



REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS

UNIVERSITY OF NEW MEXICO FOUNDATION, INC.
(A Component Unit of the University of New Mexico)

June 30, 2021 and 2020



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University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Official Roster (unaudited)
June 30, 2021

Officers

Randy Velarde	Chair
Jeffrey Todd	UNM Foundation President and CEO
Ryan Mummert	Vice Chair/Chair Elect
Lameck Lukanga	National Vice Chair
Kenny Stansbury	Treasurer
Greg Foltz	Assistant Treasurer
Felicia Finston	Secretary

Trustees

Carolyn Abeita	Ryan Mummert
Paul Cassidy	Anthony Pachelli
Don Clampitt	Mark Peceny
Carol Mayo Cochran	Nancy Ridenour
Tom Daulton	Tommy Roberts
Felicia Finston	Jerry Roehl
Greg Foltz	Alex Romero
Cheryl Fossum-Graham	Todd Sandoval
Adam Harrington	Robert Schwartz
William P. Lang	Garnett Stokes
Lameck Lukanga	Randy Velarde
Martha McGrew	Linda Warning
Laurie Moye	Judy Zanotti

Report of Independent Auditors

The Board of Trustees
University of New Mexico Foundation, Inc.
and Mr. Brian S. Colón, Esq.,
New Mexico State Auditor

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University of New Mexico Foundation, Inc. as of June 30, 2021 and 2020, and the changes in its financial position and cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 5 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The statement of net position information by account group, statements of revenues, expenses, and changes in net position information by account group, and notes to supplementary information as of and for the year ended June 30, 2021 on pages 34 through 36 are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The statement of net position information by account group, statements of revenues, expenses, and changes in net position information by account group, and notes to supplementary information as of and for the year ended June 30, 2021 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 financial analysis referred to above are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021 on our consideration of the Foundation'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 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 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 Foundation's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
October 6, 2021

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2021 and 2020

As a component unit of the University of New Mexico (UNM or the University), the University of New Mexico Foundation, Inc. (the Foundation) applies the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Overview of the Basic Financial Statements

The Foundation's annual report consists of the Management's Discussion and Analysis, which provides a broad narrative overview of its financial statements for the fiscal years ended June 30, 2021 and 2020 and the following, which comprise the basic financial statements:

1. Statements of net position, which present information on the Foundation's assets and liabilities, deferred inflows, and resulting net position.
2. Statements of revenues, expenses, and changes in net position, which provide information on the results of operations for the fiscal years.
3. Statements of cash flows, which present information on changes in cash balances and identify the source of cash flows resulting in those changes.
4. Notes to financial statements, which provide additional information that is essential to a full understanding of the data provided in the financial statements.

Condensed Financial Information

Condensed Assets, Liabilities, and Net Position

	June 30,	
	2021	2020
Current assets	\$ 10,956,072	\$ 13,580,198
Noncurrent assets	333,357,826	256,561,837
Total assets	344,313,898	270,142,035
Current liabilities	9,669,900	12,143,782
Noncurrent liabilities	5,386,009	5,792,915
Total liabilities	15,055,909	17,936,697
Deferred inflows of resources		
Deferred inflows of beneficial interest in irrevocable split interest agreements	23,295,038	20,101,312
Net position		
Unrestricted	5,434,458	3,965,568
Investment in capital assets	189,974	-
Restricted	300,338,519	228,138,458
Total net position	\$ 305,962,951	\$ 232,104,026

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2021 and 2020

Condensed Summary of Revenues, Expenses, and Changes in Net Position

	June 30,	
	2021	2020
Operating revenues		
Donations and pledges, net	\$ 23,221,504	\$ 26,271,299
UNM contract service revenue	4,866,050	4,971,580
Development funding allocation	2,985,342	2,999,566
Nongift revenue	121,500	174,309
	<u>31,194,396</u>	<u>34,416,754</u>
Operating expenses		
Distributions to UNM	33,383,432	33,536,172
General and administrative	11,529,575	12,891,134
	<u>44,913,007</u>	<u>46,427,306</u>
Operating loss	(13,718,611)	(12,010,552)
Investment income (loss), net	<u>71,458,531</u>	<u>(1,541,275)</u>
Loss before changes in term and permanent endowments	57,739,920	(13,551,827)
Changes in term and permanent endowments	<u>16,119,005</u>	<u>9,678,086</u>
Increase (decrease) in net position	73,858,925	(3,873,741)
Net position, beginning of year	<u>232,104,026</u>	<u>235,977,767</u>
Net position, end of year	<u>\$ 305,962,951</u>	<u>\$ 232,104,026</u>

Financial Analysis

- At June 30, 2021, the Foundation's total assets were \$344.3 million, which represents an increase of 27.5% compared to June 30, 2020 total assets of \$270.1 million.
- The Consolidated Investment Fund (CIF) is the largest pool of the total endowment pools, and represents \$302.5 million of the total investments held in endowment pools of \$302.6 million.
- The increase in total assets during the year ended June 30, 2021 was primarily due to the investment return on CIF of 31.3%.
- The Foundation's endowment funds are invested alongside with endowment funds owned by the University in the CIF. The CIF is a unitized investment portfolio, a consolidated internal investment pool of the University. Approximately 88% and 84% of the Foundation's assets were held as endowments in the CIF as of June 30, 2021 and 2020, respectively.

University of New Mexico Foundation, Inc.
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Management's Discussion and Analysis (unaudited)
June 30, 2021 and 2020

- The fair value and ownership units of the CIF at June 30 are as follows:

	Consolidated Investment Fund	
	2021	2020
Fair value (in millions)		
Foundation	\$ 302.5	\$ 226.0
University of New Mexico	277.8	218.6
Total fair value of the CIF	\$ 580.3	\$ 444.6
Units		
Foundation	565,486	554,555
University of New Mexico	519,398	536,184
Total units of the CIF	1,084,884	1,090,739

- Additions to endowment principal for the endowment pools during the years ended June 30, 2021 and 2020 were \$23.9 and \$11.6 million, respectively.
- CIF performance, net of fees, for the fiscal years ended June 30, 2021 and 2020 is shown below:

	Consolidated Investment Fund	
	2021	2020
Investment performance		
1 year	31.3%	-0.2%
3 year	11.0%	4.0%
5 year	10.6%	4.5%
10 year	8.0%	6.9%

- CIF performance by asset class for the fiscal years ended June 30, 2021 and 2020 is shown in the table below:

	Consolidated Investment Fund	
	2021	2020
Investment performance		
Domestic Equity	44.3%	6.4%
International Equity	35.6%	-5.0%
Fixed Income	5.0%	3.8%
Private Investments	49.1%	-1.1%
Real Assets	13.8%	-21.2%
Marketable Alternatives	18.1%	0.7%
Investment Performance	31.3%	-0.2%

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
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June 30, 2021 and 2020

- Investment income, net of fees, was \$71.4 million for the year ended June 30, 2021 compared to investment loss, net of fees, of \$1.5 million for the year ended June 30, 2020.
- The approved spending distributions from the endowment pools to UNM were \$18.3 million and \$16.5 million during the fiscal years ended June 30, 2021 and 2020, respectively. Spending distributions from Foundation owned endowment are reported as part of Distributions to UNM and were \$9.4 million and \$8.3 million, respectively.
- Total operating revenue was \$31.2 million for the fiscal year ended June 30, 2021 a decrease of \$3.2 million, or 9.3%, from the previous year total of \$34.4 million, primarily due to an decrease in nonendowed cash gifts.
- Distributions to UNM are endowed spending distributions and nonendowed gifts which are transferred to UNM as received. These distributions were \$33.4 and \$33.5 for the years ended June 30, 2021 and 2020, respectively. The decrease is primarily due to a decrease in nonendowed cash gift.
- The primary funding sources for the Foundation's operating costs for the year ended June 30, 2021 were UNM contract service revenue (39%), short-term investment income (5%), and a development funding allocation (DFA) (56%) based on the market value of the endowment pools. The DFA rate was 1.85% for the fiscal years June 30, 2021 and 2020.

