



REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

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

June 30, 2022 and 2021



Table of Contents

	PAGE
Official Roster (unaudited)	1
Report of Independent Auditors	2–4
Management’s Discussion and Analysis (unaudited)	5–8
Basic Financial Statements	
Statements of Net Position	9
Statements of Revenues, Expenses, and Changes in Net Position	10
Statements of Cash Flows	11–12
Notes to Financial Statements	13–32
Supplementary Information	
Statement of Net Position Information by Account Group	33
Statement of Revenues, Expenses, and Changes in Net Position Information by Account Group	34
Notes to Supplementary Information	35
Required Governmental Reporting	
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36–37
Summary of Auditor’s Results (As Required by 2.2.2.10 NMAC (L)(1)(f))	38
Schedule of Findings and Responses	39
Summary Schedule of Prior Audit Findings	40
Exit Conference	41

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Official Roster (unaudited)
June 30, 2022

Officers

Ryan Mummert	Chair
Jeffrey Todd	UNM Foundation President and CEO
Felicia Finston	Vice Chair/Chair Elect
Thomas Daulton	National Vice Chair
Kenneth Stansbury	Treasurer
Lameck Lukanga	Assistant Treasurer
Cheryl Fossum Graham	Secretary

Trustees

Carolyn Abeita	Lameck Lukanga
Paul Cassidy	Ryan Mummert
Don Clampitt	Brad Preber
Carol Mayo Cochran	Tommy Roberts
Thomas Daulton	Jerry Roehl
James Ellis	Alex Romero
Felicia Finston	Todd Sandoval
Greg Foltz	Robert Schwartz
Cheryl Fossum Graham	Mike Silva
Francine Gaillour	Harris Smith
Donald Godwin	Garnett Stokes
Adam Harrington	Randy Velarde
Monica Jojola	Linda Warning
William P. Lang	

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 Audit of the Financial Statements

Opinion

We have audited the 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, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of University of New Mexico Foundation, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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.

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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 management's discussion and analysis on pages 5 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022 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 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 Foundation'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 Foundation's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
October 10, 2022

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2022 and 2021

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, 2022 and 2021 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,	
	2022	2021
Current assets	\$ 16,793,982	\$ 10,956,072
Noncurrent assets	376,816,880	333,357,826
Total assets	393,610,862	344,313,898
Current liabilities	14,179,542	9,669,900
Noncurrent liabilities	66,144,950	5,386,009
Total liabilities	80,324,492	15,055,909
Deferred inflows of resources		
Deferred inflows of beneficial interest in irrevocable split interest agreements	18,951,584	23,295,038
Net position		
Unrestricted	7,254,510	5,434,458
Investment in capital assets	147,867	189,974
Restricted	286,932,409	300,338,519
Total net position	\$ 294,334,786	\$ 305,962,951

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2022 and 2021

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

	June 30,	
	2022	2021
Operating revenues		
Donations and pledges, net	\$ 52,081,082	\$ 23,221,504
UNM contract service revenue	5,447,608	4,866,050
Development funding allocation	2,958,293	2,985,342
Nongift revenue	693,689	121,500
Total operating revenues	<u>61,180,672</u>	<u>31,194,396</u>
Operating expenses		
Distributions to UNM	64,012,806	33,383,432
General and administrative	13,800,770	11,529,575
Total operating expenses	<u>77,813,576</u>	<u>44,913,007</u>
Operating loss	(16,632,904)	(13,718,611)
Nonoperating revenues (expenses)	<u>(10,989,507)</u>	<u>71,458,531</u>
Loss before changes in term and permanent endowments	(27,622,411)	57,739,920
Changes in term and permanent endowments	<u>15,994,246</u>	<u>16,119,005</u>
Increase (decrease) in net position	(11,628,165)	73,858,925
Net position, beginning of year	<u>305,962,951</u>	<u>232,104,026</u>
Net position, end of year	<u><u>\$ 294,334,786</u></u>	<u><u>\$ 305,962,951</u></u>

Financial Analysis

- At June 30, 2022, the Foundation's total assets were \$393.6 million, which represents an increase of 14.3% compared to June 30, 2021, total assets of \$344.3 million.
- The Consolidated Investment Fund (CIF) is the largest pool of the total endowment pools and represents \$348.8 million of the total investments held in endowment pools of \$604.1 million.
- The increase in total assets during the year ended June 30, 2022, was primarily due to the implementation of a revised Treasury Operation Agreement with the University, which sets the frequency of cash transfers between the organizations.
- The Foundation's endowment funds are invested alongside 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 89% and 88% of the Foundation's assets were held as endowments in the CIF as of June 30, 2022 and 2021, respectively.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2022 and 2021

