcomed the new regents and introduced herself and her work. She thanked all those working at UNM to lead the University through the tumult of federal executive actions, including the rapid response teams. She also noted, in the context of teaching a course on visual rhetoric, the arrangement of seating for vice presidents and advisors, with advisors in the second row rather than in the first. Ivan Olay, President, Staff Council, congratulated Regents Campos and Williams on their appointments and introduced himself and his work. He noted that Staff Council recently passed a resolution on Narcan training and accessibility. He also stated that a key Staff Council priority is fair compensation, and he looked forward to further discussion on how to fund increases. He invited the regents to the green chile cheeseburger staff event on May 21 from 11 am – 2 pm.

Anthony Tomaziefski President, ASUNM, also congratulated Regents Campos and Williams on their appointments and introduced himself and his work. He emphasized that student support groups were under threat and that the foundations of the motto “each of us defines all of us” was being tested in the current political climate.

Michael Rivera Ramirez, President, GPSA, congratulated Regents Campos and Williams on their appointments and welcomed Regent Reyes back to the board. He introduced himself and his work. He thanked the regents and administration for their support of the graduate student scholarship act, noting GPSA priorities are UNM

**State of New Mexico
Lobo Development Corporation
(A Component Unit of the University of New Mexico)**

FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

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INTRODUCTORY SECTION



Lobo Development Corporation
(A Component Unit of the University of New Mexico)
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Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Official Roster

CHIEF EXECUTIVE OFFICER

Teresa Costantinidis

CHIEF BUSINESS OFFICER

Shawna Wolfe

BOARD MEMBERS

Paul Blanchard, Chair

Stephen J. Ciepiela, Vice-Chair

Eric M. Siegel, Secretary/Treasurer

Teresa Costantindis

James Holloway

Fernando Lovo

Garnett S. Stokes

Michael Richards

Louis Abruzzo

Eric K. Eggins

Victor Reyes

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FINANCIAL SECTION



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110

505.883.2727
505.884.6719 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

Joseph M. Maestas, PE, CFE, New Mexico State Auditor and
Lobo Development Corporation Board
Lobo Development Corporation
Albuquerque, New Mexico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Lobo Development Corporation ("Lobo Development"), a component unit of the University of New Mexico (the "University"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise Lobo Development's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Lobo Development, as of June 30, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standard 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 opinion.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of the entity are intended to present the financial position and the changes in financial position of only Lobo Development. They do not purport to, and do not, present fairly the financial position of the University, as of June 30, 2025 and 2024, the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. 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 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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 15 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lobo Development's basic financial statements. The accompanying schedule of deposit accounts, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of deposit accounts is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

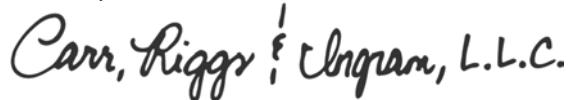
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of Lobo Development's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lobo Development's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lobo Development's internal control over financial reporting and compliance.



Carr, Riggs & Ingram, L.L.C.
Albuquerque, New Mexico
September 30, 2025

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis
June 30, 2025

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, 2025, 2024, and 2023. 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 2025 by \$736,258, resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2025 of \$4,133,280. The decrease during fiscal year 2025 is primarily due to an increase in administrative and project expenses. Cash increased in 2024 by \$1,502,841, resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2024 of \$4,869,538. The increase during fiscal year 2024 is primarily due to an increase in funds transferred from UNM. Interest earned during fiscal year 2025 decreased \$18,258 from \$343,584 to \$325,326 due to a loan payoff.

Lobo Development's net position decreased \$2,185,555 during the year, from \$9,729,559 in 2024 to \$7,544,004 in fiscal year 2025. During fiscal year 2024, Lobo Development's net position increased \$1,715,604, from \$8,013,955 in 2023 to \$9,729,559 in fiscal year 2024.

During fiscal year 2025, operating revenue decreased by \$64,252, and operating expenses increased by \$279,517, resulting in a decrease in net operating income of \$343,769. During fiscal year 2024, operating revenue decreased by \$382,822, and operating expenses decreased by \$78,522, resulting in a decrease in net operating income of \$304,300.

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
June 30, 2025

FINANCIAL INFORMATION

Lobo Development's condensed financial information as of and for the fiscal years ended June 30, 2025, 2024, and 2023 are provided in the following table:

Condensed Financial Information			
	2025	2024	2023
Current assets	\$ 5,309,460	\$ 6,111,018	\$ 4,617,212
Net capital assets	14,345,298	16,481,655	16,842,481
Non-current assets	4,678,372	5,998,097	7,216,502
Total assets	\$ 24,333,130	\$ 28,590,770	\$ 28,676,195
Current liabilities	\$ 544,513	\$ 590,578	\$ 597,116
Long-term debt	10,798,101	11,442,465	11,994,514
Deferred inflows of resources			
unavailable revenue - lease income	5,446,512	6,828,168	8,070,610
Net position			
Net investment in capital assets	3,061,270	4,472,640	4,287,773
Unrestricted	4,482,734	5,256,919	3,726,182
Total liabilities, deferred inflows of resources, and net position	\$ 24,333,130	\$ 28,590,770	\$ 28,676,195
Operating revenue			
Rental revenue	\$ 1,156,039	\$ 1,233,697	\$ 1,266,406
Project revenue	712,680	700,000	764,623
Reimbursement revenue, net	109,541	108,815	394,305
Total operating revenue	\$ 1,978,260	\$ 2,042,512	\$ 2,425,334
Operating expenses			
Depreciation	\$ 443,872	\$ 503,240	\$ 503,240
Administrative expenses	782,306	669,733	664,741
Project expenses	322,275	95,963	179,477
Total operating expenses	1,548,453	1,268,936	1,347,458
Operating income	429,807	773,576	1,077,876
Non-operating revenues (expenses), net			
Interest expense	(347,794)	(384,148)	(394,030)
Interest income	325,326	343,584	310,893
Other income	-	1,535	-
Write-off of abandoned projects	(362,099)	-	-
Transfer of baseball clubhouse project to UNM	(1,870,071)	-	-
Distribution from UNM to pay off Foundation note	245,780	-	-
Distribution from UNM for Alumni Road	-	1,577,505	-
Transfers in from Innovate ABQ	-	-	-
Distributions to UNM	(431,504)	(421,448)	(425,000)
Distributions to UNM - Athletics	(175,000)	(175,000)	(175,000)
Total non-operating revenue (expenses), net	(2,615,362)	942,028	(683,137)
Change in net position	(2,185,555)	1,715,604	394,739
Net position, beginning of year	9,729,559	8,013,955	7,619,216
Net position, end of year	\$ 7,544,004	\$ 9,729,559	\$ 8,013,955

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis
June 30, 2025

STATEMENTS OF NET POSITION

Assets – As of June 30, 2025 and 2024, Lobo Development has cash in the amount of \$4,133,280 and \$4,869,538, respectively, of which \$2,287,397 and \$4,496,871, respectively, is held by UNM, and \$1,845,883 and \$372,667, respectively, is held in an operating bank account at a financial institution. Cash decreased primarily due to an increase in operating and project expenses.

Liabilities and Net Position – Lobo Development's net position at June 30, 2025, 2024, and 2022 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, 2025, Lobo Development generated operating revenue in the amount of \$1,978,260, which included lease payments from three buildings, two student housing buildings, and reimbursement revenue. During the fiscal year ended June 30, 2024, Lobo Development generated operating revenue in the amount of \$2,042,512, which included lease payments from three buildings and two student housing buildings, and building revenue from UNM. Nonoperating revenue amounted to \$571,106 and \$1,922,624 during the fiscal years ended June 30, 2025 and 2024, respectively. For 2025, other income was the result of interest income earned from UNM of \$134,555, lease interest revenue of \$190,771, and a transfer of \$245,780 from UNM. For 2024, other income was the result of interest income earned from UNM of \$96,022 and lease interest revenue of \$247,562, a transfer of \$1,577,505 from UNM, and a reimbursement of \$1,535.

Expenses – Total operating expenses increased \$279,517 during the fiscal year ended June 30, 2025, due to an increase in administrative and project expenses. Total operating expenses decreased \$78,522 during the fiscal year ended June 30, 2024, due to a decrease in project expenses.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Lobo Development's investment in capital assets as of June 30, 2025, amounts to \$3,061,270 (net of accumulated depreciation and debt incurred to finance). This investment in capital assets includes two buildings purchased during fiscal year 2013 and one building purchased in fiscal year 2017. Lobo Development's construction in process (CIP) asset balance is \$2,176,399. This includes several in-process projects, such as a new bioscience lab near UNM's Lobo Rainforest Building, development along Avenida Cesar Chavez, development under a Tax Increment Development District, and a new building site on Central and Girard. Additional information concerning Lobo Development's capital assets may be found in Note 4 in the notes to the financial statements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis
June 30, 2025

At the end of the current fiscal year, Lobo Development had total debt outstanding of \$11,284,028. This debt was incurred during fiscal year 2013 for the purchase of the two buildings noted above. Additional information concerning Lobo Development's long-term debt may be found in Note 5 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 2025 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

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BASIC FINANCIAL STATEMENTS

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Statements of Net Position

<i>June 30,</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 1,845,883	\$ 372,667
Cash on deposit with fiscal agent	2,287,397	4,496,871
Lease receivable, current	1,161,306	1,221,993
Lease interest receivable	14,599	19,212
Prepaid insurance	275	275
	<hr/>	<hr/>
Total current assets	5,309,460	6,111,018
Noncurrent assets		
Non-depreciable capital assets	2,176,399	1,998,813
Depreciable capital assets, net	12,168,899	14,482,842
Lease receivable, net of current portion	4,678,372	5,998,097
	<hr/>	<hr/>
Total noncurrent assets	19,023,670	22,479,752
Total assets	<hr/>	<hr/>
	\$ 24,333,130	\$ 28,590,770
Liabilities		
Current liabilities		
Accounts payable	\$ 58,586	\$ 24,028
Long-term debt, current	485,927	566,550
	<hr/>	<hr/>
Total current liabilities	544,513	590,578
Long-term debt, net of current portion	<hr/>	<hr/>
	10,798,101	11,442,465
Total liabilities	<hr/>	<hr/>
	11,342,614	12,033,043
Deferred inflows of resources		
Unavailable revenue - lease income	<hr/>	<hr/>
	5,446,512	6,828,168
Total deferred inflows of resources	<hr/>	<hr/>
	5,446,512	6,828,168
Net position		
Net investment in capital assets	3,061,270	4,472,640
Unrestricted	4,482,734	5,256,919
	<hr/>	<hr/>
Total net position	<hr/>	<hr/>
	7,544,004	9,729,559
Total liabilities, deferred inflows of resources, and net position	<hr/>	<hr/>
	\$ 24,333,130	\$ 28,590,770

The accompanying notes are an integral part of these financial statements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30,

	2025	2024
Operating revenues		
Rental revenue	\$ 1,156,039	\$ 1,233,697
Project revenue	712,680	700,000
Reimbursement revenue, net	109,541	108,815
 Total operating revenues	1,978,260	2,042,512
Operating expenses		
Depreciation	443,872	503,240
Administrative expenses	782,306	669,733
Project expenses	322,275	95,963
 Total operating expenses	1,548,453	1,268,936
 Operating income	429,807	773,576
 Non-operating revenues (expenses)		
Interest expense	(347,794)	(384,148)
Interest income	325,326	343,584
Other income	-	1,535
Write-off of abandoned projects	(362,099)	-
Transfer of baseball clubhouse project to UNM	(1,870,071)	-
Distribution from UNM to pay off Foundation note	245,780	-
Distribution from UNM for Alumni Road	-	1,577,505
Distributions to UNM	(431,504)	(421,448)
Distributions to UNM - Athletics	(175,000)	(175,000)
 Net non-operating revenues (expenses)	(2,615,362)	942,028
 Change in net position	(2,185,555)	1,715,604
 Net position, beginning of year	9,729,559	8,013,955
 Net position, end of year	\$ 7,544,004	\$ 9,729,559

The accompanying notes are an integral part of these financial statements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Statements of Cash Flows

<i>For the years ended June 30,</i>	2025	2024
Cash flows from operating activities		
Payments received from fiscal agent	\$ 576,441	\$ 843,815
Payments to suppliers	(477,687)	(256,818)
Receipts from lease arrangements	1,400,575	1,190,689
Payments to employees	(592,336)	(530,379)
 Net cash provided by operating activities	 906,993	 1,247,307
Cash flows from noncapital financing activities		
Distributions to UNM	(431,504)	(421,448)
Distributions to UNM-Athletics	(175,000)	(175,000)
Distributions from UNM	245,780	1,577,505
Other income	-	1,508
 Net cash (used in) provided by noncapital financing activities	 (360,724)	 982,565
Cash flows from capital financing activities		
Payments for construction	(539,685)	(142,414)
Payments for debt to fiscal agent principal	(724,987)	(545,666)
Payments for debt to fiscal agent interest	(347,794)	(384,148)
 Net cash (used in) capital financing activities	 (1,612,466)	 (1,072,228)
Cash flows from investing activities		
Interest received from deposits with fiscal agent	134,555	94,487
Interest received from lease arrangements	195,384	250,710
 Net cash provided by investing activities	 329,939	 345,197
 Net change in cash and cash equivalents	 (736,258)	 1,502,841
 Cash and cash equivalents, beginning of year	 4,869,538	 3,366,697
 Cash and cash equivalents, end of year	 \$ 4,133,280	 \$ 4,869,538
 Reconciliation of cash to the statement of net position		
 Cash and cash equivalents	 \$ 1,845,883	 \$ 372,667
Cash on deposit with fiscal agent	2,287,397	4,496,871
 Cash on statement of cash flows	 \$ 4,133,280	 \$ 4,869,538

The accompanying notes are an integral part of these financial statements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Statements of Cash Flows (Continued)

<i>For the years ended June 30,</i>	2025	2024
Operating income	\$ 429,807	\$ 773,576
Reconciliation of operating income to net cash provided by operating activities		
Depreciation expense	443,872	503,240
Changes in assets, liabilities, and deferred inflows of resources		
Accounts receivable	-	35,000
Lease receivable	1,380,412	1,190,689
Prepaid insurance	-	138
Accounts payable	34,558	(12,894)
Deferred inflow of resources	(1,381,656)	(1,242,442)
Net cash provided by operating activities	\$ 906,993	\$ 1,247,307

The accompanying notes are an integral part of these financial statements.