Factors Impacting Future Periods

- UNM has committed to a \$5.7 million contract service fee for the Foundation's services in fiscal year 2022. The DFA fee charged to the endowment pools will remain at 1.85% for fiscal year 2022.
- The approved endowment spending distribution rate for fiscal year 2022 is 4.5%.

Contacting the Foundation's Financial Management

If you have questions about this report or need additional financial information, please contact the UNM Foundation's Chief Financial Officer, Kenny Stansbury, at Two Woodward Center, 700 Lomas Boulevard NE, Suite 203, Albuquerque, New Mexico 87102 or (505) 313-7600.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Statements of Net Position
Years Ended June 30, 2021 and 2020

	ASSETS	<u>2021</u>	<u>2020</u>
Current assets			
Cash and cash equivalents		\$ 9,009,615	\$ 12,164,356
Pledges receivable, net of allowance and discounts		1,374,579	850,277
Other current assets		<u>571,878</u>	<u>565,565</u>
Total current assets		<u>10,956,072</u>	<u>13,580,198</u>
Noncurrent assets			
Investments held in endowment pools		302,527,660	226,060,001
Investments held by the Foundation		3,153,712	5,919,095
Pledges receivable, net of allowance and discounts		1,070,974	977,091
Artwork		1,589,915	1,633,045
Real estate		1,173,730	1,424,533
Capital assets, net		189,974	-
Beneficial interest in irrevocable split interest agreements		22,990,912	19,941,453
Other noncurrent assets		<u>660,949</u>	<u>606,619</u>
Total noncurrent assets		<u>333,357,826</u>	<u>256,561,837</u>
Total assets		<u>\$ 344,313,898</u>	<u>\$ 270,142,035</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current liabilities			
Accounts payable		\$ 151,444	\$ 94,756
Accrued liabilities		1,293,085	1,915,968
Notes payable		1,316,825	658,912
Annuities payable		318,395	367,299
Advances from UNM		757,772	361,929
Due to the endowment pools		556,810	463,190
Due to UNM		<u>5,275,569</u>	<u>8,281,728</u>
Total current liabilities		<u>9,669,900</u>	<u>12,143,782</u>
Noncurrent liabilities			
Notes payable		-	644,875
Annuities payable		2,192,421	2,060,973
Due to UNM		<u>3,193,588</u>	<u>3,087,067</u>
Total noncurrent liabilities		<u>5,386,009</u>	<u>5,792,915</u>
Total liabilities		<u>15,055,909</u>	<u>17,936,697</u>
Deferred inflows of resources			
Deferred inflows of beneficial interest in irrevocable split interest agreements		23,295,038	20,101,312
Net position			
Unrestricted		3,788,308	2,764,697
Unrestricted, designated		1,646,150	1,200,871
Investment in capital assets		189,974	-
Restricted, expendable		25,330,723	20,080,545
Restricted, nonexpendable		<u>275,007,796</u>	<u>208,057,913</u>
Total net position		<u>305,962,951</u>	<u>232,104,026</u>
Total liabilities, deferred inflows of resources, and net position		<u>\$ 344,313,898</u>	<u>\$ 270,142,035</u>

See accompanying notes to these financial statements.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues		
Donations and pledges, net of allowance and discounts	\$ 23,221,504	\$ 26,271,299
UNM contract service revenue	4,866,050	4,971,580
Development funding allocation	2,985,342	2,999,566
Nongift revenue	<u>121,500</u>	<u>174,309</u>
Total operating revenues	<u>31,194,396</u>	<u>34,416,754</u>
Operating expenses		
Distributions to UNM	33,383,432	33,536,172
General and administrative expenses	<u>11,529,575</u>	<u>12,891,134</u>
Total operating expenses	<u>44,913,007</u>	<u>46,427,306</u>
Operating loss	(13,718,611)	(12,010,552)
Nonoperating revenue		
Investment income (loss), net	<u>71,458,531</u>	<u>(1,541,275)</u>
Income (loss) before changes in term and permanent endowments	<u>57,739,920</u>	<u>(13,551,827)</u>
Changes in term and permanent endowments		
Donations	15,589,659	9,517,349
Institutional transfers to the endowment pools	564,570	346,209
Nongift revenue	12,638	134,876
Adjustment of actuarial liability for annuities payable	226,281	(40,048)
Expenditure for payments to annuitants and beneficiaries	<u>(274,143)</u>	<u>(280,300)</u>
Total changes in term and permanent endowments	<u>16,119,005</u>	<u>9,678,086</u>
Increase (decrease) in net position	<u>73,858,925</u>	<u>(3,873,741)</u>
Net position, beginning of year	<u>232,104,026</u>	<u>235,977,767</u>
Net position, end of year	<u>\$ 305,962,951</u>	<u>\$ 232,104,026</u>

See accompanying notes to these financial statements.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Cash received from donors and other sources	\$ 18,577,848	\$ 26,086,552
Cash received from UNM	5,201,250	5,212,864
Cash received from the endowment pools	2,985,342	2,999,566
Cash paid to employees	(9,480,737)	(9,694,671)
Cash paid to vendors	(2,601,995)	(3,288,609)
Cash distributed to UNM	<u>(36,283,070)</u>	<u>(30,686,511)</u>
Net cash flows used in operating activities	<u>(21,601,362)</u>	<u>(9,370,809)</u>
Cash flows from noncapital financing activities		
Donations and pledges	10,302,616	8,459,252
Institutional transfers to the endowment pools	564,570	346,209
Proceeds from notes payable	-	1,301,790
Payments to annuitants and beneficiaries	<u>(274,143)</u>	<u>(280,300)</u>
Net cash flows from noncapital financing activities	<u>10,593,043</u>	<u>9,826,951</u>
Cash flows from capital and related financing activity		
Purchases of capital assets	<u>(189,974)</u>	<u>-</u>
Net cash flows used in capital and related financing activity	<u>(189,974)</u>	<u>-</u>
Cash flows from investing activities		
Proceeds from sale of investments	28,007,896	16,388,939
Purchases of investments	(20,926,680)	(12,207,426)
Interest and dividends received	969,195	648,611
Administration of split interest agreements	<u>(6,859)</u>	<u>(978)</u>
Net cash flows from investing activities	<u>8,043,552</u>	<u>4,829,146</u>
Net (decrease) increase in cash and cash equivalents	(3,154,741)	5,285,288
Cash and cash equivalents, beginning of year	<u>12,164,356</u>	<u>6,879,068</u>
Cash and cash equivalents, end of year	<u>\$ 9,009,615</u>	<u>\$ 12,164,356</u>

See accompanying notes to these financial statements.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Statements of Cash Flows (continued)
Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of operating loss to net cash from operating activities		
Operating loss	<u>\$ (13,718,611)</u>	<u>\$ (12,010,552)</u>
Adjustments to reconcile operating loss to net cash flows used in operating activities		
Accrued interest on loan	13,038	1,996
Donations of investments	(4,080,641)	(458,310)
Donation of real estate, net of reserve	(66,330)	(469,552)
Changes in assets and liabilities		
Pledges receivable	(618,185)	568,807
Other current assets	(6,313)	(169,851)
Other noncurrent assets	(54,330)	71,693
Accounts payable	56,688	(62,908)
Accrued liabilities	(622,883)	(31,235)
Advances from UNM	395,843	339,442
Due to UNM	<u>(2,899,638)</u>	<u>2,849,661</u>
Total adjustments	<u>(7,882,751)</u>	<u>2,639,743</u>
Net cash flows used in operating activities	<u>\$ (21,601,362)</u>	<u>\$ (9,370,809)</u>
Supplemental disclosures of noncash investing, noncapital, and financing activities		
Change in fair value of investments	\$ 53,147,689	\$ (10,785,071)
Donations of investments to permanent endowments	5,629,575	1,192,973

See accompanying notes to these financial statements.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Note 1 – Nature of Business

The University of New Mexico Foundation, Inc. (the Foundation) was organized on May 3, 1979, as a New Mexico not-for-profit corporation to solicit, receive, distribute, invest, and manage private gifts and donations given for the benefit of the University of New Mexico (UNM or the University). By managing funds, identifying and developing new sources of private support, encouraging the adoption of common goals, and nurturing cooperation toward meeting those goals, the Foundation allows UNM to focus more clearly on its mission to engage in comprehensive educational, research, and service programs.

