

APPENDIX A
THE UNIVERSITY
ORGANIZATION, PROGRAMS, AND SUMMARY OF FINANCIAL INFORMATION

ORGANIZATION

Administrative Officers

Article XII, Section 13 of the New Mexico Constitution vests control and management of the University of New Mexico (the “University”) in a board of regents (the “Regents”). The Regents elect a president, who, with the advice and consent of the Regents, appoints the University’s principal administrative officers. In addition to the specific responsibilities outlined below, the administrative officers as a group are charged with the general responsibility of carrying out the policies established by the Regents.

As of December 31, 2024, the following persons served as officers of the University:

Garnett S. Stokes, PhD., President

Garnett S. Stokes was installed as the 23rd president of The University of New Mexico on May 12, 2018. She is the first woman to hold the post in the university’s history.

A tireless advocate for a transformative student experience, an empowered faculty, and a campus culture of continuous improvement, Stokes brings to New Mexico’s premier Research 1 university more than four decades of experience and enthusiasm—as well as the unflagging energy needed to ensure The University of New Mexico thrives as a great place to work, live, and learn.

Prior to her arrival at UNM, Stokes served as interim chancellor, provost, and executive vice chancellor for academic affairs at the University of Missouri and was provost and executive vice president for academic affairs and interim president at Florida State University. She has also been a faculty member, chair of the department of psychology, and dean of the Franklin College of Arts and Sciences at the University of Georgia.

She earned her B.A. in psychology from Carson-Newman College in Jefferson City, Tennessee, and M.S. and Ph.D. degrees from the University of Georgia in industrial/organizational psychology.

James Paul Holloway, Executive Vice President, and Provost

James Paul Holloway joined The University of New Mexico as provost and executive vice president for academic affairs in July 2019. He is also a professor in the Department of Nuclear Engineering. As provost, he has been committed to providing students and faculty with the support needed to both further the academic mission at UNM and equip them to make a positive impact in a diverse and constantly evolving world. During his first five years in the role, new first-year students at UNM have increased by over 40% and a long decline in enrollment has been reversed; research expenditures in Academic Affairs units have grown by 46%; and philanthropic giving has doubled.

Always passionate about engineering, his worldview was equally shaped as a child when he lived in Thailand with his family, which taught him that different cultures bring valuable insights into the various ways that human societies address their challenges. As a result, his career has been a mix of research, teaching, administration and global work, including in India, Ethiopia and Ghana.

Holloway came to UNM after a long career at the University of Michigan, where he was the Arthur F. Thurnau Professor and Professor of Nuclear Engineering and Radiological Sciences (now emeritus). While there, he was associate dean for undergraduate education in the College of Engineering, vice provost for global and engaged education, and finally vice provost for global engagement and interdisciplinary academic affairs. His research has been in the areas of computational and mathematical modeling with applications in areas such as neutron and photon radiation transport theory, inverse problems, and uncertainty quantification.

Born in Washington, D.C., into an Army family, he has lived in Thailand, Germany and four different U.S. states. He earned bachelor's and master's degrees in nuclear engineering from the University of Illinois, completed advanced graduate work in mathematics at Cambridge University, and earned a doctorate in engineering physics from the University of Virginia.

Michael Richards, MD, MPH, Interim Executive Vice President for Health Sciences and CEO, UNM Health System; and Senior Vice President for Clinical Affairs and CEOO of the UNM Health System.

Dr. Richards has previously served as the Senior Vice President for Clinical Affairs for the UNM Health Sciences Center. He joined the University of New Mexico as a faculty member in 2000 and is a professor of Emergency Medicine in the UNM School of Medicine and is a former chair of the Department of Emergency Medicine and former Chief of Staff at UNM Hospital. He has an extensive background as both an administrator and physician leader, having previously served as Director of the UNM Center for Disaster Medicine and Medical Director of the EMS Bureau at the New Mexico Department of Health and Medical Director of the New Mexico Department of Health Emergency Management.