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Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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). UNM issues separately issued financial statements. 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 UNM's return from these assets; by contributing all of the corporation's net revenues to UNM for the support of the teaching, research, and service mission of UNM; 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 UNM.

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, 2025 and 2024, \$606,504 and \$596,448 was distributed back to UNM, respectively.

Primary activities performed by Lobo Development during the years ended June 30, 2025 and 2024 focused on efforts to establish a bioscience lab and research and development space for emerging industries at the Innovate ABQ site, lease and sale transactions of commercial sites along Gibson Boulevard, development opportunities along Avenida Cesar Chavez, commercial development at the northwest corner of Central and Girard, and determining the feasibility of redeveloping the northwest corner at Central and University.

Lobo Development is a blended component unit of UNM and reported upon as a part of the basic financial statements of UNM. Additional information regarding the University of New Mexico may be obtained directly from their administrative office as follows: 1 University of New Mexico, MSC01 1300, Albuquerque, NM 87131. These financial statements include those activities and functions related to Lobo Development Corporation which are controlled by or dependent upon its Board. The statements do not present the financial position and results of operations of UNM, taken as a whole. The accompanying financial in accordance with generally accepted accounting principles (GAAP).

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity

In evaluating how to define Lobo Development, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90.

Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only-criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the nomination and voting on board members, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, Lobo Development provides services only to UNM and has no component units required to be included in these financial statements.

Basis of Accounting and Financial Statement Presentation

As a component unit of UNM, Lobo Development presents its financial statements in accordance with accounting standards generally accepted in the United States as established by the Governmental Accounting Standards Board (GASB). Lobo Development applies the business-type activity accounting and Lobo Development's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Financial Statement Presentation (Continued)

Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. The significant accounting policies utilized by Lobo Development in the preparation of the financial statements are described below.

Assets, Liabilities, Deferred Inflows of Resources and Net Position

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly-liquid investments with original maturities of three months or less. For purposes of the statement of cash flows, cash and cash equivalents include cash deposits and amounts held by its fiscal agent.

Cash on deposit with fiscal agent

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, 2025 and 2024, Lobo Development had a balance in that pooled account of \$2,287,397 and \$4,496,871, 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.

Lease Receivables and Payables and Deferred Inflows of Resources

Lobo Development is a lessee and lessor for numerous noncancelable leases. For leases with a maximum possible term of 12 months or less at commencement (short term), Lobo Development recognizes expense based on the provisions of the lease contract. For the years ended June 30, 2025 and 2024, Lobo Development had equipment rent expense of \$2,308 and \$2,106, respectively, for these short-term leases.

Initial measurement of the lease receivable amount is calculated at the present value of payments expected to be received during the lease term, discounted using Lobo Development's incremental borrowing rate. Leases for which Lobo Development is the lessor are discounted by the incremental borrowing rate, with anticipated payments being recorded as a deferred inflow of resources, amortized on a straight-line basis over the term of the lease.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

Allowance for Doubtful Accounts

Generally accepted accounting principles (GAAP) include the use of the valuation method for estimating the allowance for doubtful accounts. Management considers receivables to be 100% collectible; therefore no allowance has been made for uncollectible amounts for the years ended June 30, 2025 and 2024.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For buildings, Lobo Development's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Donations of property and equipment are recorded as contributions at acquisition value at the date of donation. Such donations are reported as increases in unrestricted net position unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, Lobo Development reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction. There was no interest expense capitalized by Lobo Development during the current fiscal year. No interest was included as part of the cost of capital assets under construction.

The buildings are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	39

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

Net Position

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Lobo Development had no restricted net position for the years ending June 30, 2025 and 2024.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Revenues and Expenses

Lobo Development recognizes operating revenue for services earned under the terms of the MOA. Lobo Development’s revenue for the fiscal years ended 2025 and 2024 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 Tax Status

Lobo Development is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been determined to be an organization which is not a private foundation.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status (Continued)

The Internal Revenue Service has not examined any of the Form 990 tax returns. However, Lobo Development's tax returns for 2024, 2023 and 2022 are subject to examination by the IRS, generally, for three years after they were filed. Lobo Development recognizes tax benefits only to the extent Lobo Development believes it is "more likely than not" that its tax position will be sustained upon IRS examination.

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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for Lobo Development is management's estimate of depreciation on assets over their estimated useful lives and amortization of lease receivables.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2025 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

During the fiscal year ended June 30, 2025, Lobo Development adopted GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. The implementation of these statements did not have a significant impact on Lobo Development because the activities of Lobo Development were not affected by these statements in a material manner.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement aim to improve reporting on capital assets by separately disclosing specific types of capital assets in financial statement notes. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Lobo Development is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DEPOSITS

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Lobo Development's deposits may not be returned to it. As of June 30, 2025 and 2024, Lobo Development had deposits totaling approximately \$1.8 million and \$412 thousand, respectively. As a separate legal 501(c)(3) entity, Lobo Development is not subject to the public money act pledged collateral requirements. At June 30, 2025 and 2024, the checking account balance was in excess of amounts insured by the FDIC by \$1.6 million and \$162 thousand, respectively.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 3: LEASES

A summary of changes in the unavailable revenue – lease income deferred inflow of resources during the years ended June 30, 2025 and 2024 is as follows:

For the year ending June 30, 2025

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Deferred inflows of resources - leases	\$ 6,828,168	\$ -	\$ (1,381,656)	\$ 5,446,512	\$ 1,161,306
Total	\$ 6,828,168	\$ -	\$ (1,381,656)	\$ 5,446,512	\$ 1,161,306

For the year ending June 30, 2024

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Deferred inflows of resources - leases	\$ 8,070,610	\$ -	\$ (1,242,442)	\$ 6,828,168	\$ 1,221,993
Total	\$ 8,070,610	\$ -	\$ (1,242,442)	\$ 6,828,168	\$ 1,221,993

Lobo Development as Lessor

Lobo Development is the lessor of various properties under short-term lease agreements. For the years ended June 30, 2025 and 2024, respectively, total lease income, which includes annually renewable lease agreements, was \$1,156,039 and \$1,233,697.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2025:

<i>For the years ending June 30,</i>	Principal Receivable	Interest Revenue Receivable	Total Lease Receivable
2026	\$ 1,161,306	\$ 159,309	\$ 1,320,615
2027	1,196,628	123,987	1,320,615
2028	1,233,024	87,590	1,320,614
2029	1,270,528	50,086	1,320,614
2030	978,192	12,268	990,460
Totals	\$ 5,839,678	\$ 433,240	\$ 6,272,918

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 4: CAPITAL ASSETS

The following is a summary of changes in capital assets during the years ended June 30, 2025 and 2024:

	June 30, 2024	Additions	Deletions	June 30, 2025
Capital assets not being depreciated				
Construction in progress	\$ 1,998,813	\$ 539,685	\$ (362,099)	\$ 2,176,399
Total capital assets not being depreciated	1,998,813	539,685	(362,099)	2,176,399
Capital assets being depreciated				
Buildings	19,626,345	-	(2,315,326)	17,311,019
Total capital assets being depreciated	19,626,345	-	(2,315,326)	17,311,019
Less accumulated depreciation				
Building	(5,143,503)	(443,872)	445,255	(5,142,120)
Total capital assets being depreciation, net	14,482,842	(443,872)	(1,870,071)	12,168,899
Net capital assets	\$ 16,481,655	\$ 95,813	\$ (2,232,170)	\$ 14,345,298

	June 30, 2023	Additions	Deletions	June 30, 2024
Capital assets not being depreciated				
Construction in progress	\$ 1,856,399	\$ 142,414	\$ -	\$ 1,998,813
Total capital assets not being depreciated	1,856,399	142,414	-	1,998,813
Capital assets being depreciated				
Buildings	19,626,345	-	-	19,626,345
Total capital assets being depreciated	19,626,345	-	-	19,626,345
Less accumulated depreciation				
Building	(4,640,263)	(503,240)	-	(5,143,503)
Total capital assets being depreciation, net	14,986,082	(503,240)	-	14,482,842
Net capital assets	\$ 16,842,481	\$ (360,826)	\$ -	\$ 16,481,655

During 2025 the baseball clubhouse was transferred to UNM. The clubhouse cost \$2,315,326 and had accumulated depreciation of \$445,255 which resulted in a net transfer cost of \$1,870,071. In addition, \$362,099 of projects in CIP were abandoned and written off in 2025.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 5: LONG-TERM DEBT

A promissory note payable to UNM was issued to finance the capital assets purchase made in fiscal year 2013 and had loans revision agreements on January 1, 2016 and August 15, 2019. Principal payments of \$68,150 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 with a balloon payment being made.

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 were due monthly on the twenty-first day of each month. The note has a variable interest rate. This note was paid off in August 2024.

The following is a summary of notes payable for the year ended June 30, 2025 and 2024:

Entity	Year Ended June 30, 2025				
	Beginning Balance	Additions	Deletions	Ending Balance	Within One Year
Note payable to UNM	\$ 11,755,613	\$ -	\$ (471,585)	\$ 11,284,028	\$ 485,927
Note payable to UNM Foundation	253,402	-	(253,402)	-	-
Total	\$ 12,009,015	\$ -	\$ (724,987)	\$ 11,284,028	\$ 485,927

Entity	Year Ended June 30, 2024				
	Beginning Balance	Additions	Deletions	Ending Balance	Within One Year
Note payable to UNM	\$ 12,213,263	\$ -	\$ (457,650)	\$ 11,755,613	\$ 471,583
Note payable to UNM Foundation	341,418	-	(88,016)	253,402	94,967
Total	\$ 12,554,681	\$ -	\$ (545,666)	\$ 12,009,015	\$ 566,550

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 5: LONG-TERM DEBT (Continued)

The scheduled maturity of the note payables for Lobo Development were as follows at June 30, 2025:

<i>For the years ending June 30,</i>	Principal	Interest	Total Debt Service
2026	\$ 485,927	\$ 331,876	\$ 817,803
2027	10,798,101	265,292	11,063,393
Total	\$ 11,284,028	\$ 597,168	\$ 11,881,196

Note 6: RISK MANAGEMENT

Lobo Development, through UNM, participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability at Lobo Development's expense. Workers' compensation insurance and property insurance are provided by private companies at Lobo Development's expense. The Risk Management program liability insurance coverage includes most employee liability claims; those claims falling outside this state program are in limited amounts and are covered by UNM from its operating budget. UNM's exposure is limited to \$1,000 per any first party incurred property loss, with the exception of theft, which has a \$5,000 deductible.

Lobo Development is physically housed within UNM that provides office space, personnel, utilities, and general operating expenses to Lobo Development.

Note 7: DEFINED CONTRIBUTION PLAN

Lobo Development entered into a 403(b) defined contribution plan effective January 1, 2013. As a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The plan may be amended by a board of directors' resolution. The plan is available to all employees of Lobo Development, beginning the first day of the plan year quarter coincident with or next following the date the employee first performs their first day of service and are considered to be immediately vested. The plan allows for variable employee contributions up to the Internal Revenue Service maximum allowed amount. Principal Financial Group administers the plan, and Lobo Development contributes the sum of (a) a 6.00% match for employees that contribute to the plan and (b) a discretionary contribution as determined by Lobo Development for employees who do not contribute to the plan. Contributions to the plan by Lobo Development for the fiscal years ended June 30, 2025 and 2024 were \$44,771 and \$25,596, respectively.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 8: RELATED PARTIES

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 \$700,000 to Lobo Development for both the years ended June 30, 2025 and 2024, 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 5).