In accordance with the amended Memorandum of Agreement (Memorandum) between the Foundation and the Regents of the University, dated September 25, 2012, UNM will continue to provide the Foundation sufficient support to allow the Foundation to conduct its business and fulfill its responsibilities to the University. In return for this support, the Foundation will encourage individuals and organizations to support UNM programs and services. These financial statements only reflect private support received directly by the Foundation. In addition, the Foundation provides solicitation assistance, consultation, and other related services, including investment oversight responsibilities associated with UNM's ownership of Consolidated Investment Fund (CIF) endowments. The Foundation has no component units.

The Memorandum further stipulates that the expenditure of gift funds and income on gift funds for the benefit of any unit of the University or affiliated organization will be disbursed through the University's general ledger system, unless specifically approved by the University President or his/her designee, and that the Foundation will provide the University appropriate documentation regarding any donor-imposed gift restrictions to assist the University in following the donor directives. The University is responsible for monitoring all disbursements through the University's general ledger system for both nonendowed gift accounts and endowed spending accounts to ensure that any and all donor-imposed restrictions are honored.

Note 2 – Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

As a component unit of UNM, the Foundation presents its financial statements in accordance with U.S. generally accepted accounting standards as established by the Governmental Accounting Standards Board (GASB).

The Foundation applies business-type activity accounting and the Foundation's basic financial statements are reported using a flow of economic resources measurement focus and the accrual basis of accounting. Accordingly, revenues are recognized when they are earned, and expenses are recognized as soon as the liability is incurred.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Note 2 – Summary of Significant Accounting Policies (continued)

The significant accounting policies utilized by the Foundation in the preparation of the financial statements are described below.

Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit at financial institutions and do not include Foundation investments held by the endowment pools.

Investments, Real Estate, Artwork, and Beneficial Interest

Investments, real estate, artwork, and beneficial interest are reported at fair value. Money market investments are carried at amortized cost, which approximates fair value. All real estate and artwork reflected in the accompanying statements of net position were contributed to the Foundation. Donated real estate and artwork are recorded at fair value at the date of the gift less an estimated reserve for selling costs. Periodic appraisals and market analyses are performed to determine the appropriateness of fair value.

The basis of determining the fair value of investments is the readily determinable sales price or current exchange rate of the investments based on prices or quotations from over-the-counter markets. Where fair value is not readily determinable, the Foundation uses net asset value per share, units owned and other valuation factors to approximate fair value.

Investments held by the Foundation have been classified as current and noncurrent based on the nature of the underlying investment. Investment in the endowment pools has been classified as noncurrent due to restrictions limiting the Foundation's ability to use these investments.

It is the Foundation's policy to liquidate most donated investments as soon as possible following receipt.

Investments Held in Endowment Pools

Investments held in endowment pools is a combination of the Consolidated Investment Fund (CIF) and donor directed investments. Previously, the endowment pool consisted of only the CIF. During the year ending June 30, 2021, the endowment received its first gift for a donor direct investment. Each investment pool is unitized separately.

As the endowment pools are not publicly quoted, the value is based on the total estimated value of the underlying investments within the endowment pools. Within the endowment pools, the alternative investments are valued as reported by the general partners and fund managers. Management reviews and evaluates the valuation received from third parties and believes the carrying amount to be a reasonable estimate of fair value. As limited partnership investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Investments Held by the Foundation

Investments held by the Foundation include operating, reserves, deferred compensation investments, specific endowments, charitable remainder trusts, and donated investments.

Other Assets

Other assets include notes receivable, accounts receivable, and prepaid assets.

Due to the Endowment Pools

Amounts due to the endowment pools represent funds transferred from the University to be invested in the endowment and held temporarily by the Foundation. The funds are transferred to the endowment pools on a monthly basis.

Due to UNM and Distributions to UNM

The current amount due to UNM represents nonendowed, restricted assets held by the Foundation. The amount and timing of the transfers are defined in the Callable Funds Agreement, dated January 23, 2017.

The noncurrent amount due to UNM represents nonendowed assets held by the Foundation, primarily cash and pledges receivable, which are expected to be distributed to UNM in a subsequent fiscal year.

Notes Payable

Notes payable represents a Paycheck Protection Program (PPP) forgivable loan, which was part of an economic relief package under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which is guaranteed through a nonexchange financial guarantee provided by the U.S. Small Business Administration (see Note 13). The Foundation has recorded a liability in accordance with Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, until the Foundation is legally released from the debt. The Foundation was legally released from the debt, subsequent to June 30, 2021; as a result, an inflow of resources will be reported in the following fiscal year.

Annuities Payable

Annuities payable represents the liability established for donations whereby a specified amount of funds are to be paid to the donor for the duration of his or her life. The Foundation uses annuity rates, including the discount and remainder factors, based on the American Council on Gift Annuities guidelines to establish the estimated liability. Significant factors of the estimate include the donor's age, amount of donation, and the discount rate, and are updated annually to adjust the liability.

Net Position

To ensure observance of limitations and restrictions placed on the use of reserves available to the Foundation, net positions are classified as follows, based on the existence or absence of donor-imposed restrictions:

Unrestricted Net Position – Resources that are not subject to donor-imposed restrictions. The Board of Trustees designates a portion of this net position as nonexpendable reserves for annuities payable.

Restricted Net Position – Resources that, because of donor-imposed restrictions, must be used for a specified purpose, generally UNM programs, or maintained for a specified time period.

University of New Mexico Foundation, Inc.
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Note 2 – Summary of Significant Accounting Policies (continued)

Restricted, Expendable – Resources that are contributions designed by donors for use by particular entities or programs or for specific purposes or functions of UNM. Resources include term endowments with donor-imposed time restrictions for spending or transferring the funds to UNM. These funds also include quasi-endowments, of which the corpus can be used for the purpose identified by the donor. Investment income on endowment investments are classified as restricted, expendable net position unless otherwise specified by the donor.

Restricted, Nonexpendable – Resources that are permanent endowments. Such funds are generally subject to donor restrictions requiring that the principal be invested in perpetuity for the purpose of producing income and appreciation that may be expended or added to the principal in accordance with the donor's wishes.

When both restricted and unrestricted funds are available, the Foundation expends restricted funds first in accordance with donor-imposed restrictions. The expenditure of unrestricted funds requires approval by the Board of Trustees.

Classification of Revenues and Expenses

Operating loss reported in the financial statements includes revenues and expenses related to the continuing operations of the Foundation. Principal operating revenues include nonendowed donations and pledges, UNM contract service revenues, and the development funding allocation received from the CIF. Principal operating expenses include distributions to the University and general and administrative expenses.

Nonoperating revenues include investment gains or losses.

Changes in term and permanent endowments include donations to permanent endowments and annuities, actuarial adjustments to annuities payable, payments to annuitants, and institutional transfers to the CIF.

Revenue Recognition

Donations – The Foundation recognizes revenue on donations when all applicable eligibility requirements are met. Donations to permanent endowments or term endowments, as defined in Note 8, are reported as changes to term and permanent endowments.

Pledges – The Foundation recognizes nonendowed pledges as increases in assets and revenue upon receipt of a signed pledge commitment, so long as collectability is probable, and when all applicable eligibility requirements are met. An allowance for doubtful pledges is recorded when the pledge is recorded. The allowance is based on past pledge loss experience and other factors that management considers necessary in estimating pledge losses.

Nongift – Includes the dollar value of any benefit provided to a donor making a charitable contribution.

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Note 2 – Summary of Significant Accounting Policies (continued)

Wills and Bequests – Contributions resulting from wills and bequests are recognized as revenue in the reporting period during which the respective estates are probated and all applicable eligibility requirements are met. These contributions are reported as donations and pledges, net in the accompanying statements of revenues, expenses, and changes in net position.