Dr. Richards earned his medical degree at East Carolina University and served his internship/residency at the UNM School of Medicine. He has a Masters of Public Administration Degree from the University of North Carolina.

Norma J. Allen, University Controller

Ms. Allen has over 25 years of professional accounting experience in both private and public industries including entertainment, healthcare, and higher education. Twenty-two of those years have been in higher education. She began her career at the University of New Mexico in Financial Services in 2000. Since then, she has gained experience in various areas including UNM finance, budgeting, and IT. In 2006, she began working in the Office of Planning, Budget, and Analysis as a UNM Budgets Administrator and in 2008, she became the Associate Director of the Office of Planning, Budget, and Analysis. In 2016, Ms. Allen became the Interim Senior

Administrator overseeing all areas of the Office of Planning, Budget, and Analysis including budget operations, systems, Higher Education Department reporting, institutional bonds, debt service, capital, and investments. Later on in 2017, Ms. Allen became the Director of Planning, Budget, and Analysis. On January 1, 2022, she became the University Controller.

Kate R. Becker, JD, MHP, Chief Executive Officer

Kate Becker joined UNM Hospitals (UNMH) as Chief Executive Officer in July 2018. UNMH, home to the State's only Level 1 Trauma Center, annually manages more than 93,000 emergency visits, 7,000 trauma cases, 18,000 surgeries, and 491,000 outpatient visits. UNMH is the State's only academic medical center and is the primary teaching hospital for the University's School of Medicine. UNMH cares for a large, diverse population with complex and urgent health needs, providing more than \$135 million of uncompensated care per year. Thousands of patients receive advanced treatments in clinical trials and many more patients benefit from the telehealth network.

Kate previously worked for SSM Health, in St. Louis, Missouri. During her years with SSM Health, she served as President of SSM Health Saint Louis University Hospital, the primary teaching hospital of Saint Louis University; interim President of SSM Health Cardinal Glennon Children's Hospital; and President of SSM Health St. Mary's Hospital.

Before joining SSM Health, Kate was the CEO of SLUCare, the faculty practice plan of Saint Louis University.

Kate serves on the boards of the New Mexico Hospital Association, the AAMC Council of Teaching Hospitals, and TriWest HealthCare, and is a past board member of America's Essential Hospitals and the American Hospital Association Region 6 Policy Board. Kate received her bachelor's degree, and her master's degree in public health, from Saint Louis University. She received her Juris Doctor degree from the Chicago-Kent College of Law.

Hengameh Raissy, PharmD, Interim Vice President for Research, UNM Health Sciences Center

Dr. Raissy is the Interim Vice President of Research Health Sciences Center championing research excellence across UNM HSC. In addition, she is the co-PI for the Mountain States PASC Consortium (MSPC) includes Colorado Anschutz Medical Campus, Intermountain Health based in Utah, Colorado Clinical and Translational Sciences Institute, University of Colorado Health, Denver Health and Hospitals and University of New Mexico Clinical and Translational Sciences Center and University of New Mexico Health System. As part of RECOVE Initiative, this consortium will emphasize the effects of the pandemic and the development of PASC in the disproportionately effected underserved minority groups that reside in our states.

As one of the PIs, Dr. Raissy brings more than 20 years of experience in conducting clinical trials; I have been PI/Co-I for more than 100 clinical trials and have more than 100 publications in peer-reviewed literature and textbooks. I was principal investigators at UNM for two NHLBI-funded networks, one large multisite clinical trial in pediatric asthma, and co-PI of UNM PCTC in the first funding cycle. Currently, she is the Co-Principal Investigator (Co-PI) of UNM Pediatric

Clinical Trials Center (PCTC) as part of Environmental Influences on Child Health Outcomes (ECHO) IDeA States Pediatric Clinical Trials Network (ISPCTN).