On December 21, 2016, Lobo Development executed a Promissory Note with the University of New Mexico Foundation, Inc. (UNM Foundation) to provide funds to finalize the purchase of a building. The Note was originally executed for \$1,000,000 at 3.75% interest per annum with a maturity date of December 21, 2026 (see Note 5). In 2025 UNM distributed \$245,780 to Lobo Development to pay off the note with the UNM Foundation. Therefore, \$0 remained on this note as of June 30, 2025.

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 was 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, 2025 and 2024, expenses totaling \$0 and \$9,263, were incurred on behalf of Innovate and are included in project and administrative expenses.

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 both the fiscal years ended June 30, 2025 and 2024, Lobo Development distributed \$175,000 of "Lobo Village" ground lease income to Athletics. Lobo Development receives rental revenue from UNM and Athletics under four occupancy lease agreements.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 8: RELATED PARTIES (Continued)

For the fiscal year ended June 30, 2025, rental revenue received from UNM was \$1,146,634, and rental revenue received from Athletics was \$9,405, for total rental revenue of \$1,156,039.

For the fiscal year ended June 30, 2024, rental revenue received from UNM was \$1,146,634, and rental revenue received from Athletics was \$87,063, for total rental revenue of \$1,233,697.

Lobo Development did not purchase goods and services from companies that board members are employed by during fiscal years ended June 30, 2025 and 2024.

Note 9: COMMITMENTS AND CONTINGENCIES

Lobo Development is party to various litigation and other claims in the ordinary course of business. Lobo Development is unaware of any material pending or threatened litigation, claims, or assessments against Lobo Development that are not covered by insurance.

Lobo Development entered into agreements with contractors and architects for various projects for the year ended June 30, 2025 with anticipated future costs in 2025 of \$30,000 for the Lomas Corridor, \$40,000 for the Howl Plaza, and \$28,000 for the Alumni Drive Traffic Signal.

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SUPPORTING SCHEDULES

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Schedule of Deposit Accounts
June 30, 2025

Account Name	Type	PNC Bank	Fiscal Agent	Total
Checking Plus Account - non-interest bearing	Checking	\$ 1,848,921	\$ -	\$ 1,848,921
Cash with fiscal agent - interest bearing	Pooled	-	2,287,397	2,287,397
Amounts on deposit		1,848,921	2,287,397	4,136,318
Outstanding items		(3,038)	-	(3,038)
Reconciled balance		\$ 1,845,883	\$ 2,287,397	4,133,280
<hr/>				<hr/>
Total deposits				\$ 4,133,280
<hr/>				
Reconciliation to the financial statements				
Cash and cash equivalents				\$ 1,845,883
Cash on deposit with fiscal agent				2,287,397
<hr/>				<hr/>
Total deposits				\$ 4,133,280
<hr/>				

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Schedule of Deposit Accounts (Continued)
June 30, 2024

Account Name	Type	PNC Bank	Fiscal Agent	Total
Checking Plus Account - non-interest bearing	Checking	\$ 411,973	\$ -	\$ 411,973
Cash with fiscal agent - interest bearing	Pooled	-	4,496,871	4,496,871
Amounts on deposit		411,973	4,496,871	4,908,844
Outstanding items		(39,306)	-	(39,306)
Reconciled balance		\$ 372,667	\$ 4,496,871	4,869,538
<hr/>				<hr/>
Total deposits				\$ 4,869,538
<hr/>				
Reconciliation to the financial statements				
Cash and cash equivalents				\$ 372,667
Cash on deposit with fiscal agent				4,496,871
<hr/>				<hr/>
Total deposits				\$ 4,869,538
<hr/>				

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COMPLIANCE SECTION



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Joseph M. Maestas, PE, CFE, New Mexico State Auditor and
Lobo Development Corporation Board
Lobo Development Corporation
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Lobo Development Corporation ("Lobo Development"), a component unit of the University of New Mexico (the "University"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lobo Development's basic financial statements, and have issued our report thereon dated September 30, 2025.

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 opinion 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.

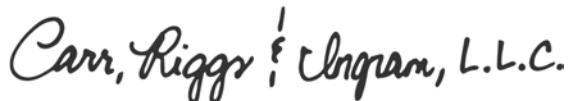
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is fluid and cursive, with "Carr" on the first line, "Riggs &" on the second line, and "Ingram, L.L.C." on the third line.

Carr, Riggs & Ingram, L.L.C.

Albuquerque, NM

September 30, 2025

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Schedule of Findings and Responses
June 30, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Type of auditor's report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements?	No

SECTION II: FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III: SECTION 12-6-5 NMSA 1978 FINDINGS

None noted.

SECTION IV: SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None noted.

Lobo Development Corporation
(A Component Unit of the University of New Mexico)
Other Disclosures
June 30, 2025

EXIT CONFERENCE

The contents of this report and its schedules were discussed on September 11, 2025. The following individuals were in attendance:

Lobo Development Corporation Officials

Keelie Garcia	Directors of Operations
Tom Neale	COO, Lobo Development Corporation, and
	Director of Real Estate, UNM
Teresa Costantinidis	CEO, Lobo Development Corporation, and EVP for
	Finance & Administration, UNM

Carr, Riggs & Ingram, L.L.C.

Paul Garcia, CPA	Partner
------------------	---------

AUDITOR PREPARED FINANCIALS

Carr, Riggs & Ingram, L.L.C. prepared the GAAP-basis financial statements and footnotes of Lobo Development Corporation from the original books and records provided to them by the management of the Lobo Development Corporation. The responsibility for these financial statements remains with Lobo Development Corporation.

Minutes of the Regular Meeting of
The Board of Regents of the University of New Mexico
February 20, 2025 at 9:00 AM
Open Session - UNM Student Union Building (SUB) Ballroom B
Executive Session - immediately following, SUB Cherry Silver Room
Livestreamed at <https://live.unm.edu/board-of-regents>

Members Present

Jack Fortner, Acting Chair
William Payne
Christina Campos
Patricia Williams
Victor Reyes
Paula Tackett

Members Not Present

Paul Blanchard

Administration Present

Garnett S. Stokes, President; James Holloway, Provost and EVP for Academic Affairs; Teresa Costantinidis, EVP for Finance and Administration; Mike Richards, EVP for Health Sciences and CEO of the Health System; Rebecca Napier, VP Finance & Administration, HSC; Norma Allen, University Controller; Shawna Wolfe, VP Institutional Support Services; Fern Lovo, VP Athletics; Assata Zerai, VP Equity and Inclusion; Eric Scott, VP Student Affairs, Dan Garcia, VP Enrollment Management; Scot Sauder, Interim General Counsel; Francie Cordova, Chief Compliance Officer; Kevin Stevenson, VP HR; Terry Babbitt, President's Chief of Staff; Cinnamon Blair, Chief University Marketing and Communications Officer; deans and others

Advisors Present

Anthony Tomaziefski, ASUNM President; Michel Rivera Ramirez, GPSA President; Ivan Olai, Staff Council President; Cris Elder, Faculty Senate President; Kenneth Armijo, Alumni Association Board President

Presenters

Kate Becker, CEO, UNM Hospitals
Mike Chicarelli, COO, UNM Hospitals
Jason Strauss, President/CEO, Lobo Energy Inc.
Thomas Neale, Interim Executive Director, Lobo Development Corporation
Lisa Kuutila, CEO & Chief Economic Development Officer, UNM Rainforest Innovations
Gary Mlady, Interim President & CEO UNMMG

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Acting Chair Jack Fortner called the meeting to order at 9:09 am in the UNM Student Union Building, Ballroom B, and confirmed a quorum with 6 members present in person (Campos, Payne, Fortner, Reyes, Williams and Tackett).

Land Acknowledgement Statement of the University of New Mexico

Regent Campos affirmed UNM's Land Acknowledgement Statement by reading it aloud:

Founded in 1889, The University of New Mexico sits on the traditional homelands of the Pueblo of Sandia. The original peoples of New Mexico – Pueblo, Navajo, and Apache – since time immemorial, have deep connections to the land and have made significant contributions to the broader community statewide. We honor the land itself and those who remain stewards of this land throughout the generations and also acknowledge our committed relationship to Indigenous peoples. We gratefully recognize our history.

VOTE TO ADOPT THE AGENDA

- The motion to adopt the agenda passed unanimously with six regents present and voting (1st Payne; 2nd Tackett).

VOTE TO CONFIRM THE APPROVAL OF MINUTES

- The motion to approve the minutes of the December 19, 2024 Regular Meeting & January 17, 2025 Special Meeting passed unanimously (1st Tackett; 2nd Payne).

PUBLIC COMMENT RELATED TO AGENDA ITEMS

There were no public comments related to items on the agenda.

ADVISORS COMMENTS RELATED TO AGENDA ITEMS

There were no advisor comments related to agenda items.

PRESIDENT'S ADMINISTRATIVE REPORT

President Stokes welcomed Regents Christina Campos and Patricia Williams and congratulated Regent Reyes on his 2-year term appointment. She then presented her administrative report (Attachment A).

REGENTS' COMMENTS

There were no regents' comments.

Election of Interim Secretary and Treasurer of the Board pending elections to be held at the annual meeting of the Board of Regents on March 10, 2025

Scot Sauder, Interim General Counsel, explained that under Section 21-7-5 of the New Mexico Statutes, the Board is required to elect a President and Secretary-Treasurer annually. This annual meeting must occur on the second Monday in March yearly. Regents Policy Manual Section 1.2 states that the regents will also elect a Vice Chair, who serves as "chair pro tem" in the absence of the Chair. Regent Fortner, Vice Chair, is serving as Acting Chair until the March 10, 2025 meeting. A vacancy in the position of Secretary-Treasurer, due to the end of their term, required an immediate election of an Interim Secretary-Treasurer to serve from this day until March 10, 2025. Regent Fortner called for nominations. Paula Tackett nominated Victor Reyes, who was the sole nominee. Regent Fortner closed nominations.

- The motion to elect Victor Reyes as the Acting Secretary-Treasurer of the Board of Regents passed unanimously 6-0 (1st Tackett; 2nd Campos).

COMMITTEE REPORTS

VOTE TO APPROVE THE CONSENT DOCKET

1. Create the Davis-Kozoll Endowed Professorship for Prevention Research and Practice
2. Appoint Dr. Carmella Kahn as the inaugural Holder of the Davis-Kozoll Endowed Professorship for Prevention Research and Practice
3. Appoint Christopher Amos, PhD, as the recipient of the Carolyn R. Surface Endowed Chair in Cancer Population and Data Science
4. CERT Welding Tech TA (New-Taos)
5. CERT Medical Biotechnology (New-Valencia)
6. AA Psychology (New-Valencia)
7. UNMMG Board of Directors Appointments
8. 933 Bradbury – Public Corridor Flooring Replacement - \$400,000
9. OSIS Air Handling Unit #1 (AHU-1) Replacement - \$1,000,000
10. UH-Main Fluoroscopy Room #1 Equipment Replacement - \$600,000
11. Financial Actions Report and Certification through December 31, 2024
12. Board Appointments and Reappointments to LEI Board of Directors Public Members
13. Project Construction Approvals (all items above \$2 Million):
 - a. UNMT Pueblo Hall East HVAC and Roof Replacement
 - b. Alvarado Hall Dormitory Elevator Install
 - c. Alvarado Hall Dormitory Community Restroom Modernization
 - d. Humanities Building Demolition
14. 2025 UNM Valencia County Local Obligation Bond Sale Resolution
15. Proposed Revisions to Regents' Policy 7.7 Travel Reimbursement and Per Diem

*Docket Note: Number(s) 1-6 moved from Student Success, Teaching and Research [SSTAR] Committee; 7-10 from Health Sciences Center Committee; Numbers 11-15 moved from Finance & Facilities [F&F] Committee.

Tackett)

HEALTH SCIENCES CENTER COMMITTEE (HSCC) Jack Fortner, Co-Chair

The Health Sciences Center moved three items forward for approval by the Board. Kate Becker, CEO, UNMH, and Mike Chicarelli, COO, UNMH presented each of the three items.