UNM Contract Service Revenue – The University pays the Foundation for the services provided including investment management services and fundraising activities. The Foundation also facilitates funding of scholarships, faculty, and program support through distributions to UNM.

Development Funding Allocation (DFA) – A percentage of the market value of the endowment pools is allocated, annually, to the Foundation, as part of the Foundation's overall fee for its services to the University. The allocation is used by the Foundation to cover the employment of its staff and other operating costs. The DFA rate was 1.85% for the fiscal years 2021 and 2020. The allocation does not provide support for third-party investment consultant fees, custodial fees, and investment manager fees. These costs are assigned directly to the endowment pools and revenue is recognized when earned.

Investment Income, Net – Investment income, net includes interest, dividends, unrealized gains or losses, and realized gains or losses. Investment interest and dividends are recognized when earned. Changes in the estimated fair value of investments are reported as unrealized gains and losses. Realized gains and losses are recognized as the difference between the sales proceeds and amortized costs when realized (sold) and calculated independently of the unrealized loss.

Institutional Transfers to the Endowment Pools

Institutional transfers to the endowment pools represent transfers of nonendowed and endowed spending funds from the University to the endowment pools.

Income Taxes

The Foundation is an organization described in Internal Revenue Code (IRC) Section 501(c)(3) and as such is exempt from federal and state income tax on its related income under Section 501(a) of the IRC. Furthermore, as a publicly supported organization it is classified as a public charity and not a private foundation under IRC Section 509(a)(1). The Foundation had no material unrelated business income; therefore, no provision for income taxes is included in the financial statements.

As of June 30, 2020, the most recent filing date, the Foundation had a net operating loss carryforward of approximately \$2.4 million, as a result of cumulative losses from underlying partnership investments within the CIF. The deferred tax asset associated with this loss carryforward of approximately \$508,000 is not recognized on the accompanying statements of net position due to the uncertainty of future income that would be necessary to realize the benefit. The Foundation estimates that the change in the deferred tax asset for the year ended June 30, 2021 is not material.

Estimates

Management uses estimates and assumptions in preparing the accompanying financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

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Note 3 – Cash and Cash Equivalents

Cash balances, including deposits in transit, had a carrying value of \$9,009,615 and \$12,164,356 at June 30, 2021 and 2020, respectively.

The Foundation's bank accounts (Operating and Development) had deposits totaling \$6,830,647 and \$9,125,535 at June 30, 2021 and 2020, respectively. These amounts are invested in overnight sweep accounts that are collateralized at 96% of the overnight balance at June 30, 2021 and 2020. These funds were collateralized by government-backed securities held in the Foundation's name. The Foundation also held deposits at a credit union totaling \$190,270 and \$183,970 at June 30, 2021 and 2020, respectively. Below is a summary of the Federal Deposit Insurance Corporation (FDIC) insured, National Credit Union Administration (NCUA) insured, and collateralized accounts.

			June 30,	
			2021	2020
			\$ 5,201,239	\$ 2,677,943
			1,629,408	6,447,592
			1,301,750	1,301,785
			190,270	183,970
			\$ 8,322,667	\$ 10,611,290
			\$ 500,000	\$ 500,000
			190,270	183,970
			June 30,	
			2021	2020
Collateralization:	Maturity Date	Type of Security		
CUSIP				
3140X5R47	1/1/2050	FN-30	\$ 4,872,249	\$ -
31334YCD7	8/1/2049	FHG-3	1,461,674	-
3131XRVG6	6/1/2045	FHG-3	-	2,424,102
3128MJYG9	6/1/2046	FHG-3	-	6,008,927
			\$ 6,333,923	\$ 8,433,029

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Note 3 – Cash and Cash Equivalents (continued)

A detail of the cash accounts at June 30, 2021 is included below:

Name of Depository	Account Name	Account Type	Bank Balances	Reconciling Items	Reconciled Balances
Wells Fargo	Operating	Cash	\$ 5,201,239	\$ (128,272)	\$ 5,072,967
Wells Fargo	Development	Cash	1,629,408	702,041	2,331,449
Washington Federal	Operating	Cash	1,301,750	-	1,301,750
Nusenda	General Fund	Cash	180,255	-	180,255
Nusenda	Restricted Fund	Cash	10,015	-	10,015
Fidelity	Restricted Fund	Money Market	101,462	-	101,462
Hilltop Securities	Charitable Trust Fund	Money Market	11,717	-	11,717
			<u>\$ 8,435,846</u>	<u>\$ 573,769</u>	<u>\$ 9,009,615</u>

A detail of the cash accounts at June 30, 2020 is included below:

Name of Depository	Account Name	Account Type	Bank Balances	Reconciling Items	Reconciled Balances
Wells Fargo	Operating	Cash	\$ 2,677,943	\$ (5,550)	\$ 2,672,393
Wells Fargo	Development	Cash	6,447,592	578,067	7,025,659
Washington Federal	Operating	Cash	1,301,785	-	1,301,785
Nusenda	General Fund	Cash	183,970	-	183,970
Fidelity	Restricted Fund	Money Market	276,664	-	276,664
Hilltop Securities	Charitable Trust Fund	Money Market	18,576	-	18,576
Morgan Stanley	Restricted Fund	Money Market	24	-	24
UBS Financial Services	Endowed Chair	Money Market	584,863	-	584,863
UBS Financial Services	Endowed Professorship	Money Market	93,263	-	93,263
Vanguard Investments	Operating	Money Market	7,159	-	7,159
			<u>\$ 11,591,839</u>	<u>\$ 572,517</u>	<u>\$ 12,164,356</u>

Note 4 – Investments

Investments reported by the Foundation represent investments contributed to the Foundation that are held outside of the endowment pools and the Foundation's share of the endowment pools. Foundation endowment funds are consolidated with endowment funds owned by the University in the endowment pools. The endowment pools is a unitized investment portfolio, a consolidated internal investment pool of the University.

Investment held in the endowment pools is in accordance with the laws of 1991, Chapter 69 of the State of New Mexico. In accordance with UNM and the Foundation's Memorandum, the endowment assets of the Foundation and UNM are consolidated for investment purposes whenever possible in the endowment pools. The investment of UNM and Foundation endowment funds is in accordance with Sections 6-8-10 and 46-9-1 through 46-9-12, New Mexico Statutes Annotated (NMSA) 1978.

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Note 4 – Investments (continued)

At June 30, 2021 and 2020, the Foundation held approximately 99% and 97%, respectively, of its investments in the endowment pools. Under the terms of an agreement with the UNM Board of Regents, the Foundation provides management oversight for the entire endowment pool. The Foundation Investment Committee works with an institutional investment consultant to structure the portfolio and hire independent investment managers. The investment managers are then responsible for specific asset categories and management styles.

Investments in the endowment pools are diversified with the intention of minimizing the risk of investment losses. Consequently, the target portfolio allocations are 37% domestic equity, 25% international equity, 16% private investments, 9.5% fixed income, 8% marketable alternative investment, 3.5% real assets and 1% cash.