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

	Consolidated Investment Fund	
	2022	2021
Fair value (in millions)		
Foundation	\$ 348.8	\$ 302.5
University of New Mexico	255.2	277.8
	<u>604.0</u>	<u>580.3</u>
Total fair value of the CIF	<u>\$ 604.0</u>	<u>\$ 580.3</u>
Units		
Foundation	683,025	565,486
University of New Mexico	499,700	519,398
	<u>1,182,725</u>	<u>1,084,884</u>
Total units of the CIF	<u>1,182,725</u>	<u>1,084,884</u>

- Additions to endowment principal for the endowment pools during the years ended June 30, 2022 and 2021 were \$82.4 million and \$23.9 million, respectively.
- CIF performance, net of fees, for the fiscal years ended June 30, 2022 and 2021 is shown below:

	Consolidated Investment Fund	
	2022	2021
Investment performance		
1 year	-6.0%	31.3%
3 year	7.3%	11.0%
5 year	6.8%	10.6%
10 year	7.2%	8.0%

- CIF performance by asset class for the fiscal years ended June 30, 2022 and 2021 is shown in the table below:

	Consolidated Investment Fund	
	2022	2021
Investment performance		
Domestic Equity	-14.4%	44.3%
International Equity	-22.5%	35.6%
Fixed Income	-5.5%	5.0%
Private Investments	24.0%	49.1%
Real Assets	26.5%	13.8%
Marketable Alternatives	-3.6%	18.1%
Investment Performance	-6.0%	31.3%

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis (unaudited)
June 30, 2022 and 2021

- Investment loss, net of fees, was \$12.3 million for the year ended June 30, 2022, compared to investment income, net of fees, of \$71.4 million for the year ended June 30, 2021.
- The approved spending distribution rate was 4.5% for the fiscal years ended June 30, 2022 and 2021. Total spending distributions from the endowment pools to UNM were \$19.8 million and \$18.3 million during the fiscal years ended June 30, 2022 and 2021, respectively. Spending distributions from Foundation owned endowment are reported as part of Distributions to UNM and were \$11.1 million and \$9.4 million, respectively.
- Total operating revenue was \$61.2 million for the fiscal year ended June 30, 2022, a increase of \$29.9 million, or 96%, from the previous year total of \$31.2 million, primarily due to an increase in nonendowed cash gifts.
- Distributions to UNM were \$64.0 million and \$33.4 million for the years ended June 30, 2022 and 2021, respectively. The increase is primarily due to a increase in nonendowed cash gifts.
- The primary funding sources for the Foundation's operating costs for the year ended June 30, 2022, were UNM contract service revenue (36%), short-term investment income (4%), and a development funding allocation (DFA) (50%) based on the market value of the endowment pools. The DFA rate was 1.85% for the fiscal years June 30, 2022 and 2021.

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 2023 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