SANDIA VISTA PRIMARY CARE CLINIC - \$19,000,000

- The motion to approve the Sandia Vista Primary Care Clinic passed unanimously (1st Payne; 2nd Tackett)

UH-MAIN 2nd FL. OR SUITE RENOVATION - \$40,000,000

- The motion to approve UH-Main 2nd Fl. OR Suite Renovation passed unanimously (1st Payne; 2nd Tackett)

UNM HOSPITAL PAVILLION BACKFILL DESIGN - \$6,000,000

- The motion to approve UH-Main 2nd Fl. OR Suite Renovation passed unanimously (1st Reyes; 2nd Tackett)

VOTE TO RECESS THE BOARD OF REGENTS

to hold the 'Meeting of the Member' for Lobo Energy, Inc.; Lobo Development Corporation; Rainforest Innovations; and UNM Medical Group, Inc.

- The motion to recess the Board of Regents meeting passed unanimously (1st Tackett; 2nd Reyes)

VOTE TO CONVENE THE MEMBER OF THE MEETING – LOBO ENERGY, INC.

- The motion to convene the Meeting of the Member passed unanimously (1st Payne; 2nd Tackett)

Jason Strauss, President/CEO, Lobo Energy Inc. briefly presented the agenda items below for approval.

VOTE TO ACCEPT THE LOBO ENERGY, INC. SUMMARIZED MINUTES OF THE FEBRUARY 15, 2024 MEETING

- The motion to accept the summarized minutes of the February 15, 2024 meeting passed unanimously (1st Payne; 2nd Blanchard)

VOTE TO ACCEPT THE LOBO ENERGY, INC. FY 2023-24 AUDIT

- The motion to accept the FY2023-24 Audit meeting passed unanimously (1st Reyes; 2nd Campos)

VOTE TO ADJOURN THE MEMBER OF THE MEETING – LOBO ENERGY, INC.

- The motion to adjourn the Meeting of the Member passed unanimously (1st Reyes; 2nd Tackett)

VOTE TO CONVENE THE MEMBER OF THE MEETING – LOBO DEVELOPMENT

- The motion to convene the Meeting of the Member passed unanimously (1st Reyes; 2nd Payne)

Thomas Neale, Interim Executive Director, Lobo Development Corporation briefly presented the agenda items for approval.

VOTE TO ACCEPT THE LOBO DEVELOPMENT SUMMARIZED MINUTES OF THE FEBRUARY 15, 2024 MEETING

- The motion to accept the summarized minutes of the February 15, 2024 meeting passed unanimously (1st Payne; 2nd Reyes)

VOTE TO ACCEPT THE LOBO DEVELOPMENT FY 2023-24 AUDIT

- The motion to accept the FY2023-24 Audit meeting passed unanimously (1st Williams; 2nd Tackett)

VOTE TO ADJOURN THE MEMBER OF THE MEETING – LOBO DEVELOPMENT

- The motion to adjourn the Meeting of the Member passed unanimously (1st Tackett; 2nd Reyes)

VOTE TO CONVENE THE MEMBER OF THE MEETING – RAINFOREST INNOVATIONS

- The motion to convene the Meeting of the Member passed unanimously (1st Blanchard; 2nd Campos)
Lisa Kuuttila, CEO & Chief Economic Development Officer, UNM Rainforest Innovations, briefly presented the agenda items for approval.

VOTE TO ACCEPT THE RAINFOREST INNOVATIONS SUMMARIZED MINUTES OF THE FEBRUARY 15, 2024 MEETING and TO ACCEPT THE RAINFOREST INNOVATIONS FY 2023-24 AUDIT

- The motion to accept the summarized minutes of the February 15, 2024 meeting and to accept the FY2023-24 Audit meeting passed unanimously (1st Tackett; 2nd Reyes)

VOTE TO ADJOURN THE MEMBER OF THE MEETING –RAINFOREST INNOVATIONS

- The motion to adjourn the Meeting of the Member passed unanimously (1st Payne; 2nd Campos)

VOTE TO CONVENE THE MEMBER OF THE MEETING –UNM MEDICAL GROUP

- The motion to convene the Meeting of the Member passed unanimously (1st Payne; 2nd Campos)

Gary Mlady Interim CEO, UNM Medical Group briefly presented the agenda items for approval.

VOTE TO ACCEPT THE UNM MEDICAL GROUP FY 2023-24 ANNUAL REPORT AND AUDIT

- The motion to accept the FY2023-24 Annual Report and Audit meeting passed unanimously (1st Tackett; 2nd Campos)

VOTE TO ADJOURN THE MEMBER OF THE MEETING –UNM MEDICAL GROUP

- The motion to adjourn the Meeting of the Member passed unanimously (1st Reyes; 2nd Tackett)

VOTE TO RECONVENE THE BOARD OF REGENTS

- The motion to reconvene the Board of Regents meeting passed unanimously (1st Reyes; 2nd Tackett)
ADVISORS COMMENTS NOT RELATED TO AGENDA

Cris Elder, President, Faculty Senate, welcomed the new regents and introduced herself and her work. She thanked all those working at UNM to lead the University through the tumult of federal executive actions, including the rapid response teams. She also noted, in the context of teaching a course on visual rhetoric, the arrangement of seating for vice presidents and advisors, with advisors in the second row rather than in the first. Ivan Olay, President, Staff Council, congratulated Regents Campos and Williams on their appointments and introduced himself and his work. He noted that Staff Council recently passed a resolution on Narcan training and accessibility. He also stated that a key Staff Council priority is fair compensation, and he looked forward to further discussion on how to fund increases. He invited the regents to the green chile cheeseburger staff event on May 21 from 11 am – 2 pm.

Anthony Tomaziefski President, ASUNM, also congratulated Regents Campos and Williams on their appointments and introduced himself and his work. He emphasized that student support groups were under threat and that the foundations of the motto “each of us defines all of us” was being tested in the current political climate.

Michael Rivera Ramirez, President, GPSA, congratulated Regents Campos and Williams on their appointments and welcomed Regent Reyes back to the board. He introduced himself and his work. He thanked the regents and administration for their support of the graduate student scholarship act, noting GPSA priorities are UNM

speech issues on campuses and public comment time allotments.

Kenneth Armijo, President, UNM Alumni Association, congratulated Regents Campos and Williams on their appointments and thanked them for their service. He noted alumni events including one honoring African American alumni, the upcoming alumni awards event, a recent legislative reception, career networking events, Lobo Living Room events, and the UNM alumni green chile roasts, which help to fund scholarships.

PUBLIC COMMENT NOT RELATED TO AGENDA

Jillian Grandinetti, student, urged the regents to divest from Israeli companies and other entities.

Sara Koplik, staff, urged everyone to look beyond divestment from Israel and unite against the current United States administration.

Jennifer Jordan, faculty, spoke against the UNM Bookstore's Accessible Equity program.

Feleecia Guillen, student, LEAF representative, Jay Edwards, student, SFS representative, Benjamin Abbott, faculty, FSJP representative, and Sophie Hecht, graduate student, SJP representative, urged the university to further disclose and divest from fossil fuels and Israel and related entities, and declare a climate emergency.

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

- The motion to close the meeting and proceed in executive session passed unanimously with six regents present and voting (1st Payne; 2nd Campos; roll call vote – all members voted yes)

[The regents proceeded upstairs to the Cherry Silver Room.]

Executive Session agenda:

- Discussion and/or determination of matters subject to the attorney-client privilege pertaining to threatened or pending litigation in which the University is or may become a participant pursuant to NMSA 1978, § 10-15-1H(7);
Regent Reyes left the meeting at 11:40 am.

VOTE TO RE-OPEN THE MEETING

- The motion to re-open the meeting passed unanimously with five regents present and voting (1st Payne; 2nd Tackett; roll call vote – all members voted yes).

[The doors to the Cherry Silver room were opened.]

Regent Fortner reconvened open session at 12:10 pm and certified that only those matters described in the Executive Session Agenda were discussed in the closed session. No actions were taken regarding closed session items.

ADJOURN

There being no further business, Regent Payne motioned to adjourn the meeting, Regent Williams seconded; all were in favor; the meeting adjourned at 12:11 pm.

Approved:



Paul Blanchard, Chair

Attest:



Paula Tackett, Secretary-Treasurer

“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.



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

January 23, 2026

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 17, 2026.

There are two action items for the agenda:

- Approval of the Minutes from the Annual Meeting of the Member held on February 20, 2025
- Approval of the FY 2024-25 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

cc: Tabia Murray Allred



**State of New Mexico
Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)**

FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

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INTRODUCTORY SECTION



Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
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Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Official Roster

PRESIDENT / CEO

Jason Strauss

VICE PRESIDENT

Matthew Cherrin

Alfred Sena

SECRETARY / TREASURER

Julie Alberti

BOARD MEMBERS

Teresa Costantinidis, Chair

Bruno E. Carrara, Vice Chair

Jason Strauss

Michael Chicarelli

Robert Gonzalez

Jon Word

Thomas J. Ruiz

Garnett Stokes

Jack Fortner

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FINANCIAL SECTION





CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

Joseph M. Maestas, PE, CFE, New Mexico State Auditor
Lobo Energy, Incorporated Board
Lobo Energy, Incorporated
Albuquerque, New Mexico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Lobo Energy, Incorporated ("Lobo Energy"), a component unit of the University of New Mexico (the "University"), as of and for the years ended June 30, 2025 and 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Lobo Energy, as of June 30, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 opinion.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of the entity are intended to present the financial position and the changes in financial position of only Lobo Energy. They do not purport to, and do not, present fairly the financial position of the University, as of June 30, 2025 and 2024, the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As described in Note 6 to the financial statements, in 2025, Lobo Energy adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. 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 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 generally accepted auditing standards 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 generally accepted auditing standards 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 12 through 14 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lobo Energy's basic financial statements. The accompanying schedule of deposit accounts is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of deposit accounts is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, 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.



Carr, Riggs & Ingram, L.L.C.

Albuquerque, New Mexico

September 30, 2025

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis
June 30, 2025

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, 2025, 2024, and 2023. 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 \$444,198, (\$181,807), and (\$7,237,782) for the years ended June 30, 2025, 2024, and 2023, respectively. The change in net position for 2025 was due mainly due to the commitment made by UNM to directly fund the South Campus Energy Performance Savings Contract Project for \$800,000 and timing of project completion. The change in net position for 2024, was mainly due to legal fees associated with the funding of the South Campus Energy Performance Savings Contract, and energy rate negotiation fees. The change in net position for 2023 was due to the transfer of the second cogeneration unit to UNM.
- During fiscal year 2025, Lobo Energy's operating revenue increased by \$800,235, due to a commitment made by UNM to directly fund the South Campus Energy Performance Savings Contract Project for \$800,000. During fiscal year 2024, Lobo Energy's operating revenue decreased by \$95,989, due to the fulfillment of the debt service on the second cogeneration unit in July of the previous fiscal year. In 2025 operating expenses increased by \$30,174 resulting in a net operating income of \$583,402, compared to a net operating loss of \$186,659 in fiscal year 2024. In 2024 operating expenses decreased by \$175,976 resulting in a net operating loss of \$186,659, compared to a net operating loss of \$266,646 in fiscal year 2023.
- Cash increased in fiscal year 2025 by \$1,902,315 resulting in cash on deposit with fiscal agent of \$19,108, cash on hand of \$242,103, and cash held in Escrow as part of a Purchase Agreement with Bank of America of \$1,956,951. At the close of fiscal year 2025 this was a total of \$2,218,162. The increase in cash during fiscal year 2025 is due to the Purchase Agreement entered into with the Banc of America. Cash decreased in fiscal year 2024 by \$168,800 resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2024 of \$315,847. The decrease during fiscal year 2024 is primarily due to legal fees associated with the funding of the South Campus Energy Performance Savings Contract, and energy rate negotiation fees.

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 Component Unit of the University of New Mexico)
Management's Discussion and Analysis
June 30, 2025

FINANCIAL INFORMATION

Lobo Energy's condensed financial information as of and for the fiscal years ended June 30, 2025, 2024, and 2023 are provided in the following table:

	June 30, 2025	June 30, 2024	June 30, 2023
Current assets	\$ 2,235,705	\$ 386,832	\$ 558,200
Capital assets, net	5,864,067	-	-
Total assets	8,099,772	386,832	558,200
Current liabilities	582,450	89,331	78,892
Long-term liabilities	6,775,623	-	-
Net position	741,699	297,501	479,308
Total liabilities and net position	\$ 8,099,772	\$ 386,832	\$ 558,200
Operating revenue	\$ 1,832,235	\$ 1,032,000	\$ 1,127,989
Operating expenses	1,248,833	1,218,659	1,394,635
Operating income (loss)	583,402	(186,659)	(266,646)
Nonoperating revenue	211,530	4,852	2,819
Nonoperating expenses	(350,734)	-	(6,973,955)
Change in net position	444,198	(181,807)	(7,237,782)
Net position, beginning of year	297,501	479,308	7,717,090
Net position, end of year	\$ 741,699	\$ 297,501	\$ 479,308

STATEMENTS OF NET POSITION

As of June 30, 2025, 2024, and 2023, Lobo Energy has cash in the amount of \$2,218,162, \$315,847, and \$484,647, respectively, of which \$19,108, \$73,723, and \$232,271, respectively, is held by Lobo Energy's fiscal agent, UNM, and \$242,103, \$242,124, and \$252,376, respectively, is held in an operating bank account at a financial institution, and for June 30, 2025 an additional restricted amount of \$1,956,951 of cash is held in an escrow account as part of the Purchase Agreement for the South Campus Energy Performance Savings Contract.