The fair value and ownership units of the endowment pools as of June 30 are:

	Consolidated Investment Fund			
	2021	Percentage	2020	Percentage
Fair Value:				
Foundation	\$ 302,474,883	52%	\$ 226,060,001	51%
University of New Mexico	277,822,579	48%	218,570,809	49%
Total fair value	<u>\$ 580,297,462</u>		<u>\$ 444,630,810</u>	
Units:				
Foundation	565,486	52%	554,555	51%
University of New Mexico	519,398	48%	536,184	49%
Total units	<u>1,084,884</u>		<u>1,090,739</u>	
Other Endowment Pools				
	2021	Percentage	2020	Percentage
Fair Value:				
Foundation	\$ 52,777	100%	\$ -	0%
Total fair value	<u>\$ 52,777</u>		<u>\$ -</u>	
Units:				
Foundation	493	100%	-	0%
Total units	<u>493</u>		<u>-</u>	

University of New Mexico Foundation, Inc.
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Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Note 4 – Investments (continued)

	Total Endowment Pools			
	2021	Percentage	2020	Percentage
Fair Value:				
Foundation	\$ 302,527,660	52%	\$ 226,060,001	51%
University of New Mexico	277,822,579	48%	218,570,809	49%
Total fair value	<u>\$ 580,350,239</u>		<u>\$ 444,630,810</u>	

Investments Held by the Foundation – A detail of the investment accounts at June 30 is as follows:

Depository/Account Name	Account Type	2021	2020
Morgan Stanley Smith Barney:			
Security Donations	Domestic corporate stock	\$ 72	\$ 72
UBS Financial Services:			
Endowed Chair	Municipal bonds	-	2,756,451
Endowed Chair	Other	-	23,272
Endowed professorship	Municipal bonds	-	356,008
Hilltop Financial Services:			
Charitable Trust Fund	Mutual funds, fixed	254,117	198,700
Charitable Trust Fund	Domestic corporate stock	199,871	125,231
Fidelity:			
Operating Fund	Mutual funds, equity	370,589	140,037
Vanguard Investments:			
Operating Fund	U.S. Treasury Notes	-	2,318,256
Operating Fund	Mutual funds, fixed	2,329,063	-
Operating Fund	Other	-	1,068
		<u>\$ 3,153,712</u>	<u>\$ 5,919,095</u>

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Mutual funds and external investment pools are not exposed to custodial credit risk.

The investments that were subject to custodial credit risk were 0.07% and 2.40% of total investments at June 30, 2021 and 2020, respectively.

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Notes to Financial Statements
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Note 4 – Investments (continued)

The investments held in the endowment pools are not subject to custodial credit risk. A summary of the investments held by the Foundation and the exposure to custodial credit risk are as follows at June 30:

	<u>2021</u>	<u>2020</u>
Custodial credit risk:		
Municipal bonds	\$ -	\$ 3,112,459
US Treasury Notes	-	2,318,256
Domestic corporate stock	<u>199,943</u>	<u>125,303</u>
Total securities held by custodians	<u>199,943</u>	<u>5,556,018</u>
Investments not subject to custodial credit risk:		
Mutual funds, fixed	2,583,180	198,700
Mutual funds, equity	370,589	140,037
Other	<u>-</u>	<u>24,340</u>
Total investments not subject to custodial credit risk	<u>2,953,769</u>	<u>363,077</u>
Total investments held by the Foundation	3,153,712	5,919,095
Investments held in endowment pools - not subject to custodial credit risk	<u>302,527,660</u>	<u>226,060,001</u>
Total investments	<u>\$ 305,681,372</u>	<u>\$ 231,979,096</u>

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Foundation’s investment in a single issuer. Investments in any one issuer that represent 5% or more of total investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued and explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

The Foundation does not have a policy to limit its exposure to concentrated credit risk; however, as of June 30, 2021 and 2020, the Foundation did not have any investments in one issuer that represented more than 5% of total investments.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Currently, the Foundation does not have a policy to limit its exposure to interest rate risk. The Foundation Investment Committee manages credit risk and interest rate risk with the assistance of third-party investment advisors.

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Notes to Financial Statements
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Note 4 – Investments (continued)

At June 30, 2021, there were no investments exposed to interest rate risk. A summary of the investments and the respective maturities at June 30, 2020 and the exposure to interest rate risk is as follows:

	2020 Investment Maturities				
	Fair Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 years
At interest rate risk:					
Municipal bonds	\$ 3,112,459	\$ 66,809	\$ 875,989	\$ 1,103,975	\$ 1,065,686
US Treasury Notes	2,318,256	1,516,742	801,514	-	-
	5,430,715	<u>\$ 1,583,551</u>	<u>\$ 1,677,503</u>	<u>\$ 1,103,975</u>	<u>\$ 1,065,686</u>
Not subject to interest rate risk:					
Domestic corporate stock	125,303				
Mutual funds, fixed	198,700				
Mutual funds, equity	140,037				
Other	24,340				
Investments held in endowment pools	226,060,001				
Total investments	<u>\$ 231,979,096</u>				

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation is required to disclose credit ratings of its investments in order to assess credit risk.

University of New Mexico Foundation, Inc.
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Years Ended June 30, 2021 and 2020

Note 4 – Investments (continued)

A summary of the Foundation's investments that are subject to credit risk are as follows:

	June 30, 2021		June 30, 2020	
	Fair Value	Percentage of Bond Portfolio	Fair Value	Percentage of Bond Portfolio
US treasury notes				
Aaa	\$ -	0.0%	\$ 2,318,256	42.7%
Municipal bonds				
Aaa	-	0.0%	676,607	12.5%
Aa1	-	0.0%	304,976	5.6%
Aa2	-	0.0%	608,215	11.2%
Aa3	-	0.0%	529,418	9.7%
A1	-	0.0%	25,051	0.5%
Baa2	-	0.0%	10,464	0.2%
Not rated	-	0.0%	957,728	17.6%
Total	-	<u>0%</u>	5,430,715	<u>100%</u>
Not subject to credit risk:				
Domestic corporate stock	199,943		125,303	
Mutual funds, fixed	2,583,180		198,700	
Mutual funds, equity	370,589		140,037	
Other	-		24,340	
Investments held in endowment pools	<u>302,527,660</u>		<u>226,060,001</u>	
Total investments	<u>\$ 305,681,372</u>		<u>\$ 231,979,096</u>	

Foreign Currency Risk – None of the investments are subject to foreign currency risk.

All Investments – Investment Income (Loss) – The Foundation recognized investment income (losses) as outlined below, for the years ended June 30, 2021 and 2020.

	Endowment Pools	Foundation	Real Estate	Short-Term Investments	Total
2021					
Realized gains	\$ 16,084,015	\$ 244,012	\$ 62,867	\$ 6,340	\$ 16,397,234
Unrealized gains (losses)	53,366,463	(222,366)	-	3,592	53,147,689
Other investment income	<u>1,223,419</u>	<u>83,319</u>	-	<u>606,870</u>	<u>1,913,608</u>
	<u>\$ 70,673,897</u>	<u>\$ 104,965</u>	<u>\$ 62,867</u>	<u>\$ 616,802</u>	<u>\$ 71,458,531</u>
2020					
Realized gains (losses)	\$ 7,741,088	\$ (3,504)	\$ -	\$ 3,852	\$ 7,741,436
Unrealized (losses)	(9,791,196)	(908,185)	(10,875)	(74,815)	(10,785,071)
Other investment income	<u>786,138</u>	<u>87,772</u>	-	<u>628,450</u>	<u>1,502,360</u>
	<u>\$ (1,263,970)</u>	<u>\$ (823,917)</u>	<u>\$ (10,875)</u>	<u>\$ 557,487</u>	<u>\$ (1,541,275)</u>

University of New Mexico Foundation, Inc.
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Note 5 – Fair Value Measurement

The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 – inputs are quoted prices (unadjusted) for identical assets in active markets, accessible at the measurement date. Level 1 inputs include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.

Level 2 – inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.

Level 3 – inputs are unobservable inputs for an asset.

Investments that do not have a readily determinable fair value are recorded using net asset value (NAV). NAV is generally provided by the investment managers but the Foundation considers the reasonableness of the NAV, based on market information, to arrive at the fair value estimates for each investment.