Dr. Raissy has extensive experience with clinical research networks including experiences in the execution of network trials; budget preparation; study design, development, and implementation; recommendation for corrective actions; study progress monitoring; analysis and interpretation; and presentation and publication of pediatric clinical trial findings. Administratively, she has been part of the UNM Clinical & Translational Science Center (CTSC) leadership team since its inception in 2010 and currently serve as the director of Network Capacity at CTSC.

Dr. Raissy has the expertise needed for this consortium in addition to an understanding of the collaborative processes involved in conducting network studies. Administratively, as Director of Network Capacity of CTSC and Vice Chair of Research in Department of Pediatrics, she is distinctively placed to align the goals of this consortium and collaboration with UNM Health Sciences Center. As the MPI of Researching COVID to Enhance Recovery (RECOVER): Adult Cohort: Mountain States PASC Consortium (MSPC) and Co-PI for Researching COVID to Enhance Recovery (RECOVER), ISPCTN Pediatric COVID Cohort, they seek to understand, prevent, and treat PASC, including Long COVID.

Dr. Raissy received a Pharm.D. degree in 1999 from University of New Mexico, college of Pharmacy. Following her Pharm.D. degree, she completed a 2-year fellowship in Pediatric Pulmonary and Pharmacology at the University of New Mexico, School of Medicine. She joined Depart of Pediatric, Pulmonary Division in 2021.

Rebecca Napier, MBA, SHRM-SCP, Vice President of Finance & Administration for UNM Health Sciences Center

Rebecca Napier provides executive leadership to both the University of New Mexico (UNM) Health System and Health Sciences as the Vice President for Finance and Administration. She began her tenure with UNM on November 1, 2023. Immediately prior, she was the Chief Operating Officer for Florida Atlantic University Health (FAU Health), as well as Senior Associate Dean for Finance and Administration at their College of Medicine and served as the President of FAU /Broward Health Medical Group. Her impressive track record also includes leadership roles at the University of Texas (UT) Southwestern Medical Center and the University of Kentucky Health System.

Leading economic development initiatives, joint ventures and advanced start-up companies, her professional experience includes serving as the Senior Vice President and Chief Operating Officer at HEP Healthcare in Dallas, Texas, a subsidiary of Best Merchant Partners. In this position, she was pivotal in designing strategic plans to drive expansion and developing new service lines. Her responsibilities included budget and data analytics to drive operations and investor funding. She identified partnership opportunities, formulated new business models, and supported enhancing technology resources, including EHR and telemedicine platforms.

Ms. Napier also has collaborated on multiple research projects with resulting peer-reviewed publications in such periodicals as the Journal of the American College of Surgeons and the Journal for Student Medical Education. Similarly, she has multiple publications in the Cardiovascular Business Magazine and is a member of their editorial advisory board. Rebecca is an inventor with one patent, two additional provisional patents, and leads her own startup company.

Lastly, she earned her Master of Business Administration (MBA) at Morehead State University and holds a Senior Certified Professional (SHRM-SCP) certification from the Society for Human Resource Management.

Faculty and Other Employees

The University employs approximately 25,500 people in full-time, part-time, professional and non-professional capacities at its main campus, branch campuses, graduate centers and hospitals. Of these people, over 3,225 persons are part of the University's full-time and part-time faculty. Members of the faculty have received their degrees from over 650 colleges and universities in the United States and approximately 35 schools and institutions in various foreign countries. The majority of the University's faculty members hold doctorate degrees.

In addition to the faculty, the University employs approximately 5,000 students as graduate assistants, teaching assistants and research assistants and in various work-study programs and part-time positions at the University.

The University employs approximately 16,500 staff members (including Hospital employees, but excluding student employees) in professional, crafts, manual and food service areas and in various clerical and technical positions at the University. The University is a party to 12 separate collective bargaining agreements covering a total of approximately 11,000 employees (including faculty, staff, graduate students, and hospital staff). The University works to maintain positive relationships with its unions and renegotiates collective bargaining agreements as needed per timelines outlines in the specific agreements.