	June 30,	
	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 14,720,193	\$ 9,009,615
Pledges receivable, net of allowance and discounts	1,181,362	1,374,579
Other current assets	892,427	571,878
Total current assets	<u>16,793,982</u>	<u>10,956,072</u>
Noncurrent assets		
Investments held in endowment pools	348,888,506	302,527,660
Investments held by the Foundation	4,519,385	3,153,712
Pledges receivable, net of allowance and discounts	1,211,053	1,070,974
Artwork	1,577,832	1,589,915
Real estate	615,060	1,173,730
Capital assets, net	147,867	189,974
Beneficial interest in irrevocable split interest agreements	18,719,224	22,990,912
Other noncurrent assets	1,137,953	660,949
Total noncurrent assets	<u>376,816,880</u>	<u>333,357,826</u>
Total assets	<u>\$ 393,610,862</u>	<u>\$ 344,313,898</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities		
Accounts payable	\$ 90,307	\$ 151,444
Accrued liabilities	1,675,465	1,293,085
Notes payable	-	1,316,825
Annuities payable	325,729	318,395
Advances from UNM	547,188	757,772
Due to the endowment pools	8,161,109	556,810
Due to UNM	3,379,744	5,275,569
Total current liabilities	<u>14,179,542</u>	<u>9,669,900</u>
Noncurrent liabilities		
Annuities payable	1,784,101	2,192,421
Due to UNM	64,360,849	3,193,588
Total noncurrent liabilities	<u>66,144,950</u>	<u>5,386,009</u>
Total liabilities	<u>80,324,492</u>	<u>15,055,909</u>
Deferred inflows of resources		
Deferred inflows of beneficial interest in irrevocable split interest agreements	18,951,584	23,295,038
Net position		
Unrestricted	5,608,360	3,788,308
Unrestricted, designated	1,646,150	1,646,150
Investment in capital assets	147,867	189,974
Restricted, expendable	23,232,465	25,330,723
Restricted, nonexpendable	263,699,944	275,007,796
Total net position	<u>294,334,786</u>	<u>305,962,951</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 393,610,862</u>	<u>\$ 344,313,898</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,	
	2022	2021
Operating revenues		
Donations and pledges, net of allowance and discounts	\$ 52,081,082	\$ 23,221,504
UNM contract service revenue	5,447,608	4,866,050
Development funding allocation	2,958,293	2,985,342
Nongift revenue	693,689	121,500
Total operating revenues	61,180,672	31,194,396
Operating expenses		
Distributions to UNM	64,012,806	33,383,432
General and administrative expenses	13,800,770	11,529,575
Total operating expenses	77,813,576	44,913,007
Operating loss	(16,632,904)	(13,718,611)
Nonoperating revenue (expenses)		
Gain upon debt extinguishment	1,318,786	-
Investment (loss) income, net	(12,308,293)	71,458,531
Total nonoperating (expenses) revenues, net	(10,989,507)	71,458,531
(Loss) income before changes in term and permanent endowments	(27,622,411)	57,739,920
Changes in term and permanent endowments		
Donations	15,031,457	15,589,659
Institutional transfers to the endowment pools	771,938	564,570
Nongift revenue	73,871	12,638
Adjustment of actuarial liability for annuities payable	417,849	226,281
Expenditure for payments to annuitants and beneficiaries	(300,869)	(274,143)
Net changes in term and permanent endowments	15,994,246	16,119,005
(Decrease) increase in net position	(11,628,165)	73,858,925
Net position, beginning of year	305,962,951	232,104,026
Net position, end of year	\$ 294,334,786	\$ 305,962,951

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,	
	2022	2021
Cash flows from operating activities		
Cash received from donors and other sources	\$ 48,297,370	\$ 18,577,848
Cash received from UNM	4,439,471	5,201,250
Cash received from the endowment pools	2,958,293	2,985,342
Cash paid to employees	(10,200,147)	(9,480,737)
Cash paid to vendors	(3,235,312)	(2,601,995)
Cash distributed to UNM	(4,741,370)	(36,283,070)
Net cash flows from (used in) operating activities	<u>37,518,305</u>	<u>(21,601,362)</u>
Cash flows from noncapital financing activities		
Donations and pledges	12,250,483	10,302,616
Institutional transfers to the endowment pools	771,938	564,570
Payments to annuitants and beneficiaries	(300,869)	(274,143)
Net cash flows from noncapital financing activities	<u>12,721,552</u>	<u>10,593,043</u>
Cash flows from capital and related financing activity		
Purchases of capital assets	-	(189,974)
Net cash flows used in capital and related financing activity	<u>-</u>	<u>(189,974)</u>
Cash flows from investing activities		
Proceeds from sale of investments	18,736,716	28,007,896
Purchases of investments	(68,140,099)	(20,926,680)
Interest and dividends received	4,868,511	969,195
Administration of split interest agreements	5,593	(6,859)
Net cash flows (used in) from investing activities	<u>(44,529,279)</u>	<u>8,043,552</u>
Net increase (decrease) in cash and cash equivalents	5,710,578	(3,154,741)
Cash and cash equivalents, beginning of year	<u>9,009,615</u>	<u>12,164,356</u>
Cash and cash equivalents, end of year	<u>\$ 14,720,193</u>	<u>\$ 9,009,615</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,	
	2022	2021
Reconciliation of operating loss to net cash from operating activities		
Operating loss	\$ (16,632,904)	\$ (13,718,611)
Adjustments to reconcile operating loss to net cash flows used in operating activities		
Depreciation expense	42,107	-
Accrued interest on loan	-	13,038
Donations of investments	(4,464,209)	(4,080,641)
Donation of real estate, net of reserve	(66,330)	(66,330)
Changes in assets and liabilities		
Pledges receivable	53,138	(618,185)
Other current assets	(320,549)	(6,313)
Other noncurrent assets	(477,004)	(54,330)
Accounts payable	(61,137)	56,688
Accrued liabilities	384,341	(622,883)
Advances from UNM	(210,584)	395,843
Due to UNM	59,271,436	(2,899,638)
Total adjustments	54,151,209	(7,882,751)
Net cash flows used in operating activities	\$ 37,518,305	\$ (21,601,362)
Supplemental disclosures of noncash investing, noncapital, and financing activities		
Change in fair value of investments	\$ (36,990,211)	\$ 53,147,689
Donations of investments to permanent endowments	2,886,022	5,629,575

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

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

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

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, 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 in August 2021; as a result, an inflow of resources is recorded.