As of June 30, 2025, 2024, and 2023, net assets are held as equity in the form of unrestricted net position of \$(298,505), \$297,501, and \$479,308, respectively. Additionally, at June 30, 2025, 2024, and 2023, Lobo Energy has \$1,040,204, \$0, and \$0, shown as net investment in capital assets. The changes in 2025 were due to the debt proceeds and CIP purchases from the Purchase Agreement.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis
June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Lobo Energy's investment in capital assets as of June 30, 2025, 2024, and 2023 was \$5,864,067, \$0, and \$0, respectively. The second cogeneration unit was transferred to UNM in fiscal year 2023. This investment in capital assets included a co-generation project in construction. Additional information concerning Lobo Energy's capital assets may be found in Note 4 in notes to the financial statements.

At the end of the current fiscal year, Lobo Energy had total debt outstanding of \$6,780,814.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Revenues – Combined operating revenues totaled \$1,832,235, \$1,032,000 and \$1,127,989 for the years ending June 30, 2025, 2024 and 2023. Part of this operating revenue is under the current Management Services Agreement (MSA) for utility project management services and other project management services of \$1,066,000 and \$1,032,000, respectively, which includes \$480,000 in both fiscal years for utilities management services, with an increase in the last month of 2025 of \$34,000 a month per Amended MSA dated June 24, 2025. Other management services for each fiscal year 2025 and 2024 were \$552,000 per year. The increase in fiscal year 2025 was due to the Master Service Agreement being Amended on June 24, 2025. Also included in operating revenues in 2025 is UNM committed to paying a total of \$800,000 for the UNM South Campus Energy Performance Savings Conservation project and paid \$742,622 of that in 2025. Finally, \$23,613 was received for energy rebates and was included in operating revenues.

Expenses – Total operating expenses increased by \$30,174, due to salary and benefit increases. During fiscal year 2024, total operating expenses decreased by \$175,976, due to the payment of the Yearout Investment Grade Audit in FY 2023.

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



BASIC FINANCIAL STATEMENTS

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Statements of Net Position

<u>June 30,</u>	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 242,103	\$ 242,124
Restricted cash	1,956,951	-
Cash on deposit with fiscal agent	19,108	73,723
Accounts receivable	10,944	10,944
Prepaid insurance	6,599	60,041
 Total current assets	 2,235,705	 386,832
Noncurrent assets		
Capital assets, net	5,864,067	-
 Total noncurrent assets	 5,864,067	 -
 Total assets	 \$ 8,099,772	 \$ 386,832
Liabilities		
Current liabilities		
Accounts payable	\$ 507,956	\$ 88
Accrued expenses	-	15,673
Accrued compensated absences	69,303	73,570
Long-term debt, current	5,191	-
 Total current liabilities	 582,450	 89,331
Long-term debt, net of current portion	6,775,623	-
Total liabilities	7,358,073	89,331
Net position		
Net investment in capital assets	1,040,204	-
Unrestricted	(298,505)	297,501
 Total net position	 741,699	 297,501
Total liabilities and net position	\$ 8,099,772	\$ 386,832

The accompanying financials are an integral part of these financial statements.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Statements of Revenues, Expenses and Changes in Net Position

<i>For the Years Ended June 30,</i>	2025	2024
Operating revenues		
Utilities management services	\$ 480,000	\$ 480,000
Other management services	1,352,235	552,000
 Total operating revenues	 1,832,235	1,032,000
Operating expenses		
Administrative expenses	468,613	438,392
Project expenses	780,220	780,267
 Total operating expenses	 1,248,833	1,218,659
 Operating income (loss)	 583,402	(186,659)
 Non-operating revenues (expenses)		
Interest expense	(350,734)	-
Interest income from deposit with fiscal agent	2,249	4,852
Interest income	209,281	-
 Net non-operating revenues (expenses)	 (139,204)	4,852
 Change in net position	 444,198	(181,807)
 Net position, beginning of year	 297,501	479,308
 Net position, end of year	 \$ 741,699	\$ 297,501

The accompanying financials are an integral part of these financial statements.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Statements of Cash Flows

<i>For the Years Ended June 30,</i>	2025	2024
Cash flows from operating activities		
Receipts from customers	\$ 1,832,235	\$ 1,032,000
Payments to suppliers	(270,721)	(306,821)
Payments to employees	(915,287)	(898,831)
 Net cash provided by (used in) operating activities	 646,227	 (173,652)
Cash flows from capital financing activities		
Purchase of property and equipment	(5,385,522)	-
Proceeds from long-term debt	6,780,814	-
Interest expense	(350,734)	-
 Net cash provided by capital financing activities	 1,044,558	 -
Cash flows from investing activities		
Interest earned	209,281	-
Interest earned from deposit with fiscal agent	2,249	4,852
 Net cash provided by investing activities	 211,530	 4,852
Net change in cash and cash equivalents	1,902,315	(168,800)
 Cash and cash equivalents at beginning of year	 315,847	 484,647
 Cash and cash equivalents at end of year	 \$ 2,218,162	 \$ 315,847
 Reconciliation of cash to the statement of net position		
Cash and cash equivalents	\$ 242,103	\$ 242,124
Restricted cash	1,956,951	-
Cash on deposit with fiscal agent	19,108	73,723
 Cash on statement of cash flows	 \$ 2,218,162	 \$ 315,847

The accompanying financials are an integral part of these financial statements.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Statements of Cash Flows (Continued)

<i>For the Years Ended June 30,</i>	2025	2024
Operating income (loss)	\$ 583,402	\$ (186,659)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Changes in assets and liabilities		
Prepaid insurance	53,442	2,568
Accounts payable	29,323	73
Accrued expenses	(15,673)	5,820
Accrued compensation	(4,267)	4,546
Net cash provided by (used in) operating activities	\$ 646,227	\$ (173,652)

The accompanying financials are an integral part of these financial statements.

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Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 through 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 conducted its business under the terms of a revised MSA, which was effective November 2020 through 2025. The agreement continued for consecutive one year periods after its expiration or until such time as it is terminated. This MSA was amended and restated on May 1, 2024.

Lobo Energy currently provides services to UNM under the amended and restated MSA, which became effective on May 1, 2024 and was amended as of June 3, 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.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2025 and 2024.

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.

During fiscal year 2014, at the request of UNM, Lobo Energy purchased a Cogeneration unit on the University Campus in the Ford Utilities Building. The loan/equipment agreement with Banc of America was paid off in July of 2022 and the ownership was subsequently transferred to the University.

In 2025 Lobo Energy engaged Yearout Energy Services Company, LLC (Yearout) to complete an investment grade energy audit of the University's South Campus facilities and entered into a utility savings contract with Yearout for a project for energy savings improvements for the acquisition, construction and installation of energy saving measures. See more information in Note 7.

Lobo Energy is a blended component unit of UNM and reported upon as a part of the basic financial statements of UNM. Additional information regarding UNM may be obtained directly from their administrative office as follows: 1 University of New Mexico, MSC01 1300, Albuquerque, NM 87131.

These financial statements include those activities and functions related to Lobo Energy, Incorporated which are controlled by or dependent upon its Board. The accompanying financial statements do not present the financial position and results of operations of UNM, taken as a whole in accordance with generally accepted accounting principles (GAAP).

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity

In evaluating how to define Lobo Energy, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90.

Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only-criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the nomination and voting on income board members, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, Lobo Energy provides services only to UNM and has no component units required to be included in these financial statements.

Basis of Accounting and Financial Statement Presentation

As a component unit of UNM, Lobo Energy presents its financial statements in accordance with accounting standards generally accepted in the United States as established by the Governmental Accounting Standards Board (GASB). Lobo Energy applies the business-type activity accounting and Lobo Energy's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. The significant accounting policies utilized by Lobo Energy in the preparation of the financial statements are described below.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand with original maturities of three months or less. For purposes of the statement of cash flows, cash and cash equivalents include cash deposits and amounts held by its fiscal agent.

Restricted Cash

Cash that was received from two equipment purchase agreements that can only be used for an energy project entered into by Lobo Energy. See more information in Note 7.

Cash on Deposit with Fiscal Agent

Lobo Energy has no statutory policy requirements related to cash deposits. 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, 2025 and 2024, Lobo Energy had a balance in that pooled account of \$19,108 and \$73,723, 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.

Accounts Receivable

Accounts receivable balances represent amounts due from an affiliated entity (UNM) for services performed under the MSA.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. Management considers receivables to be 100% collectible; therefore no allowance has been made for uncollectible amounts for the years ended June 30, 2025 and 2024.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include internally generated software and plant in service, are reported in the applicable business-type activities in the financial statements. Capital assets are defined by Lobo Energy as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one years.

The internally generated software and plant in service are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital asset classes</u>	<u>Lives</u>
Internally generated software	5
Plant in service	25

Compensated Absences

Lobo Energy's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the financial statements. A liability for those amounts is recorded only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Qualified employees are entitled to accumulate annual leave up to two hundred fifty-two hours per year according to a graduated leave schedule and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for up to two fifty-two hours of accrued annual leave. Qualified employees who are terminated are not entitled to unused sick leave except for amounts unused exceeding a balance of 600 hours. If a terminated 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. Sick leave is accrued but not paid out. Additional details regarding Lobo Energy's compensated absences policies and liability are provided in Note 6.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position (Continued)

Net Position

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Lobo Energy had no restricted net position for the years ending June 30, 2025 or 2024.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Revenues and Expenses

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Lobo Energy are 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.

Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Income Tax Status

Lobo Energy is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been determined to be an organization which is not a private foundation.

The Internal Revenue Service has not examined any of the Form 990 tax returns. However, Lobo Energy’s tax returns for 2024, 2023 and 2022 are subject to examination by the IRS, generally, for three years after they were filed. Lobo Energy recognizes tax benefits only to the extent Lobo Energy believes it is “more likely than not” that its tax position will be sustained upon IRS examination.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for Lobo Energy is management's estimate of depreciation on assets over their estimated useful lives and the calculation of compensated absences.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2025, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

During the fiscal year ended June 30, 2025, Lobo Energy adopted GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. The implementation of these statements, besides GASB Statement No. 101, *Compensated Absences*, did not have a significant impact on Lobo Energy because the activities of Lobo Energy were not affected by the statement in a material manner. GASB Statement No. 101, *Compensated Absences*, did have a significant impact on Lobo Energy. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 6.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement aim to improve reporting on capital assets by separately disclosing specific types of capital assets in financial statement notes. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Lobo Energy is evaluating the requirements of the above statements and the impact on reporting.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 2: CASH

Lobo Energy's cash balances include cash on deposit with its fiscal agent, restricted cash (see Note 7) 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, 2025 and 2024, Lobo Energy had a balance in the pooled account of \$19,108 and \$73,723, 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, 2025 and 2024, Lobo Energy realized a gain of \$2,249 and \$4,852, respectively, from 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.

As of June 30, 2025 and 2024, Lobo Energy's separate operating account had deposits totaling approximately \$2.2 million and \$321 thousand, respectively. As a separate legal 501(c)(3) entity, Lobo Energy is not subject to the public money act pledged collateral requirements. Lobo Energy limits the amount of exposure with any one financial institution and believes that no significant concentration of credit risk exists with respect to cash and cash equivalents. At June 30, 2025 and 2024, the separate checking account balance was in excess of amounts insured by the FDIC by approximately \$1.5 million and \$0, respectively.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 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 following:

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

(b) Other Management Services

Lobo Energy also may provide other management services that consist of the following:

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

Under the amended and restated MSA, as of June 4, 2025, UNM pays Lobo Energy a mutually agreed-upon monthly fee for the duration of each project, including monthly fees for the Project identified in the resolution of the Board of Regents passed on June 4, 2025.