	<u>2024</u>	<u>2023</u> ⁽¹⁾	<u>2022</u> ⁽¹⁾	<u>2021</u> ⁽¹⁾	<u>2020</u> ⁽¹⁾
Faculty Headcount	3,225	3,194	2,974	3,057	3,031
Faculty, Full-time	2,393	2,100	2,233	2,276	2,274
% Full-time Faculty Who are Tenured	32.41%	34.33%	29.6%	32.74%	32.63%
% Full-time Faculty with Doctorates or Other Terminal Degrees	72.78%	68.05%	71.8%	69.14%	69.88%

⁽¹⁾ Main Campus F/T and P/T

All non-student University employees (except Hospital employees) are covered by the New Mexico Educational Retirement Plans, which is managed by the New Mexico Educational Retirement Board, a state agency. See "FINANCIAL INFORMATION: Retirement Program and Post-Retirement Benefits" in this Appendix A and Note 16 to the University's Financial Statements included as Appendix B to this Official Statement.

ACADEMIC PROGRAMS

The University of New Mexico is organized into 15 colleges and schools, which offer more than 250 baccalaureate, associates, masters, professional, and doctoral degrees. These colleges and schools are as follows:

Robert O. Anderson Schools of Management
School of Architecture and Planning
College of Arts and Sciences
College of Education
School of Engineering
Honors College
College of Fine Arts
School of Law
School of Medicine
College of Nursing
School of Public Administration
College of Pharmacy
College of Population Health
College of University Libraries and Learning Sciences
University College

ACCREDITATION AND AFFILIATIONS

The University of New Mexico is accredited by the following organizations:

The Higher Learning Commission (Institutional)
The Association to Advance Collegiate Schools of Business International
National Association of Schools of Public Affairs and Administration
National Architectural Accrediting Board
Landscape Architectural Accreditation Board
Planning Accreditation Board
American Psychological Association
American Speech-Language-Hearing Association
Commission on Collegiate Interpreter Education
American Society for Biochemistry and Molecular Biology
Council for the Accreditation of Counseling and Related Education Programs
National Council on Family Relations
Commission on Sport Management Accreditation
Commission on Accreditation of Athletic Training Education
Council for the Accreditation of Educator Preparation
New Mexico Public Education Department
Accreditation Council for Education in Nutrition and Dietetics
Engineering Accreditation Commission of the Accreditation Board for Eng. and Tech.
Computer Science Accreditation Commission of the Accreditation Board for Eng. and Tech.
American Council for Construction Education
National Center for Construction Education and Research
American Welding Society
National Association of Schools of Music
National Association of Schools of Theatre
National Association of Schools of Dance
Commission on Collegiate Nursing Education
New Mexico State Board of Nursing
Accreditation Commission for Midwifery Education
Accreditation Council for Pharmacy Education
Liaison Committee on Medical Education (representing the Association of American Medical Colleges
and the American Medical Association)
Commission on Accreditation of Allied Health Education Programs
Accreditation Review Commission on Education for the Physician Assistant, Inc.
Council on Education for Public Health
Accreditation Council for Occupational Therapy Education
Commission on Accreditation in Physical Therapy Education
National Accrediting Agency for Clinical Laboratory Sciences
Commission on Dental Accreditation
Commission on Accreditation for Health Informatics & Information
Management Education
New Mexico Department of Health Licensing & Certification
American Bar Association
Association of American Law Schools
New Mexico State Board of Cosmetology/Barbering

BRANCH CAMPUSES; GRADUATE STUDIES; EDUCATION CENTER

In addition to its Main Campus in Albuquerque, New Mexico, and the extension and independent study programs offered through that campus, the University also administers four branch colleges and offers courses at nine distance education centers throughout the State of New Mexico. The branch colleges are located in Gallup, Los Lunas (Valencia County Branch), Los Alamos, and Taos, New Mexico. The distance education centers are at the University's four branches, and at Farmington, Kirtland Air Force Base, Santa Fe, and Rio Rancho, New Mexico.