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

	Fair Value Measurement Using			
	Fair Value	Quoted Priced in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in split interest agreements	\$ 22,990,912	\$ -	\$ 22,990,912	\$ -
Investments held by the Foundation:				
Domestic corporate stock	\$ 199,943	\$ 199,943	\$ -	\$ -
Mutual funds, fixed	2,583,180	-	2,583,180	-
Mutual funds, equity	370,589	370,589	-	-
Total investments held by the Foundation	\$ 3,153,712	\$ 570,532	\$ 2,583,180	\$ -

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Note 5 – Fair Value Measurement (continued)

The Foundation has the following recurring fair value measurements as of June 30, 2021 (continued):

	Fair Value Measurement Using			
	Fair Value	Quoted Priced in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments held in endowment pools by fair value measure:				
Exchange-traded funds	\$ 52,777	\$ 52,777	\$ -	\$ -
Mutual funds, fixed	19,632,181	19,632,181	-	-
Total investments held in endowment pools by fair value level	<u>\$ 19,684,958</u>	<u>\$ 19,684,958</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV as of June 30, 2021:				
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Marketable alternatives:				
Multistrategy hedge funds	\$ 17,857,074	\$ -	Quarterly-annually	45-60 days
Event driven hedge funds	6,971,755	-	Quarterly	65 days
Equity hedge funds	6,141,355	-	Monthly	30 days
Distressed/restructuring hedge funds	13,167,122	-	Annually-biennially	45-90 days
Global macro hedge funds	5,404,263	-	Monthly-Quarterly	3-90 days
Systematic diversified risk hedge funds	-	-	Monthly	2 days
Private investment funds	55,495,449	30,121,518		
Illiquid real assets funds	4,592,802	4,336,111		
Real estate funds	4,899,156	2,013,078		
Mutual funds, fixed	300	-	Daily	1 day
Mutual funds, equity	128,566,759	-	Daily	1 to 2 days
Total investments in the endowment pools measured at the NAV	243,096,035	<u>\$ 36,470,707</u>		
Money market funds held in endowment pools, measured at amortized cost	<u>39,746,667</u>			
Total investments held in endowment pools	<u>\$ 302,527,660</u>			

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Note 5 – Fair Value Measurement (continued)

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

	Fair Value Measurement Using			
	Fair Value	Quoted Priced in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in split interest agreements	\$ 19,941,453	\$ -	\$ 19,941,453	\$ -
Investments held by the Foundation				
Domestic corporate stock	\$ 125,303	\$ 125,303	\$ -	\$ -
Mutual funds, fixed	198,700	-	198,700	-
Mutual funds, equity	2,458,293	2,458,293	-	-
Municipal bonds	3,112,459	-	3,112,459	-
Other funds	24,340	-	24,340	-
Total investments held by the Foundation	<u>\$ 5,919,095</u>	<u>\$ 2,583,596</u>	<u>\$ 3,335,499</u>	<u>\$ -</u>
Investments held in the endowment pools by fair value measure:				
Exchange-traded funds	\$ 1,534,101	\$ 1,534,101	\$ -	\$ -
Mutual funds, fixed	20,038,639	20,038,639	-	-
Total investments held in endowment pool by fair value level	<u>\$ 21,572,740</u>	<u>\$ 21,572,740</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV as of June 30, 2020:				
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Marketable alternatives:				
Multistrategy hedge funds	\$ 14,957,631	\$ -	Quarterly-annually	45-60 days
Event driven hedge funds	5,622,331	-	Quarterly	65 days
Equity hedge funds	5,092,371	-	Monthly	30 days
Distressed/restructuring hedge funds	10,111,144	-	Monthly-biennially	30-90 days
Global macro hedge funds	4,301,916	-	Monthly-annually	3-60 days
Systematic diversified risk hedge funds	2,172,567	-	Monthly	2 days
Private investment funds	33,184,416	27,667,008		
Illiquid real assets funds	2,833,479	4,978,746		
Real estate funds	5,478,721	2,114,083		
Mutual funds, fixed	7,774,803	-	Daily-Monthly	1 to 30 days
Mutual funds, equity	105,612,503	-	Daily	1 to 2 days
Total investments in endowment pool measured at the NAV	197,141,882	<u>\$ 34,759,837</u>		
Money market funds held in endowment pools, measured at amortized cost	<u>7,345,379</u>			
Total investments held in endowment pools	<u>\$ 226,060,001</u>			

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Note 6 – Pledges Receivable

Pledges receivable consisted of the following at:

	June 30,	
	2021	2020
Amounts receivable in less than one year	\$ 1,374,579	\$ 850,277
Amounts receivable in more than one year	<u>1,320,815</u>	<u>1,182,489</u>
Total pledges receivable	2,695,394	2,032,766
Discounts to net present value	(48,441)	(24,499)
Allowance for doubtful pledges	<u>(201,400)</u>	<u>(180,899)</u>
Pledges receivable, net	<u>\$ 2,445,553</u>	<u>\$ 1,827,368</u>

Noncurrent pledge receivables are discounted at the Internal Revenue Service discount rate 1.2% and 0.6% for the years ended June 30, 2021 and 2020, respectively. All pledges are for nonendowed gifts.

Note 7 – Artwork

Artwork activity consisted of the following at:

	June 30,	
	2021	2020
Artwork:		
Beginning balance	\$ 7,375,950	\$ 7,465,403
Sales	<u>(177,278)</u>	<u>(89,453)</u>
Balance at June 30	7,198,672	7,375,950
Reserve for selling costs	<u>(5,608,757)</u>	<u>(5,742,905)</u>
Artwork, at fair value as of June 30	<u>\$ 1,589,915</u>	<u>\$ 1,633,045</u>

The Foundation sells contributed artwork with the net proceeds benefiting UNM. The Foundation expects the sales to be completed over many years, given the desire to preserve the market value of the artwork.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Note 8 – Real Estate

The Foundation also has investments in real estate. The real estate activity consisted of the following at:

	June 30,	
	2021	2020
Real estate, values as of date of original receipt:		
Land	\$ 219,000	\$ 120,000
Buildings	<u>1,750,001</u>	<u>2,223,334</u>
Balance at June 30	1,969,001	2,343,334
Fair value adjustment, at June 30	<u>(795,271)</u>	<u>(918,801)</u>
Real estate, at fair value as of June 30	<u>\$ 1,173,730</u>	<u>\$ 1,424,533</u>

Note 9 – Endowments

Permanent Endowments – Permanent endowments are those funds subject to restrictions in gift instruments permitting only the income be used as specified by the donor and that the principal be held in perpetuity.

Term Endowments – Term endowments are funds similar to true endowment funds except that upon the passage of a stated period of time or a particular occurrence, all or part of the principal may be expended at any time.

Quasi-endowments – Quasi-endowment funds are subject to donor restrictions in gift instruments permitting the donation only be used for a specified purpose, generally for UNM programs. Any portion of the principal of quasi-endowment funds may be expended for the donor-specified purpose at any time.

Endowments comprised of the following at:

	June 30,	
	2021	2020
Permanent endowment	\$ 274,368,655	\$ 208,057,913
Term endowment	558,836	446,469
Quasi-endowment	<u>24,771,887</u>	<u>19,634,076</u>
	<u>\$ 299,699,378</u>	<u>\$ 228,138,458</u>

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Note 9 – Endowments (continued)

If a donor has not provided specific instructions, state law permits the Board of Trustees to authorize for expenditure the interest, dividends, and net appreciation (realized and unrealized) of the investments of endowment funds. Distributions are made from the CIF to UNM entities that benefit from the endowment funds.

The endowment spending policy aims to distribute on an annual basis a percentage of the average market value of the CIF, at the calendar year-end, of the previous 20 quarters. The spending distribution amount shall not exceed 6% nor be less than 4% of the average market value. The endowment spending policy allows for the spending distribution regardless of whether the fair market value of an individual account exceeds its historic gift value, unless otherwise precluded by the donor or by law. This practice is consistent with the Uniform Prudent Management of Institutional Funds Act.