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.

Investment in Capital Assets – Resources that consist of capital assets net of accumulated depreciation. The Foundation does not have any related debt.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

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.

- *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 the extinguishment of debt and 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 9, 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.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

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

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 2022 and 2021. 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, 2021, 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.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

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.

Reclassification

Certain reclassifications have been made to the fiscal year 2022 financial statement footnotes in order for them to conform to the current year financial statement presentation.

Note 3 – Cash and Cash Equivalents

Cash balances, including deposits in transit, had a carrying value of \$14,720,193 and \$9,009,615 at June 30, 2022 and 2021, respectively.

The Foundation's bank accounts (Operating and Development) had deposits totaling \$11,819,172 and \$8,132,397 at June 30, 2022 and 2021, respectively. These amounts are invested in overnight sweep accounts that are collateralized at 122% and 96% of the overnight balance at June 30, 2022 and 2021, respectively. These funds were collateralized by government-backed securities held in the Foundation's name. The Foundation also held deposits at a credit union totaling \$194,460 and \$190,270 at June 30, 2022 and 2021, respectively. Below is a summary of the Federal Deposit Insurance Corporation (FDIC) insured, National Credit Union Administration (NCUA) insured, and collateralized accounts.

	June 30,	
	2022	2021
Operating account balance - Wells Fargo	\$ 5,353,872	\$ 5,201,239
Gift account balance	6,455,345	1,629,408
Operating account balance - Washington Federal	9,955	1,301,750
Credit union balances	194,460	190,270
	<u>\$ 12,013,632</u>	<u>\$ 8,322,667</u>
FDIC insurance	\$ 259,955	\$ 500,000
NCUA insurance	194,460	190,270

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 3 – Cash and Cash Equivalents (continued)

				June 30,	
				2022	2021
Collateralization:					
Name of Depository	CUSIP	Maturity Date	Type of Security		
Wells Fargo	31418DXJ6	2/1/2051	FN-30	\$ 14,129,503	\$ -
Wells Fargo	3140X5R47	1/1/2050	FN-30	-	4,872,249
Wells Fargo	31334YCD7	8/1/2049	FHG-3	-	1,461,674
				<u>\$ 14,129,503</u>	<u>\$ 6,333,923</u>

A detail of the cash accounts at June 30, 2022, is included below:

Name of Depository	Account Name	Account Type	Bank Balances	Reconciling Items	Reconciled Balances
Wells Fargo	Operating	Cash	\$ 5,353,872	\$ (40,466)	\$ 5,313,406
Wells Fargo	Development	Cash	6,455,345	85,522	6,540,867
Washington Federal	Operating	Cash	9,955	-	9,955
Nusenda	General Fund	Cash	184,440	-	184,440
Nusenda	Restricted Fund	Cash	10,020	-	10,020
Morgan Stanley	Restricted Fund	Money Market	2,603,583	-	2,603,583
Fidelity	Restricted Fund	Money Market	40,613	-	40,613
Hilltop Securities	Charitable Trust Fund	Money Market	17,309	-	17,309
			<u>\$ 14,675,137</u>	<u>\$ 45,056</u>	<u>\$ 14,720,193</u>

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>

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

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 are unitized investment portfolios, consolidated internal investment pools 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.

At June 30, 2022 and 2021, the Foundation held approximately 99% 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 36% domestic equity, 24% international equity, 20% private investments, 9% fixed income, 5% marketable alternative investment, 5% real assets and 1% cash.

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

	2022				
	CIF		Donor Directed		Total
	Fair Value	Units	Fair Value	Units	Endowment Pools Fair Value
Foundation	\$ 348,845,442	683,025	\$ 43,064	473	\$ 348,888,506
University of New Mexico	255,214,851	499,700	-	-	255,214,851
Total fair value	<u>\$ 604,060,293</u>	<u>1,182,725</u>	<u>\$ 43,064</u>	<u>473</u>	<u>\$ 604,103,357</u>
	2021				
	CIF		Donor Directed		Total
	Fair Value	Units	Fair Value	Units	Endowment Pools Fair Value
Foundation	\$ 302,474,883	565,486	\$ 52,777	493	\$ 302,527,660
University of New Mexico	277,822,579	519,398	-	-	277,822,579
Total fair value	<u>\$ 580,297,462</u>	<u>1,084,884</u>	<u>\$ 52,777</u>	<u>493</u>	<u>\$ 580,350,239</u>

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 4 – Investments (continued)