The branch colleges offer a wide variety of programs and courses in academic, vocational/technical and community service areas. Students taking classes in academic areas may earn credits toward a baccalaureate degree and credits earned in the academic programs are generally transferable to the University's main campus and treated as if they were earned at the main campus. Similarly, persons participating in the vocational/technical programs may earn credits toward associate degrees in nursing, electronics and other fields. The branch colleges also strive to provide non-credit courses and programs on subjects of general community interest.

ENROLLMENT

Enrollment Statistics

The University saw an increase in enrollment in fall 2024 on the Main Campus. Overall headcount increased 2.6% to 23,228. Total credit hours have also increased reflecting increased enrollments.

Headcount data reflect a change in methodology using a student campus approach (the campus at which the student's program of study resides), while FTE and SHC data reflect all credit hours offered at all locations. This data will differ from other published resources that use course campus for determining Headcount. The course campus approach necessarily counts students in duplicate if they take courses at multiple campuses. The student campus approach counts students only once at their home campus.

Additionally, in prior years FTE was calculated as total credit/15 for undergraduates, and total credit/12 for graduates. Beginning FY21 the university is using 12 for undergraduates and 9 for graduate students as the full-time criteria. (FTE is calculated as number of FT students + total credits of undergraduate PT students/12 and 9 for graduate students).

The following tables set forth the full-time and part-time enrollments by class, the full-time equivalent enrollments and the total enrollment at the University's Main Campus and the Health Sciences Center for the last five years. For discussion of the Health Sciences Center, see "HEALTH SCIENCES CENTER" herein in Appendix "A."

Main Campus and Health Sciences Center
Headcount Enrollment (Full and Part-time) by Class

Fall Term	Total	Freshman	Sophomore	Junior	Senior ⁽¹⁾	Non-Degree ⁽²⁾	Graduate ⁽³⁾
2020	22,242	2,858	2,883	3,732	6,301	945	5,523 ⁽⁴⁾
2021	21,638	[-----	15,031 ⁽⁵⁾	-----	-----]	801	5,457 ⁽⁴⁾
2022	21,982	3,649	3,086	3,532	4,673	758	6,284
2023	22,630	3,886	3,549	3,758	4,932	709	5,796
2024	23,228	3,684	3,763	4,093	5,145	718	5,825

(1) Includes baccalaureate certificate students.

(2) Includes non-degreed students with or without bachelors and concurrent dual credit students.

(3) Includes all graduate students, including those students enrolled in the Health Sciences Center, Law School and the Anderson Graduate School of Management and MD.

(4) Includes full-time and part-time.

(5) Undergraduate breakout by Class level N/A.

Main Campus and Health Sciences Center
Full-time Equivalent Students by Class⁽¹⁾

Fall Term	Total	Freshman	Sophomore	Junior	Senior ⁽¹⁾	Non-Degree ⁽²⁾	Graduate ⁽³⁾
2020	18,171	2,778	2,670	3,301	5,026	316	4,079
2021	17,710	3,031	2,558	3,018	4,010	286	4,807
2022	18,101	3,542	2,857	3,103	3,708	305	4,586
2023	23,929	4,717	4,131	4,144	4,973	363	5,600
2024	24,785	4,499	4,349	4,560	5,265	388	5,724

(1) Full-time equivalent is based on a class load of 12 credit hours per semester for undergraduates and 9 credit hours per semester for graduate and law students. Full-time equivalent enrollment for medical students is based on actual student enrollment, with some adjustment being made for variations in attendance during the summer sessions.

(2) Includes non-degreed students with or without bachelors and concurrent dual credit students.