Note 10 – Composition of Net Position

Net position consisted of the following at:

	June 30,	
	2021	2020
Permanent endowments, nonexpendable	\$ 274,368,655	\$ 208,057,913
Annuity gifts, nonexpendable	639,141	-
Total nonexpendable	275,007,796	208,057,913
Term endowments, expendable after specified time	558,836	446,469
Quasi-endowments, expendable for specified purpose	24,771,887	19,634,076
Total restricted	300,338,519	228,138,458
Designated reserve for annuities payable	946,150	800,871
Designated reserve for UNM Campaign	700,000	400,000
Other unrestricted	3,788,308	2,764,697
Total unrestricted	5,434,458	3,965,568
Investment in capital assets	189,974	-
Total net position	<u>\$ 305,962,951</u>	<u>\$ 232,104,026</u>

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Note 11 – Annuities Payable

The Foundation had the following annuities payable activity at:

	June 30,	
	2021	2020
Balance due at beginning of year	\$ 2,428,272	\$ 2,396,172
Net increase in annuities payable	308,825	-
Net change in actuarial liability	<u>(226,281)</u>	<u>32,100</u>
	2,510,816	2,428,272
Less amount due in one year	<u>(318,395)</u>	<u>(367,299)</u>
	<u><u>\$ 2,192,421</u></u>	<u><u>\$ 2,060,973</u></u>

Note 12 – General and Administrative Expenses

General and administrative expenses consisted of the following for the year ended June 30, 2021:

	Operating Accounts	General Accounts	Endowment Accounts	Life Income Accounts	Total
Staff salaries	\$ 6,899,051	\$ 6,800	\$ -	\$ -	\$ 6,905,851
Fringe benefits	1,493,054	-	-	-	1,493,054
Professional services	668,728	126,724	-	149	795,601
Payroll taxes	458,950	-	-	-	458,950
Computer equipment and software	408,658	-	-	-	408,658
Donor relations	272,356	69,609	-	-	341,965
Office lease, building	248,595	-	-	-	248,595
General and administrative	209,767	8,389	350	5,429	223,935
Printing, fund-raising, and promotional material	148,145	457	-	-	148,602
Insurance	58,274	81,360	858	2,884	143,376
Dues and subscriptions	95,426	1,116	-	-	96,542
Postage and mailing	69,443	2,652	-	-	72,095
Audit fees	67,077	-	-	-	67,077
Furniture, office equipment, and property	1,458	5,009	29,825	14,041	50,333
Professional development	31,906	-	-	-	31,906
Property taxes	-	7,153	8,684	6,676	22,513
Travel	11,324	811	-	280	12,415
Meeting expense	8,107	-	-	-	8,107
	<u><u>\$ 11,150,319</u></u>	<u><u>\$ 310,080</u></u>	<u><u>\$ 39,717</u></u>	<u><u>\$ 29,459</u></u>	<u><u>\$ 11,529,575</u></u>

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Note 12 – General and Administrative Expenses (continued)

General and administrative expenses consisted of the following for the year ended June 30, 2020:

	Operating Accounts	General Accounts	Endowment Accounts	Life Income Accounts	Total
Staff salaries	\$ 7,716,534	\$ 5,325	\$ -	\$ -	\$ 7,721,859
Fringe benefits	1,454,334	1,475	-	-	1,455,809
Donor relations	672,379	220,492	959	-	893,830
Professional services	719,300	67,483	239	-	787,022
Payroll taxes	485,768	-	-	-	485,768
Office lease, building	248,595	10,671	1,537	19	260,822
Travel	218,640	23,172	-	70	241,882
Computer equipment and software	229,993	-	-	-	229,993
General and administrative Insurance	200,117	7,763	350	5,416	213,646
Printing, fund-raising, and promotional material	73,331	69,866	2,365	3,031	148,593
Dues and subscriptions	143,017	211	-	-	143,228
Audit fees	96,304	501	-	-	96,805
Postage and mailing	60,130	-	-	-	60,130
Meeting expense	36,485	8,135	25	-	44,645
Professional development	36,953	-	-	-	36,953
Furniture, office equipment, and property	29,549	1,540	-	-	31,089
Property taxes	3,863	8,222	361	8,164	20,610
	-	71	11,701	6,678	18,450
	<u>\$ 12,425,292</u>	<u>\$ 424,927</u>	<u>\$ 17,537</u>	<u>\$ 23,378</u>	<u>\$ 12,891,134</u>

The Foundation leases space in an office building from UNM on a month-to-month basis. Lease expense in fiscal years 2021 and 2020 was \$248,595.

Note 13 – Small Business Administration Paycheck Protection Program Loan

In May 2020, the Foundation received a Small Business Administration Paycheck Protection Program (SBA PPP) loan for \$1,316,825 million for payroll and certain operating expenses realized in 2021. All conditions of the loan were met for full loan forgiveness. Subsequent to June 30, 2020, the Foundation applied and was approved for full loan forgiveness by the SBA PPP.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

Note 13 – Small Business Administration Paycheck Protection Program Loan (continued)

The Foundation met the conditions for forgiveness of the loan under the Small Business Administration's (SBA) safe harbor provisions for borrowers of less than \$2,000,000. A safe harbor applies to SBA's review of PPP loans for borrowers who, along with their affiliates, received PPP loans with an original principal amount of less than \$2,000,000. The SBA presumes the borrower's required certification concerning the necessity of the loan was made in good faith under the CARES Act, Section 1102 Lender agreement. Under the agreement, the SBA has five years to audit any applicant. The Foundation, at the time of submitting its application, evaluated the economic uncertainty resulting from the COVID-19 pandemic and the potential impact of that uncertainty on the ongoing operations of the business. Based on the risk of the Foundation having to limit or close its operations and unavailability of other sources of liquidity, it was determined that the loan request was necessary.

Note 14 – Contingencies

The Foundation is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; and errors and omissions and natural disasters. The Foundation is insured through private carriers for liability, casualty, and director and officer liability insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the years ended June 30, 2021 and 2020.

In March 2020, the World Health Organization declared the novel coronavirus outbreak a pandemic. Subsequent to the declaration of a pandemic, the State of New Mexico declared a state of emergency and has issued several measures in an attempt to prevent the spread of the coronavirus. Given the dynamic nature of these circumstances and business disruption, the Foundation anticipates a significant short-term impact as restrictions on businesses and the community in which the Foundation operates remains in place. The Foundation will continue to monitor the situation closely, but given the uncertainty about the situation, the Foundation cannot estimate the impact to the financial statements.

In May 2020, the Foundation obtained a Paycheck Protection Program (PPP) loan, which was part of an economic relief package in response to the Pandemic under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This PPP loan will be used for eligible payroll, benefits, rent, and utility costs. The loan was fully forgiven subsequent to June 30, 2021.

Note 15 – Pension Plan

The Foundation has a defined-contribution 403(b) retirement plan. The plan is available to employees who normally work more than 20 hours per week, beginning with the first day of service. The Foundation administers the plan and contributes the sum of (a) 6% of eligible gross salary for all employees and (b) up to an additional 4% match for employees who contribute to the plan.

The Foundation's contributions to the plan for the years ended June 30, 2021 and 2020 were \$696,125 and \$720,028, respectively. Employee contributions to the plan for the years ended June 30, 2021 and 2020 were \$643,844 and \$586,282, respectively.

Supplementary Information

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Statement of Net Position Information by Account Group
Year Ended June 30, 2021