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

Depository/Account Name	Account Type	2022	2021
Morgan Stanley and Continental:			
Security Donations	Domestic corporate stock	\$ 960,597	\$ 72
Hilltop Financial Services:			
Charitable Trust Fund	Mutual funds, fixed	213,760	254,117
Charitable Trust Fund	Domestic corporate stock	148,555	199,871
Fidelity:			
Operating Fund	Mutual funds, equity	337,855	370,589
Vanguard Investments:			
Operating Fund	Mutual funds, fixed	2,351,583	2,329,063
Cash Value Life Insurance Policies:			
Nonendowed Fund	Other	507,035	-
		<u>\$ 4,519,385</u>	<u>\$ 3,153,712</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 0.31% and 0.07% of total investments at June 30, 2022 and 2021, respectively.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

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>2022</u>	<u>2021</u>
Custodial credit risk:		
Domestic corporate stock	\$ 1,109,152	\$ 199,943
Total securities held by custodians	<u>1,109,152</u>	<u>199,943</u>
Investments not subject to custodial credit risk:		
Mutual funds, fixed	2,565,343	2,583,180
Mutual funds, equity	337,855	370,589
Cash Value Life Insurance Policies	<u>507,035</u>	<u>-</u>
Total investments not subject to custodial credit risk	<u>3,410,233</u>	<u>2,953,769</u>
Total investments held by the Foundation	4,519,385	3,153,712
Investments held in endowment pools - not subject to custodial credit risk	<u>348,888,506</u>	<u>302,527,660</u>
Total investments	<u>\$ 353,407,891</u>	<u>\$ 305,681,372</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, 2022 and 2021, 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. At June 30, 2022 and June 30, 2021, there were no investments exposed to interest rate risk.

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.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 4 – Investments (continued)

All Investments – Investment Income (Loss) – The Foundation recognized investment income (losses) as outlined below, for the years ended June 30, 2022 and 2021.

	<u>Endowment Pools</u>	<u>Foundation</u>	<u>Total</u>
2022			
Realized gains (losses)	\$ 21,970,187	\$ 188,313	\$ 22,158,500
Unrealized gains (losses)	(36,869,501)	(114,691)	(36,984,192)
Other investment income	2,326,490	190,909	2,517,399
	<u>\$ (12,572,824)</u>	<u>\$ 264,531</u>	<u>\$ (12,308,293)</u>
2021			
Realized gains (losses)	\$ 16,084,015	\$ 313,219	\$ 16,397,234
Unrealized gains (losses), net	53,366,463	(218,774)	53,147,689
Other investment income	1,223,419	690,189	1,913,608
	<u>\$ 70,673,897</u>	<u>\$ 104,965</u>	<u>\$ 71,458,531</u>

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, and cash value life insurance policies are valued based on the cash surrender value on the individual policy provided by the insurance carrier in which the Foundation is the owner and beneficiary of the policy.

Level 3 – Inputs are unobservable inputs for an asset.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 5 – Fair Value Measurement (continued)

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, 2022:

	Fair Value	Fair Value Measurement Using		
		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	\$ 18,719,224	\$ -	\$ 18,719,224	\$ -
Investments held by the Foundation:				
Domestic corporate stock	\$ 1,109,152	\$ 1,109,152	\$ -	\$ -
Mutual funds, fixed	2,565,343	-	2,565,343	-
Mutual funds, equity	337,855	337,855	-	-
Life Insurance Contracts	507,035	-	507,035	-
Total investments held by the Foundation	<u>\$ 4,519,385</u>	<u>\$ 1,447,007</u>	<u>\$ 3,072,378</u>	<u>\$ -</u>

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 5 – Fair Value Measurement (continued)

The Foundation has the following recurring fair value measurements as of June 30, 2022, (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	\$ 8,569,363	\$ 8,569,363	\$ -	\$ -
Mutual funds, fixed	21,256,180	21,256,180	-	-
Total investments held in endowment pools by fair value level	\$ 29,825,543	\$ 29,825,543	\$ -	\$ -
Investments measured at NAV as of June 30, 2022:				
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Marketable alternatives:				
Multistrategy hedge funds	\$ 4,926,045	\$ -	Quarterly-Annually	45 to 60 days
Distressed/restructuring hedge funds	4,375,559	-	Annually-Biennially	45 to 90 days
Global macro hedge funds	4,001,417	-	Monthly	3 days
Technology	1,937,646	-	Quarterly	60 days
Private investment funds	81,418,468	23,331,314		
Illiquid real assets funds	7,563,171	5,517,701		
Real estate funds	7,038,997	5,339,176		
Mutual funds, equity	177,153,645	-	Daily-Monthly	1 to 30 days
Total investments in the endowment pools measured at the NAV	288,414,948	\$ 34,188,191		
Due from broker	8,076,984			
Money market funds held in endowment pools, measured at amortized cost	22,571,031			
Total investments held in endowment pools	\$ 348,888,506			