Under the terms of the amended and restated MSA, effective May 1, 2024, UNM compensates Lobo Energy for these services at the rate of \$40,000 per month related to utility project management and \$80,000 per month related to energy conservation projects, including monthly fees for the Project identified in the resolution of the Board of Regents passed on May 16, 2024, over a five-year period.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 4: CAPITAL ASSETS

In 2025 CIP in the amount of \$5,864,067 was added from an energy project that started July 2, 2024. See Note 7 for more information. The following is a summary of changes in capital assets during the years ended June 30, 2025 and 2024:

For the year ended June 30, 2025	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Construction-in-progress	\$ -	\$ 5,864,067	\$ -	\$ 5,864,067
Capital assets, not being depreciated	-	5,864,067	-	5,864,067
Capital assets, being depreciated				
Internally generated software	665,011	-	-	665,011
Capital assets, being depreciated	665,011	-	-	665,011
Less accumulated depreciation for Internal generated software	(665,011)	-	-	(665,011)
Total accumulated depreciation	(665,011)	-	-	(665,011)
Total capital assets being depreciated, net	-	-	-	-
Total capital assets, net	\$ -	\$ 5,864,067	\$ -	\$ 5,864,067

For the year ended June 30, 2024	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Internally generated software	\$ 665,011	\$ -	\$ -	\$ 665,011
Total capital assets being depreciated	665,011	-	-	665,011
Less accumulated depreciation Plant in service and internal generated software	(665,011)	-	-	(665,011)
Total accumulated depreciation	(665,011)	-	-	(665,011)
Capital assets being depreciated, net	\$ -	\$ -	\$ -	\$ -

There was no depreciation expense as of June 30, 2025 and 2024.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 5: 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 19.00% in FY 2025 and 18.15% in FY 2024 as published by the State of New Mexico Educational Retirement Board. Contributions to the plan by Lobo Energy for the fiscal years ended June 30, 2025 and 2024 were \$109,183 and \$98,836, respectively.

Note 6: COMPENSATED ABSENCES

Changes in Compensated Absences

The following table summarizes the changes in the accrued compensated absences liability for the years ended June 30, 2025 and 2024. The column labeled 'Net Change' represents the net change during the fiscal year.

	Balance at July 1	Net Change	Balance at June 30
Fiscal Year 2025	\$ 73,570	\$ (4,267)	\$ 69,303
Fiscal Year 2024	\$ 69,024	\$ 4,546	\$ 73,570

During fiscal year 2025 Lobo Energy implemented GASB Statement No. 101, *Compensated Absences*. This statement changed how the compensated absences liability is recognized and measured by moving from a vesting to more likely than not recognition model, as well as including certain salary related expenses in the measurement of the liability.

Implementation of this statement increased accrued compensated absences and total operating expenses in 2025 as reflected in the following schedule.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 6: COMPENSATED ABSENCES (Continued)

Ending fiscal year 2025 accrued compensated absences before implementation	\$	63,651
Increased by implementing GASB 101		5,652
Adjusted fiscal year 2025 ending accrued compensated absences	\$	69,303
Ending fiscal year 2025 operating expenses before implementation	\$	1,243,181
Increased by implementing GASB 101		5,652
Adjusted fiscal year 2025 ending operating expenses	\$	1,248,833

Note 7: LONG-TERM DEBT

Lobo Energy engaged Yearout Energy Services Company, LLC (Yearout) to complete an investment grade energy audit of the University's South Campus facilities and entered into a utility savings contract with Yearout for a project for energy savings improvements for the acquisition, construction and installation of energy saving measures.

To finance this project proceeds of \$6,780,814 from two equipment purchase agreements entered into on July 2, 2024 are being used. As of June 30, 2025, \$1,956,951 in restricted cash remains from these proceeds. Lobo Energy entered into two equipment purchase agreements with the Banc of America Public Capital Corp. Lobo Energy set aside certain revenues received each month from the University to make rental payments. Interest earned on this restricted cash balance for the year ended June 30, 2025 was \$209,281.

A tax-exempt equipment purchase agreement (ELPA) between Lobo Energy (the lessee) and Banc of America Public Capital Corp (the lessor) was entered into on July 2, 2024 in the amount of \$3,006,442, including capitalized interest of \$135,290, with an interest rate of 4.50%. The agreement expires on July 2, 2044 where the lessee has the option to purchase all the equipment and have an option after the 10th year to make prepayment to pay the amount off early and own the equipment outright. No principal payments are due in FY 2025 and the agreement had a bond issuance cost of \$43,050. UNM will be required to make payments to Lessee to cover all financial obligations of Lessee and be included in Master Service Agreement ("MSA") between Lobo Energy and UNM. Regardless of the status of installation or performance of the Equipment, the Lessee's obligation to make payments commence on that certain date as set forth in the Agreement. Legal title to the Equipment shall be vested in the Lessee. The Agreement will be a net financial contract of the Lessee, and all expenses (including, but not limited to, insurance, maintenance, and taxes) will be for the account of the Lessee.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 7: LONG-TERM DEBT (Continued)

A taxable equipment purchase agreement (ELPA) between Lobo Energy (the lessee) and Banc of America Public Capital Corp (the lessor) was entered into on July 2, 2024 in the amount of \$3,774,372, which includes capitalized interest of \$217,404, with an interest rate of 5.76%. The agreement expires on July 2, 2044 where the lessee has the option to purchase all the equipment. No principal payments are due in FY 2025 and the agreement had a bond issuance cost of \$10,000. UNM will be required to make payments to Lessee to cover all financial obligations of Lessee and be included in Master Service Agreement ("MSA") between Lobo Energy and UNM. Regardless of the status of installation or performance of the Equipment, the Lessee's obligation to make payments commence on that certain date as set forth in the Agreement. Legal title to the Equipment shall be vested in the Lessee. The Agreement will be a net financial contract of the Lessee, and all expenses (including, but not limited to, insurance, maintenance, and taxes) will be for the account of the Lessee.

Both agreements contained reporting covenant requiring Lobo Energy to submit an audited financial statement within 270 days of year end. Lobo Energy was in compliance with this reporting covenant since the audit report was submitted 270 days before year end.

This debt is collateralized with a first priority security interest constituting a first lien on (a) the Equipment, (b) moneys and investments held from time to time in the Escrow Account and (c) any and all proceeds of any insurance proceeds.

The following is a summary of notes payable for the year ended June 30, 2025:

Year Ended June 30, 2025						
Entity	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year	
Tax Exempt ELPA	\$ -	\$ 3,006,442	\$ -	\$ 3,006,442	\$ 5,191	
Taxable ELPA	\$ -	\$ 3,774,372	\$ -	\$ 3,774,372		
Total	\$ -	\$ 6,780,814	\$ -	\$ 6,780,814	\$ 5,191	

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 7: LONG-TERM DEBT (Continued)

Maturities of long-term debt subsequent to June 30, 2025, are as follows:

<i>For the years ending June 30,</i>	Principal	Interest	Total Debt Service
2026	\$ 5,191	\$ 331,876	\$ 337,067
2027	188,446	350,693	539,139
2028	40,539	344,400	384,939
2029	47,853	342,613	390,466
2030	75,534	339,551	415,085
2031-2035	914,176	1,590,513	2,504,689
2036-2040	2,221,160	1,191,301	3,412,461
2041-2045	3,287,915	375,672	3,663,587
Total	\$ 6,780,814	\$ 4,866,619	\$ 11,647,433

Note 8: RELATED PARTIES

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 2025 or FY 2024. 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, 2025 and 2024. In addition, Facility Facts ceased operations on August 16, 2021.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 8: RELATED PARTIES (Continued)

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, 2025 and June 30, 2024.

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. The President and CEO of Lobo Energy is an officer of NM AREA. Lobo Energy paid NM AREA dues of \$135,568 and \$113,091 for the fiscal year ended June 30, 2025 and 2024, respectively.

Lobo Energy did not purchase goods or services of companies that board members are employed by during the fiscal years ended June 30, 2025 and 2024.

Note 9: RISK MANAGEMENT

Lobo Energy, through UNM, participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability at Lobo Energy's expense. Workers' compensation insurance and property insurance are provided by private companies at Lobo Energy's expense. The Risk Management program's 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.

Note 10: COMMITMENTS AND CONTINGENCIES

Lobo Energy is party to various litigation and other claims in the ordinary course of business. Lobo Energy is unaware of any material pending or threatened litigation, claims, or assessments against Lobo Energy that are not covered by insurance. Lobo Energy entered into no agreements with contractors and architects for various projects for the year ended June 30, 2025.

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SUPPORTING SCHEDULES



Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Schedule of Deposit Accounts
June 30, 2025

Account Name	Type	BOK Financial	PNC Bank	Fiscal Agent	Total
Lobo Energy, Incorporated	Checking-non-interest bearing	\$ -	\$ 242,103	\$ -	\$ 242,103
Lobo Energy, Incorporated	Checking-non-interest bearing	489,613	-	-	489,613
Lobo Energy, Incorporated	Checking-non-interest bearing	14,363	-	-	14,363
Lobo Energy, Incorporated	Checking-interest bearing	1,452,975	-	-	1,452,975
Fiscal Agent	Checking-non-interest bearing	-	-	19,108	19,108
Amounts on deposit		1,956,951	242,103	19,108	2,218,162
Reconciled balance		\$ 1,956,951	\$ 242,103	\$ 19,108	2,218,162
Total deposits					\$ 2,218,162
Reconciliation to the financial statements					
Cash and cash equivalents					\$ 242,103
Restricted cash					1,956,951
Cash on deposit with fiscal agent					19,108
Total deposits					\$ 2,218,162

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Schedule of Deposit Accounts
June 30, 2024

Account Name	Type	PNC Bank	Fiscal Agent	Total
Lobo Energy, Incorporated	Checking-non-interest bearing	\$ 246,548	\$ -	\$ 246,548
Fiscal Agent	Checking-non-interest bearing	-	73,526	73,526
Amounts on deposit		246,548	73,526	320,074
Outstanding items		(4,424)	197	(4,227)
Reconciled balance		\$ 242,124	\$ 73,723	315,847
<hr/>				<hr/>
Total deposits				\$ 315,847
<hr/>				<hr/>
Reconciliation to the financial statements				
Cash and cash equivalents				\$ 242,124
Cash on deposit with fiscal agent				73,723
<hr/>				<hr/>
Total deposits				\$ 315,847
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COMPLIANCE SECTION





CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110

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CRIadv.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Joseph M. Maestas, PE, CFE, New Mexico State Auditor
Lobo Energy, Incorporated Board
Lobo Energy, Incorporated
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Lobo Energy, Incorporated ("Lobo Energy"), a component unit of the University of New Mexico (the "University"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lobo Energy's basic financial statements, and have issued our report thereon dated September 30, 2025.

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 opinion 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 or significant deficiencies 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is fluid and cursive, with a vertical line extending from the top of the 'I' in "Ingram" upwards and to the right.

Carr, Riggs & Ingram, L.L.C.

Albuquerque, NM

September 30, 2025

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Schedule of Findings and Responses
June 30, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Type of auditor's report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements?	No

SECTION II: FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III: SECTION 12-6-5 NMSA 1978 FINDINGS

None noted.

SECTION IV: SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None noted.

Lobo Energy, Incorporated
(A Component Unit of the University of New Mexico)
Other Disclosures
June 30, 2025

EXIT CONFERENCE

The contents of this report and its schedules were discussed on September 12, 2025. The following individuals were in attendance:

Lobo Energy, Incorporated Officials

Jason Strauss President/CEO, Board Member
Julie Alberti Chief Financial Officer

Carr, Riggs & Ingram, LLC

Paul Garcia, CPA Partner

AUDITOR PREPARED FINANCIALS

Carr, Riggs & Ingram, LLC prepared the GAAP-basis financial statements and footnotes of Lobo Energy, Incorporated from the original books and records provided to them by the management of the Lobo Energy, Incorporated. The responsibility for these financial statements remains with Lobo Energy, Incorporated.

MEMORANDUM

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

FROM: Jeremy Hamlin, Executive Director, University Budget Operations
Kenny Stansbury, University Treasurer

CC: Teresa Costantinidis, Executive VP for Finance & Administration

DATE: February 17, 2026

RE: Approval to Establish the Core Fund Quasi Endowment

I am writing to request your approval to establish a new quasi endowment fund, to be titled ***Core Fund Quasi Endowment***, using unrestricted interest and investment earnings generated from gift funds distributed to the University of New Mexico as part of our treasury operations agreement with the University of New Mexico Foundation. The new endowment will be invested in UNM's Consolidated Investment Fund (CIF), alongside all other UNM endowments. The CIF is managed by the University of New Mexico Foundation, in accordance with the Consolidated Investment Fund Investment Policy.

The proposed quasi endowment would allow UNM to reinvest unrestricted investment earnings to provide a sustainable, long-term revenue source in support of Main Campus Instruction and General (I&G) operations. Establishing this quasi endowment aligns with sound fiscal management practices and advances institutional resilience by diversifying and stabilizing core funding sources over time.

Subject to Regents approval as specified in University Administrative Policy (UAP) 1030: Gifts to the University, the principal balance from the Core Fund Quasi Endowment may be expended for the benefit of the University of New Mexico. However, it is our recommendation that no principal balance should be expended during the first seven years to establish a reasonable balance from which to generate adequate spending distributions in the future. This plan helps to ensure the intended long-term benefit to the University, while maintaining flexibility to address institutional priorities and emerging needs.