Assets	Operating Account Group	General Account Group	Endowment and Quasi- Endowment Account Group	Life Income Account Group	Combined Total
Current assets					
Cash and cash equivalents	\$ 5,254,283	\$ 3,706,515	\$ 719,468	\$ (670,651)	\$ 9,009,615
Pledges receivable, net	-	1,374,579	-	-	1,374,579
Other current assets	570,973	3,000	-	(2,095)	571,878
Total current assets	<u>5,825,256</u>	<u>5,084,094</u>	<u>719,468</u>	<u>(672,746)</u>	<u>10,956,072</u>
Noncurrent assets					
Investments held in endowment pools	-	-	299,460,641	3,067,019	302,527,660
Investments held by the Foundation	2,699,652	72	-	453,988	3,153,712
Pledges receivable, net	-	1,070,974	-	-	1,070,974
Artwork	-	1,584,515	5,400	-	1,589,915
Real estate	-	468,330	80,400	625,000	1,173,730
Capital Assets	189,974	-	-	-	189,974
Beneficial interest in irrevocable split interest agreements	-	-	-	22,990,912	22,990,912
Other noncurrent assets	412,413	87,360	161,176	-	660,949
Total noncurrent assets	<u>3,302,039</u>	<u>3,211,251</u>	<u>299,707,617</u>	<u>27,136,919</u>	<u>333,357,826</u>
Total assets	<u>\$ 9,127,295</u>	<u>\$ 8,295,345</u>	<u>\$ 300,427,085</u>	<u>\$ 26,464,173</u>	<u>\$ 344,313,898</u>
Liabilities, Deferred Inflows of Resources, and Net Position					
Current liabilities					
Accounts payable	\$ 135,181	\$ 12,740	\$ -	\$ 3,523	\$ 151,444
Accrued liabilities	1,293,085	-	-	-	1,293,085
Notes payable	1,316,825	-	-	-	1,316,825
Annuities payable	-	-	-	318,395	318,395
Advances from UNM	757,772	-	-	-	757,772
Due to the endowment pools	-	-	541,155	15,655	556,810
Due to UNM	-	5,089,017	186,552	-	5,275,569
Total current liabilities	<u>3,502,863</u>	<u>5,101,757</u>	<u>727,707</u>	<u>337,573</u>	<u>9,669,900</u>
Noncurrent liabilities					
Notes payable	-	-	-	-	-
Annuities payable	-	-	-	2,192,421	2,192,421
Due to UNM	-	3,193,588	-	-	3,193,588
Total noncurrent liabilities	<u>-</u>	<u>3,193,588</u>	<u>-</u>	<u>2,192,421</u>	<u>5,386,009</u>
Total liabilities	<u>3,502,863</u>	<u>8,295,345</u>	<u>727,707</u>	<u>2,529,994</u>	<u>15,055,909</u>
Deferred inflows of resources					
Deferred inflows of irrevocable split interest agreements	-	-	-	23,295,038	23,295,038
Net position					
Unrestricted	3,788,308	-	-	-	3,788,308
Designated reserve for annuities payable	946,150	-	-	-	946,150
Designated reserve for UNM Campaign	700,000	-	-	-	700,000
Investment in capital assets	189,974	-	-	-	189,974
Restricted	-	-	299,699,378	639,141	300,338,519
Total net position	<u>5,624,432</u>	<u>-</u>	<u>299,699,378</u>	<u>639,141</u>	<u>305,962,951</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 9,127,295</u>	<u>\$ 8,295,345</u>	<u>\$ 300,427,085</u>	<u>\$ 26,464,173</u>	<u>\$ 344,313,898</u>

See accompany notes to supplementary information.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Statements of Revenues, Expenses, and Changes in Net Position
Information by Account Group
Year Ended June 30, 2021

	Operating Account Group	General Account Group	Endowment and Quasi- Endowment Account Group	Life Income Account Group	Combined Total
Operating revenues					
Donations and pledges, net	\$ 92,678	\$ 22,394,024	\$ 734,802	\$ -	\$ 23,221,504
UNM contract service revenue	4,866,050	-	-	-	4,866,050
Development funding allocation	2,985,342	-	-	-	2,985,342
Nongift revenue	23,482	20,640	-	77,378	121,500
Total operating revenues	<u>7,967,552</u>	<u>22,414,664</u>	<u>734,802</u>	<u>77,378</u>	<u>31,194,396</u>
Operating expenses					
Distributions to UNM	-	22,271,959	11,075,596	35,877	33,383,432
General and administrative expenses	11,150,319	310,080	39,717	29,459	11,529,575
Total operating expenses	<u>11,150,319</u>	<u>22,582,039</u>	<u>11,115,313</u>	<u>65,336</u>	<u>44,913,007</u>
Operating (loss) income	<u>(3,182,767)</u>	<u>(167,375)</u>	<u>(10,380,511)</u>	<u>12,042</u>	<u>(13,718,611)</u>
Investment income					
	616,802	57,349	70,153,193	631,187	71,458,531
(Loss) income before changes in term and permanent endowments	<u>(2,565,965)</u>	<u>(110,026)</u>	<u>59,772,682</u>	<u>643,229</u>	<u>57,739,920</u>
Changes in term and permanent endowments					
Donations	-	-	15,304,553	285,106	15,589,659
Institutional transfers to the endowment pools	-	-	564,570	-	564,570
Nongift revenue	-	-	12,638	-	12,638
Adjustment of actuarial liability for annuities payable	-	-	-	226,281	226,281
Expenditure for payments to annuitants and beneficiaries	-	-	-	(274,143)	(274,143)
Total changes in term and permanent endowments	<u>-</u>	<u>-</u>	<u>15,881,761</u>	<u>237,244</u>	<u>16,119,005</u>
Transfers					
Development funding allocation	4,099,882	-	(4,062,458)	(37,424)	-
Other transfers	(74,183)	110,026	(31,065)	(4,778)	-
Total transfers	<u>4,025,699</u>	<u>110,026</u>	<u>(4,093,523)</u>	<u>(42,202)</u>	<u>-</u>
Increase in net position	1,459,734	-	71,560,920	838,271	73,858,925
Net position, beginning of year	4,164,698	-	228,138,458	(199,130)	232,104,026
Net position, end of year	<u>\$ 5,624,432</u>	<u>\$ -</u>	<u>\$ 299,699,378</u>	<u>\$ 639,141</u>	<u>\$ 305,962,951</u>

See accompany notes to supplementary information.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Supplementary Information
June 30, 2021

Note 1 – Measurement Focus and Financial Information

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the assets, liabilities, and net position are reported internally in four self-balancing funds as follows:

Operating Account Group – Funds of the Foundation consisting of unrestricted resources and interest and dividends transferred from the general account group as further discussed below.

General Account Group – Expendable funds for conveyance to UNM for scholarships, academic and administrative departments, building projects, and other University-related activities. Currently, the interest and dividends earned on assets in this fund are transferred to the operating account group and retained by the Foundation to provide a portion of the operating budget revenue. Cash held in this fund is restricted for the purpose of distributions to UNM.

Endowment and Quasi-Endowment Account Group – Permanent endowments are those funds subject to restrictions in gift instruments requiring that only the income be used as specified by the donor and that the principal be held in perpetuity. Term endowment funds are funds similar to true endowment funds except that upon the passage of a stated period of time or a particular occurrence, all or part of the principal may be expended. Quasi endowment funds are funds designated by the donor. The principal of quasi-endowment funds may be expended for the donor specified purpose of the endowment at any time.

Life Income Account Group – Account groups subject to the requirement that part of the income earned on the fund assets be paid periodically to donor-designated beneficiaries. Such income payments terminate at a time specified in the agreements, at which time the principal reverts to the Foundation and equivalent revenue is recognized. Annually, any net residual income or loss is credited/charged to the liability account, “annuities payable.” This payable is adjusted annually, through the account group balance, to represent the present value of the aggregate liability for amounts estimated to be paid to beneficiaries based upon the actuarially determined expected lives of the designated beneficiaries.

Note 2 – Transfers

Transfers among these account groups are the result of gifts whose restrictions have been satisfied, donors’ requests to amend their initial gift restrictions, actions of the Board of Trustees, or payment of the development funding allocation.

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

The Board of Trustees
University of New Mexico Foundation, Inc.
and Mr. Brian S. Colón, Esq.,
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the University of New Mexico Foundation, Inc. (the Foundation), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 6, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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 Foundation's internal control or on compliance. This report is an integral part of an audits performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
October 6, 2021

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Summary of Auditor's Results (As Required by 2.2.2.10 NMAC L(1) (f))
June 30, 2021

Financial Statements

Type of report the auditor issued on whether the financial

statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

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

Compliance and other matters noted? Yes No

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Schedule of Findings and Responses
June 30, 2021

Current Year Findings

No matters were reported.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Summary Schedule of Prior Audit Findings
June 30, 2021

None.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Exit Conference
June 30, 2021

An exit conference was conducted on September 30, 2021, in which the contents of this report were discussed with the following:

The Foundation

Audit Committee Members:

Carol Mayo Cochran, Committee Chair
Don Clampitt
Adam Harrington
Brad Preber
Tommy Roberts
Todd Sandoval
Linda Warning

Foundation Management:

Jeffrey Todd, Chief Executive Officer
Kenny Stansbury, Chief Financial Officer
Nadina Paisano, Controller
Pat Allen, General Counsel

Moss Adams LLP

Lisa Todd, Partner
Janna Skinner, Manager
Samantha Hairston, Senior