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 5 – Fair Value Measurement (continued)

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

	Fair Value Measurement Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in 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	<u>\$ 3,153,712</u>	<u>\$ 570,532</u>	<u>\$ 2,583,180</u>	<u>\$ -</u>
Investments held in the 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 pool 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 to 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	-	Monthly-Biennially	30 to 90 days
Global macro hedge funds	5,404,263	-	Monthly-Annually	3 to 60 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-Monthly	1 to 30 days
Mutual funds, equity	128,566,759	-	Daily	1 to 2 days
Total investments in endowment pool 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>			

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 6 – Pledges Receivable

Pledges receivable consisted of the following at:

	June 30,	
	2022	2021
Amounts receivable in less than one year	\$ 1,181,362	\$ 1,374,579
Amounts receivable in more than one year	1,521,320	1,320,815
Total pledges receivable	2,702,682	2,695,394
Discounts to net present value	(139,556)	(48,441)
Allowance for doubtful pledges	(170,711)	(201,400)
Pledges receivable, net	\$ 2,392,415	\$ 2,445,553

Noncurrent pledge receivables are discounted at the Internal Revenue Service discount rate 3.6% and 1.2% for the years ended June 30, 2022 and 2021, respectively. All pledges are for nonendowed gifts.

Note 7 – Artwork

Artwork activity consisted of the following at:

	June 30,	
	2022	2021
Artwork:		
Beginning balance	\$ 7,198,672	\$ 7,375,950
Sales	(45,166)	(177,278)
Balance at June 30	7,153,506	7,198,672
Reserve for selling costs	(5,575,674)	(5,608,757)
Artwork, at fair value as of June 30	\$ 1,577,832	\$ 1,589,915

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

Note 8 – Real Estate

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

	June 30,	
	2022	2021
Real estate, values as of date of original receipt:		
Land	\$ 318,000	\$ 219,000
Buildings	600,001	1,750,001
	<hr/>	<hr/>
Balance at June 30	918,001	1,969,001
Fair value adjustment, at June 30	<hr/> (302,941) <hr/>	<hr/> (795,271) <hr/>
Real estate, at fair value as of June 30	<hr/> <u>\$ 615,060</u> <hr/>	<hr/> <u>\$ 1,173,730</u> <hr/>

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,	
	2022	2021
Permanent endowment	\$ 262,969,862	\$ 274,368,655
Term endowment	510,444	558,836
Quasi-endowment	<hr/> 22,722,021 <hr/>	<hr/> 24,771,887 <hr/>
	<hr/> <u>\$ 286,202,327</u> <hr/>	<hr/> <u>\$ 299,699,378</u> <hr/>

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

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,	
	2022	2021
Permanent endowments, nonexpendable	\$ 262,969,862	\$ 274,368,655
Annuity gifts, nonexpendable	730,082	639,141
Total nonexpendable	263,699,944	275,007,796
Term endowments, expendable after specified time	510,444	558,836
Quasi-endowments, expendable for specified purpose	22,722,021	24,771,887
Total restricted	286,932,409	300,338,519
Designated reserve for annuities payable	946,150	946,150
Designated reserve for UNM Campaign	700,000	700,000
Other unrestricted	5,608,360	3,788,308
Total unrestricted	7,254,510	5,434,458
Investment in capital assets	147,867	189,974
Total net position	<u>\$ 294,334,786</u>	<u>\$ 305,962,951</u>

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 11 – Annuities Payable

The Foundation had the following annuities payable activity at:

	June 30,	
	2022	2021
Balance due at beginning of year	\$ 2,510,816	\$ 2,428,272
Net increase in annuities payable	16,863	308,825
Net change in actuarial liability	(417,849)	(226,281)
	2,109,830	2,510,816
Less amount due in one year	(325,729)	(318,395)
	\$ 1,784,101	\$ 2,192,421

Note 12 – General and Administrative Expenses

General and administrative expenses consisted of the following for the year ended June 30, 2022:

	Operating Accounts	General Accounts	Endowment Accounts	Life Income Accounts	Total
Staff salaries	\$ 8,051,193	\$ 6,800	\$ -	\$ -	\$ 8,057,993
Fringe benefits	1,624,878	-	-	-	1,624,878
Professional services	838,539	69,962	11,401	15	919,917
Donor relations	649,488	247,036	3,132	-	899,656
Payroll taxes	538,286	-	-	-	538,286
Computer equipment and software	433,693	-	-	-	433,693
Office lease, building	248,595	-	-	-	248,595
General and administrative	218,070	6,549	-	3,670	228,289
Travel	215,616	9,412	-	-	225,028
Dues and subscriptions	111,704	763	-	-	112,467
Furniture, office equipment, and property	-	-	-	91,881	91,881
Insurance	57,448	15,126	5	1,546	74,125
Audit fees	67,276	-	-	-	67,276
Printing, fund-raising, and promotional material	52,735	13,295	-	-	66,030
Meeting expense	65,675	-	-	-	65,675
Professional development	52,843	(136)	-	-	52,707
Depreciation	42,107	-	-	-	42,107
Postage and mailing	39,115	293	16	-	39,424
Property taxes	-	400	1,251	5,733	7,384
and property	2,513	2,446	400	-	5,359
	\$ 13,309,774	\$ 371,946	\$ 16,205	\$ 102,845	\$ 13,800,770

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Notes to Financial Statements

Note 12 – General and Administrative Expenses (continued)

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>\$ 11,150,319</u>	<u>\$ 310,080</u>	<u>\$ 39,717</u>	<u>\$ 29,459</u>	<u>\$ 11,529,575</u>

The Foundation leases space in an office building from UNM on a month-to-month basis. Lease expense in fiscal years 2022 and 2021 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 for payroll and certain operating expenses realized in 2021. All conditions of the loan were met for full loan forgiveness, including any accrued interest, in the amount of \$1,318,783. In August 2021, the Foundation 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

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, 2022 and 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, 2022 and 2021 were \$708,822 and \$696,125, respectively. Employee contributions to the plan for the years ended June 30, 2022 and 2021 were \$641,703 and \$643,844, 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, 2022

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	\$ 5,577,108	\$ 2,257,519	\$ 7,394,163	\$ (508,597)	\$ 14,720,193
Pledges receivable, net	-	1,181,362	-	-	1,181,362
Other current assets	889,427	3,000	-	-	892,427
Total current assets	<u>6,466,535</u>	<u>3,441,881</u>	<u>7,394,163</u>	<u>(508,597)</u>	<u>16,793,982</u>
Noncurrent assets					
Investments held in endowment pools	-	-	346,161,433	2,727,073	348,888,506
Investments held by the Foundation	2,689,443	444,898	1,022,729	362,315	4,519,385
Pledges receivable, net	-	1,211,053	-	-	1,211,053
Artwork	-	1,572,432	5,400	-	1,577,832
Real estate	-	534,660	80,400	-	615,060
Capital assets, net	147,867	-	-	-	147,867
Beneficial interest in irrevocable split interest agreements	-	-	-	18,719,224	18,719,224
Other noncurrent assets	412,508	74,664	159,270	491,511	1,137,953
Total noncurrent assets	<u>3,249,818</u>	<u>3,837,707</u>	<u>347,429,232</u>	<u>22,300,123</u>	<u>376,816,880</u>
Total assets	<u>\$ 9,716,353</u>	<u>\$ 7,279,588</u>	<u>\$ 354,823,395</u>	<u>\$ 21,791,526</u>	<u>\$ 393,610,862</u>
Liabilities, Deferred Inflows of Resources, and Net Position					
Current liabilities					
Accounts payable	\$ 90,277	\$ -	\$ -	\$ 30	\$ 90,307
Accrued liabilities	1,675,465	-	-	-	1,675,465
Annuities payable	-	-	-	325,729	325,729
Advances from UNM	547,188	-	-	-	547,188
Due to the endowment pools	1,046	-	8,160,063	-	8,161,109
Due to UNM	-	3,379,744	-	-	3,379,744
Total current liabilities	<u>2,313,976</u>	<u>3,379,744</u>	<u>8,160,063</u>	<u>325,759</u>	<u>14,179,542</u>
Noncurrent liabilities					
Annuities payable	-	-	-	1,784,101	1,784,101
Due to UNM	-	3,899,844	60,461,005	-	64,360,849
Total noncurrent liabilities	<u>-</u>	<u>3,899,844</u>	<u>60,461,005</u>	<u>1,784,101</u>	<u>66,144,950</u>
Total liabilities	<u>2,313,976</u>	<u>7,279,588</u>	<u>68,621,068</u>	<u>2,109,860</u>	<u>80,324,492</u>
Deferred inflows of resources					
Deferred inflows of irrevocable split interest agreements	-	-	-	18,951,584	18,951,584
Net position					
Unrestricted	5,608,360	-	-	-	5,608,360
Designated reserve for annuities payable	946,150	-	-	-	946,150
Designated reserve for UNM Campaign	700,000	-	-	-	700,000
Investment in capital assets	147,867	-	-	-	147,867
Restricted	-	-	286,202,327	730,082	286,932,409
Total net position	<u>7,402,377</u>	<u>-</u>	<u>286,202,327</u>	<u>730,082</u>	<u>294,334,786</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 9,716,353</u>	<u>\$ 7,279,588</u>	<u>\$ 354,823,395</u>	<u>\$ 21,791,526</u>	<u>\$ 393,610,862</u>