The intent of the Core Fund Quasi Endowment is to strengthen the long-term viability and strength of core I&G funds by supplementing existing core fund revenue streams with a dependable source of investment-supported funding. Over time, this approach is expected to enhance UNM's ability to sustain essential academic and operational activities on the Main Campus.

We plan to transfer up to \$24,021,024 in total deposits over seven fiscal years (FY26 to FY32). These annual deposits will be based on prior fiscal year distributions from endowments #628001 and #628002, the gift fund endowments established in line with the treasury operations agreement.



A schedule of projected spending distributions that forms the basis for deposits over this seven-year period is detailed as follows:

Projected UNM Portion of Treasury Operations Agreement Payout:

FY2026	\$2,971,148
FY2027	\$3,420,814
FY2028	\$3,314,216
FY2029	\$3,416,386
FY2030	\$3,522,401
FY2031	\$3,632,411
FY2032	\$3,743,648
TOTAL	\$24,021,024

Your approval will authorize the establishment of the Core Fund Quasi Endowment and allow the Main Campus Budget Office and Treasury Department to proceed with the necessary administrative and accounting actions consistent with UNM policies and the treasury operations agreement with the UNM Foundation.

Please let us know if you require any additional information. We appreciate your consideration of this request.

Attachment: Signed Quasi Endowment Fund Establishment Form: Core Fund Quasi Endowment

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

REQUEST TO ESTABLISH A QUASI-ENDOWMENT FUND

REQUESTING COLLEGE/SCHOOL/UNIT:	Financial Services
REQUESTING DEPARTMENT:	Office of Planning, Budget & Analysis
REQUESTED BY:	Jeremy Hamlin
SUGGESTED FUND TITLE:	Core Fund Quasi Endowment
AMOUNT TO BE DEPOSITED (include all planned transfers):	Up to \$24,021,024 total deposits over 7 fiscal years (FY26 to FY32). Annual deposits will be based on prior fiscal year distributions for endowments #628001 & #628002 (Gift Fund Endowments)
SOURCE OF FUNDS (Donor name or index number(s)):	Index 054006. Source of Funds: unrestricted interest and investment earnings from gift funds (distributions from endowments #628001 & #628002)
GENERAL PURPOSE:	Principal and Spending distributions may be spent for the benefit of UNM with the approval of the EVP for Finance & Administration. Per UNM UAP 1030.3.2, “the Regents must approve...expenditures of principal that exceed ten percent (10%) in any given fiscal year.”

ACKNOWLEDGEMENT

I/WE ACKNOWLEDGE THAT THE REQUESTED FUND WILL BE INVESTED AND INCOME DISTRIBUTED IN ACCORDANCE WITH THE REGENTS OF THE UNIVERSITY OF NEW MEXICO “CONSOLIDATED INVESTMENT FUND ENDOWMENT INVESTMENT MANAGEMENT POLICY”, ADOPTED IN 1989 AND PERIODICALLY AMENDED THEREAFTER.

AS A QUASI-ENDOWMENT, WITHDRAWALS OF PRINCIPAL MAY BE ALLOWABLE ONLY UPON THE APPROVAL OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO.



01/26/2026

ACKNOWLEDGED:

Jeremy Hamlin

Date

COLLEGE/SCHOOL/FINANCIAL SERVICES APPROVAL:

Andrew Jacobson

01/26/2026

Andrew Jacobson

Date

PROVOST/EXECUTIVE VICE PRESIDENT APPROVAL:

Teresa A. Costantinidis

01/26/2026

Teresa Costantinidis

Date

CoreFundQuasiEndwmntEstablishmentForm

Final Audit Report

2026-01-26

Created:	2026-01-26
By:	Rosenda Marrufo (rflores4@unm.edu)
Status:	Signed
Transaction ID:	CBJCHBCAABAA27xanMRt3bCDZMYK-FgLhDqccgiXn9eD

"CoreFundQuasiEndwmntEstablishmentForm" History

-  Document created by Rosenda Marrufo (rflores4@unm.edu)
2026-01-26 - 4:32:46 PM GMT- IP address: 73.242.228.249
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 Agreement completed.

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AON

**University of New
Mexico Board of
Regents**

**Finance & Facilities
Committee Meeting**

**Operating Fixed
Income Portfolio**

February 2026



Overview

**The following slides provide an update on the University of New Mexico's
Operating Fixed Income Portfolio as of December 31, 2025**

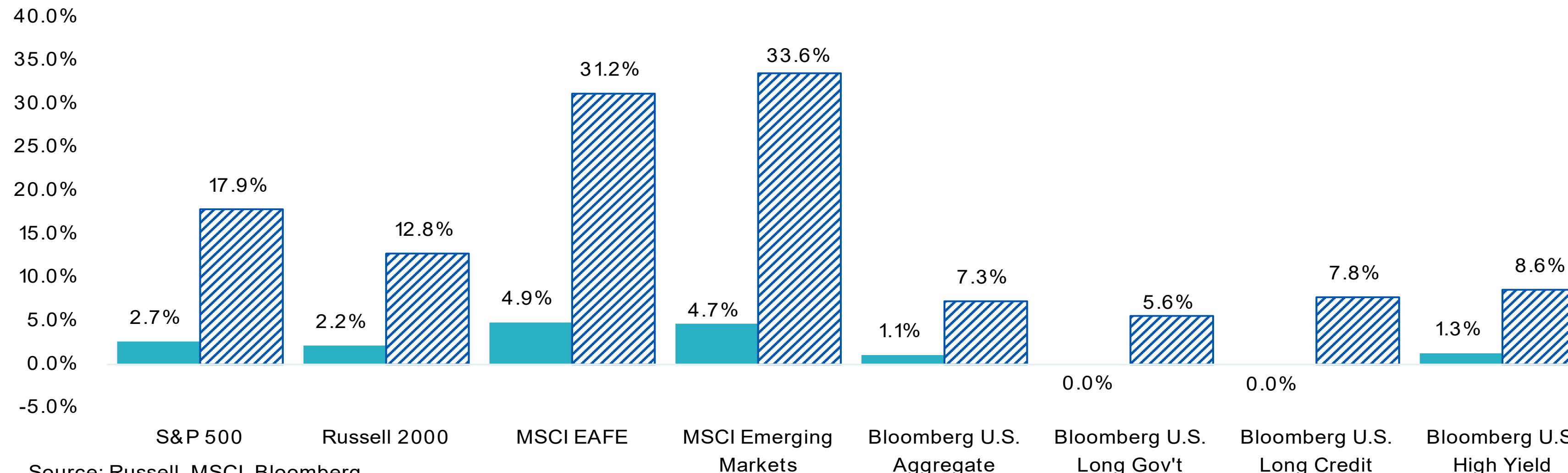
Portfolio Performance

Current Portfolio Positioning

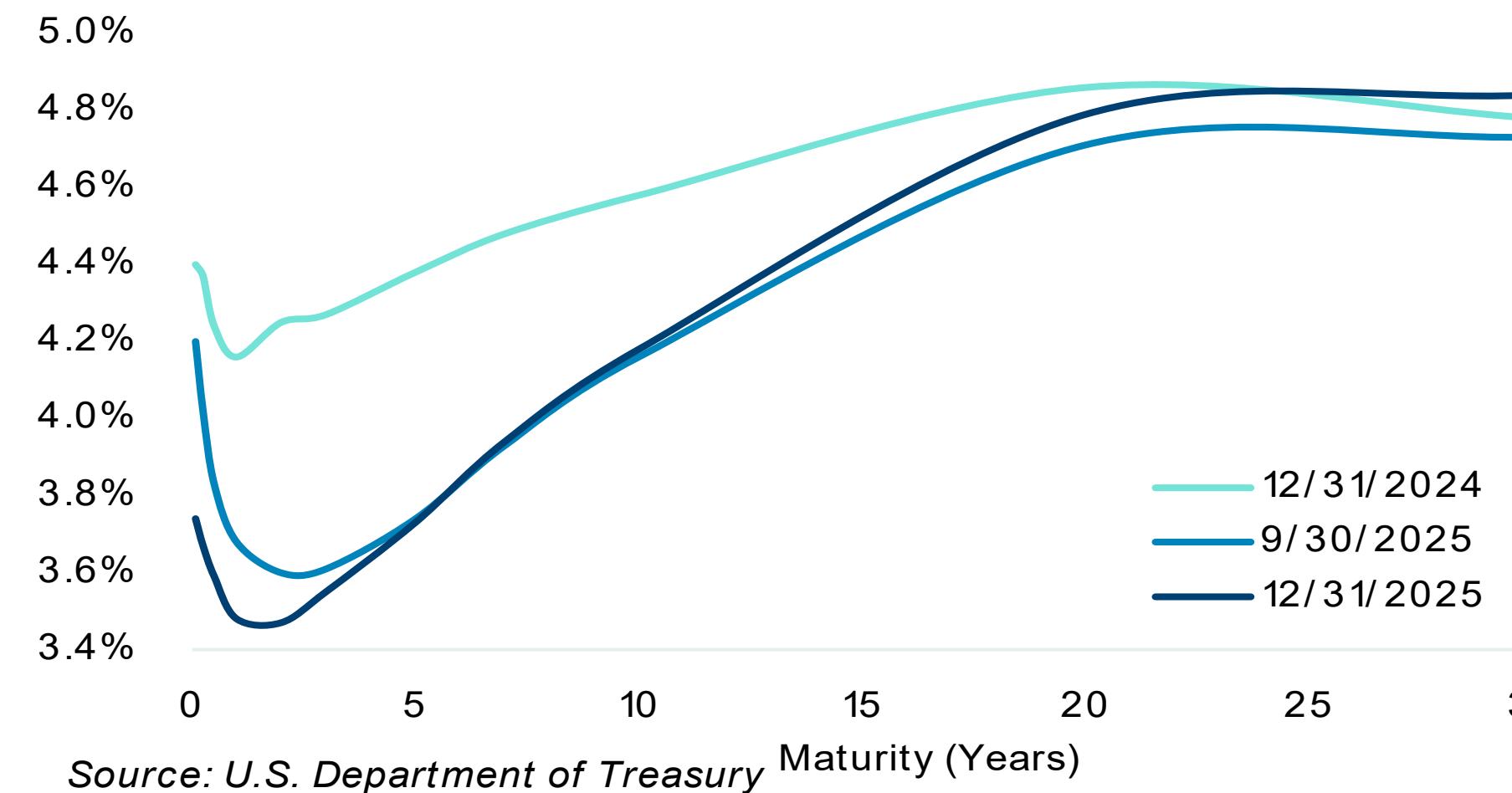
Market Highlights

SHORT TERM RETURNS
AS OF 12/31/2025

Fourth Quarter 2025 YTD



U.S. TREASURY YIELD CURVE



	4Q Return	2025 Return
<i>Bloomberg 1-3 Year Gov/Credit Index</i>	1.2%	5.3%
<i>Bloomberg 1-5 Year Gov/Credit Index</i>	1.2%	6.1%

Operating Fixed Income Portfolio -- Performance Summary

Trailing Period Performance as of 12/31/2025

	UNM Operating Fixed Income Portfolio
2016	1.0%
2017	1.1
2018	1.3
2019	4.1
2020	4.3
2021	-0.8
2022	-4.3
2023	4.7
2024	4.6
2025	6.0
4 th Quarter	1.1%
FYTD	2.6
Trailing 1 Year	6.0
Trailing 3 Years	5.1
Trailing 5 Years	2.0
Trailing 10 Years	2.2

The Operating Fixed Income Portfolio earned its three highest calendar returns of the last decade from 2023-2025

As of year end, the University had \$445.1 million in total operating fixed income assets