See accompany notes to supplementary information.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Statement of Revenues, Expenses, and Changes in Net Position Information
by Account Group
Year Ended June 30, 2022

	Operating Account Group	General Account Group	Endowment and Quasi- Endowment Account Group	Life Income Account Group	Combined Total
Operating revenues					
Donations and pledges, net	\$ 92,237	\$ 51,235,061	\$ 753,784	\$ -	\$ 52,081,082
UNM contract service revenue	5,447,608	-	-	-	5,447,608
Development funding allocation	2,958,293	-	-	-	2,958,293
Nongift revenue	21,153	636,362	710	35,464	693,689
Total operating revenues	<u>8,519,291</u>	<u>51,871,423</u>	<u>754,494</u>	<u>35,464</u>	<u>61,180,672</u>
Operating expenses					
Distributions to UNM	-	51,560,262	12,452,526	18	64,012,806
General and administrative expenses	13,309,774	371,946	16,205	102,845	13,800,770
Total operating expenses	<u>13,309,774</u>	<u>51,932,208</u>	<u>12,468,731</u>	<u>102,863</u>	<u>77,813,576</u>
Operating loss	<u>(4,790,483)</u>	<u>(60,785)</u>	<u>(11,714,237)</u>	<u>(67,399)</u>	<u>(16,632,904)</u>
Nonoperating revenues (expenses)					
Gain upon debt extinguishment	1,318,786	-	-	-	1,318,786
Investment income (loss), net	38,886	63,932	(12,472,046)	60,935	(12,308,293)
Total nonoperating revenues (expenses), net	<u>1,357,672</u>	<u>63,932</u>	<u>(12,472,046)</u>	<u>60,935</u>	<u>(10,989,507)</u>
(Loss) income before changes in term and permanent endowments	<u>(3,432,811)</u>	<u>3,147</u>	<u>(24,186,283)</u>	<u>(6,464)</u>	<u>(27,622,411)</u>
Changes in term and permanent endowments					
Donations	-	-	15,007,634	23,823	15,031,457
Institutional transfers to the endowment pools	-	-	771,938	-	771,938
Nongift revenue	-	114	73,757	-	73,871
Adjustment of actuarial liability for annuities payable	-	-	-	417,849	417,849
Expenditure for payments to annuitants and beneficiaries	-	-	-	(300,869)	(300,869)
Total changes in term and permanent endowments	<u>-</u>	<u>114</u>	<u>15,853,329</u>	<u>140,803</u>	<u>15,994,246</u>
Transfers					
Development funding allocation	4,612,382	-	(4,568,984)	(43,398)	-
Quasi-endowment transfers	608,369	-	(608,369)	-	-
Other transfers	(9,995)	(3,261)	13,256	-	-
Total transfers	<u>5,210,756</u>	<u>(3,261)</u>	<u>(5,164,097)</u>	<u>(43,398)</u>	<u>-</u>
Increase (decrease) in net position	1,777,945	-	(13,497,051)	90,941	(11,628,165)
Net position, beginning of year	5,624,432	-	299,699,378	639,141	305,962,951
Net position, end of year	<u>\$ 7,402,377</u>	<u>\$ -</u>	<u>\$ 286,202,327</u>	<u>\$ 730,082</u>	<u>\$ 294,334,786</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, 2022

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, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 10, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mess Adams LLP

Albuquerque, New Mexico
October 10, 2022

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, 2022

Financial Statements

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

Internal control over financial reporting:

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

Compliance and other matters noted? Yes No

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Schedule of Findings and Responses
June 30, 2022

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, 2022

Prior Year Findings

No matters were reported.

University of New Mexico Foundation, Inc.
(A Component Unit of the University of New Mexico)
Exit Conference
June 30, 2022

An exit conference was conducted on September 29, 2022, in which the contents of this report were discussed with the following:

The Foundation

Audit Committee Members:

Carol Mayo Cochran, Committee Chair
Adam Harrington
Brad Preber
Todd Sandoval
Linda Warning

Foundation Management:

Jeffrey Todd, Chief Executive Officer
Kenny Stansbury, Chief Financial Officer
Nadina Paisano, Managing Director of Finance
Pat Allen, General Counsel

Moss Adams LLP

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