Operating Fixed Income Portfolio -- Performance Summary Relative to Benchmark

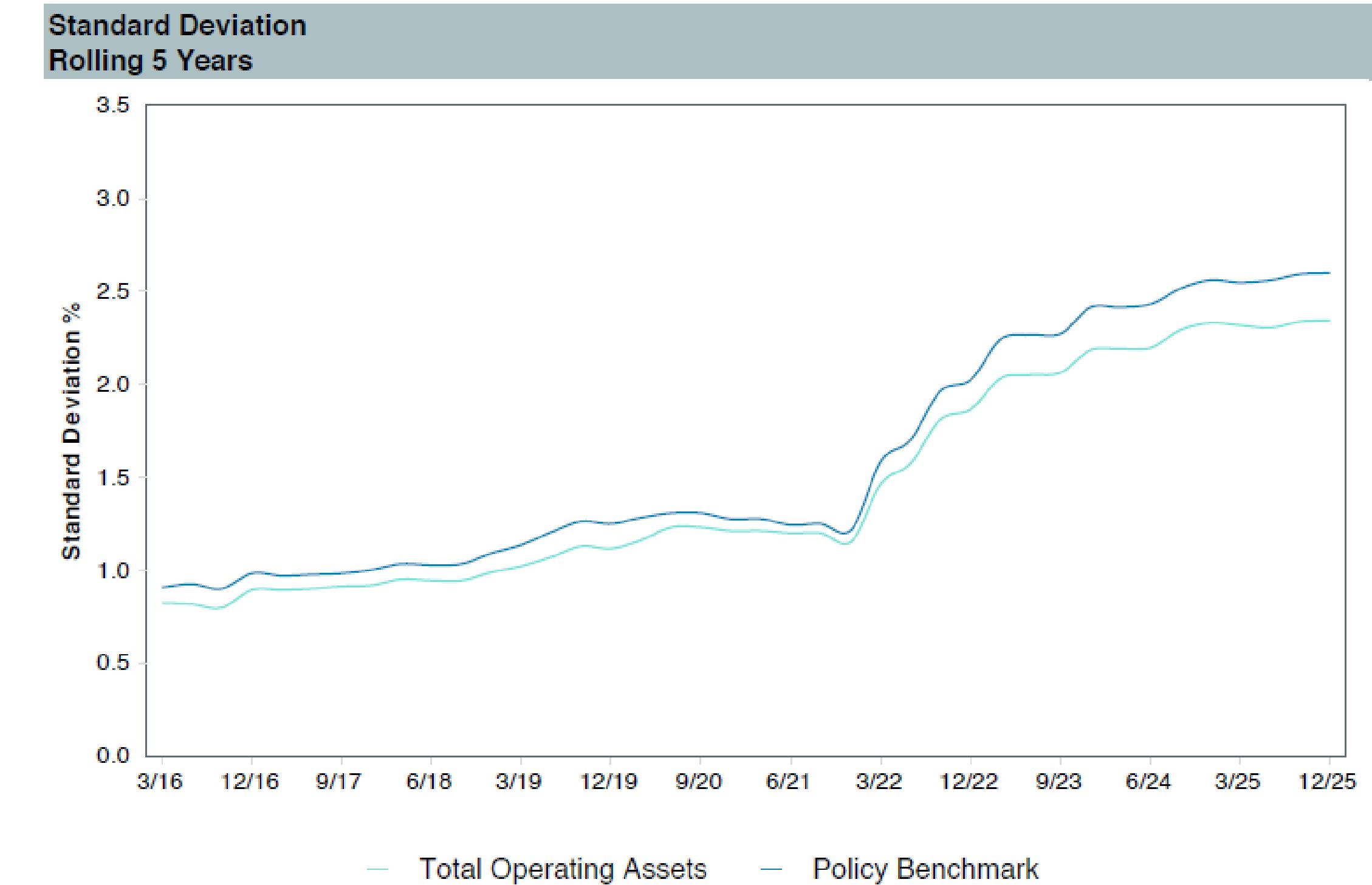
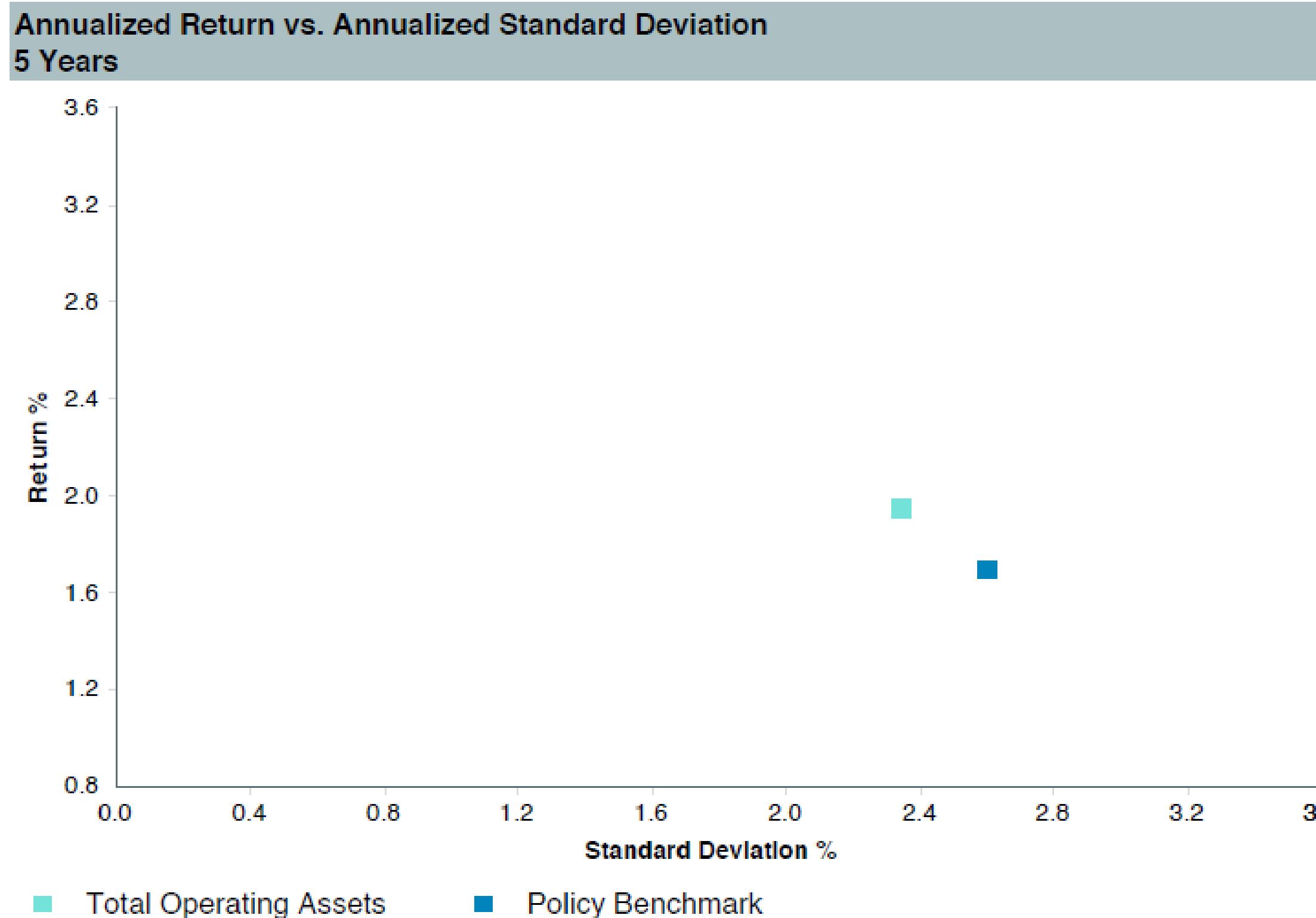
Trailing Period Performance as of 12/31/2025

	Fourth Quarter	Fiscal Year-to-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
Total Operating Fixed Income Portfolio	1.1%	2.6%	6.0%	5.1%	2.0%
<i>Policy Benchmark</i>	1.2	2.4	5.8	4.9	1.7
Loomis Sayles	1.1%	2.7%	6.2%	5.1%	1.7%
<i>Bloomberg 1-5 Year Gov/Credit Index</i>	1.2	2.5	6.1	4.9	1.6
SLC Management	1.1%	2.5%	5.5%	5.1%	2.5%
<i>Bloomberg 1-3 Year Gov/Credit Index</i>	1.2	2.4	5.3	4.8	2.0

The Operating Fixed Income Portfolio has generally earned returns that have modestly outpaced its benchmark over time

Returns presented above are net of investment management fees

Operating Fixed Income Risk Profile – as of December 31, 2025



The Operating Fixed Income Portfolio has generated above-benchmark returns while generally incurring a below-benchmark level of volatility

Fixed Income Asset Class Objectives

Fixed Income Category	Objective / Role in Portfolio
Money Market / Cash / Cash Equivalents	Safety & Liquidity
U.S. Treasury / Agency Bonds	Safety & Liquidity
Investment Grade Corporate Bonds	Safety & Liquidity, Income & Yield
Securitized Bonds (ABS, MBS, etc.)	Safety & Liquidity, Income & Yield

Per Administrative Policies and Procedures Manual Policy 7610 (Investment Management):

“Safety and liquidity are the overriding objectives of this policy...yield is a secondary consideration”

All assets held within the Operating Fixed Income Portfolio are what we would deem to be “safety assets”

Investment Grade Corporate Bonds and Securitized Bonds should produce more yield than Treasury / Agencies and Cash Equivalents, but these are also relatively conservative investments

- Corporate bond exposure is investment grade; securitized holdings are rated at least AA-

Operating Fixed Income Portfolio as of December 31, 2025 + Forward Looking Forecast*

Investment Instrument	UNM Operating Fixed Income Portfolio	Preferred Range (%)	Maximum % of Investment Funds
U.S. Government Obligations (Treasuries)	43.8%	30 – 60%	100%
U.S. Gov't Agencies (guaranteed by full faith + credit of the U.S.)	--	30 – 60	100
U.S. Gov't Agencies (non-full faith + credit)	--	20 – 60	75
Taxable and/or Tax-Exempt Municipal Bonds	0.5	0 – 20	25
Corporate Bonds – BBB-/Baa3 rated or higher	44.5	20 – 40	75
Money Market Funds	--	0 – 20	100
Industrial Floaters	--	0 – 10	10
Certificates of Deposit ("CD")	--	0 – 5	10
Commercial Paper	--	0 – 5	10
Federal Funds or Bankers' Acceptances	--	0 – 5	10
Global Fixed Income Securities	--	0 – 15	20
Private Placements (144A's)	8.9**	0 – 15	20
Securitized Bonds (ABS, MBS, CLOs)	9.9	0 – 15	20
Cash & Equivalents	1.2	--	--

	UNM Operating Fixed Income Portfolio
Forecasted Nominal Return*	4.1%
Forecasted Real Return*	1.7
Forecasted Volatility*	1.9

Legal Disclosures and Disclaimers

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MEMORANDUM

TO: Members of the Board of Regents' Finance & Facilities Committee

THRU: Teresa Costantinidis, EVP for Finance and Administration

FROM: Vahid Staples, Associate Director, Office of Planning, Budget & Analysis

DATE: February 4th, 2026

SUBJECT: Future Approval Request for System Improvement and Refunding Revenue Bonds UNM Series 2026

Purpose

The Administration wishes to provide advance notice to the Board of Regents that a request for approval of a System Improvement and Refunding Revenue Bond issuance, designated as UNM Series 2026, will be brought forward for consideration at the March 2026 Board meeting.

This memorandum is intended to introduce the proposed financing, outline the projects anticipated to be funded, and preview the information that will be presented for formal consideration.

Project Background and Rationale

The University of New Mexico has successfully secured State capital outlay funding through several recent legislative sessions. In many cases, successful execution of these capital projects requires a combination of State and institutional funding. Additionally, there are priority infrastructure and renewal projects for which the opportunity to secure State funding is limited or unlikely.

With the voter approval of the State of New Mexico 2024 General Obligation Bond (GOB) and the requirement for matching funds, along with the need to advance other critical University projects, UNM is well positioned to move forward with a comprehensive institutional bond issuance and refunding package.

Proposed UNM Series 2026 Bond-Funded Projects

The proposed UNM Series 2026 Improvement Revenue Bonds would provide funding for the following three projects:

• Humanities and Social Sciences Complex	\$19,000,000
• Johnson Center – Renewal and Infrastructure Improvements	\$3,390,000
• Geothermal Project	\$8,000,000



Items to Be Presented at the March 2026 Meeting

At the March 2026 Finance & Facilities Committee and Board of Regents meetings, the Administration will present more detailed information, including:

- Descriptions of each of the three projects, including total budgets and other funding sources, including State funds
- Debt service projections and coverage ratios
- Identification of revenue sources proposed to support debt service, including any student fee components
- Summary of student engagement efforts undertaken to date
- Analysis of UNM's bonding capacity
- Proposed financing schedule and timing

Student Fee Considerations

An analysis of the proposed projects indicates that no increase in overall mandatory student fees would be required to fund the debt service associated with the UNM Series 2026 bond issue. However, the University is not permitted to issue new debt and use Opportunity or Lottery Scholarship as the revenue source. As a result, while the total mandatory student fee amount would remain at the Fall 2025 levels, there would be a small reallocation among mandatory fee categories that would affect undergraduate students receiving only Opportunity or Lottery Scholarships and no other aid. These students would experience an estimated \$60 annual increase in out-of-pocket costs.

Students receiving other forms of financial aid are expected to have coverage for the affected facility fee through that aid. Students with no financial aid would see a change in fee categorization but no impact related to increased fees paid.

Next Steps

The Administration looks forward to discussing the proposed System Improvement and Refunding Revenue Bonds, including the associated projects and financing structure, in greater detail during the March 2026 Finance & Facilities Committee and Board of Regents meetings.

Thank you for your consideration and continued support of the University's capital and infrastructure initiatives.