(3) Includes all graduate students, including those students enrolled in the Health Sciences Center, Law School and the Anderson Graduate School of Management and MD

Main Campus and Health Sciences Center
Full-time Equivalent Students by Class⁽¹⁾

	2024	2023	2022	2021	2020
Total Headcount Enrollment	23,228	22,630	21,982	21,638	22,242
Total FTE Enrollment	24,785	23,929	18,101	17,710	18,131
Undergraduate Headcount	16,889	16,342	15,207	15,031	15,776
Undergraduate FTE	18,800	18,081	13,330	13,067	13,775
Full-time Undergraduates FTE	16,734	16,030	9,558	9,483	12,017
Part-time Undergraduates FTE	2,066	2,051	3,772	3,585	3,759
Graduate Headcount	4,833 ⁽²⁾	4,943 ⁽²⁾	5,130 ⁽²⁾	4,629 ⁽²⁾	4,419
Graduate FTE	4,135 ⁽²⁾	4,187 ⁽²⁾	3,227 ⁽²⁾	2,510 ⁽²⁾	2,825
Professional Headcount	1,506	1,345	1,645	1,161	1,104
Professional FTE	1,849	1,661	1,544	N/A ⁽³⁾	1,254

(1) Full-time equivalent is based on a class load of 12 credit hours per semester for undergraduates and 9 credit hours per semester for graduate and law students. Full-time equivalent enrollment for medical students is based on actual student enrollment, with some adjustments being made for variations in attendance during the summer sessions.

(2) Includes non-degree graduates

(3) FTE count is N/A for Dr Nurse Practice (DNP) or Dr Physical Therapy (DPT)

THE UNIVERSITY OF NEW MEXICO
SUMMARY OF ENROLLMENT STATISTICS
FALL 2024

Totals by Campus	Enrollments ⁽¹⁾	Student Credit Hours ⁽²⁾	Full-Time Equivalents ⁽³⁾
Main Campus			
Undergraduate	17,478	232,489	19,375
Graduate and Professional ⁽⁴⁾	4,818	42,603	4,733
Non-degree	583	2,757	295
Health Sciences Center ⁽⁵⁾	418	9,252	418
Gallup Branch			
Undergraduate	1,686	18,466	1,539
Los Alamos Branch			
Undergraduate	341	4,465	372
Valencia County Branch			
Undergraduate	898	11,026	918
Los Alamos Graduate Center			
Graduate	Included in Main Campus		
Santa Fe Graduate Center			
Graduate	Included in Main Campus		
Taos Branch			
Undergraduate	853	6,932	578
Grand Total	27,075	327,990	28,228

(1) These statistics are as of the third Friday of classes for the fall and spring semesters, and as of the last day of classes for the summer semester.
(These statistics represent unduplicated head counts.)

(2) A student credit hour (SCH) is a unit of measurement assigned to courses at colleges and universities, which operate on a semester system of sixteen-week sessions during the academic year. Typically, a 3-hour course with 10 students enrolled will generate thirty student credit hours.

(3) Revised - Full-time equivalents (FTEs) are computed by dividing undergraduate and graduate SCHs by a theoretical full-time load. For undergraduates the load is twelve hours of credit and for graduate and law students it is nine hours of credit. The medical graduate FTE is the actual student enrollment. The summer session SCHs were divided by a theoretical full-time load of 6 hours for both undergraduate and graduate categories.

(4) Except MD.

(5) School of Medicine (MD Program).

ADMISSIONS

The following table summarizes applications, acceptances, and matriculants for the University for the last five academic years:

Academic Year	Applications Fall (1)	Acceptances Fall	Matriculants Fall
2019-2020	13,918	7,489	2,788
2020-2021	14,050	9,095	3,083
2021-2022	13,676	11,115	3,508
2022-2023	13,631	10,677	3,611
2023-2024	13,125	10,432	3,651

(1) Includes new (freshman) and transfer admissions categories. The University admits approximately 60 percent of the applicants who apply at all class levels. Approximately 80 percent of the University's students are from the State of New Mexico; the remaining students are from other states (14 percent) and foreign countries (6 percent).

Beginning Freshman Class Profile

The following table sets forth the average American College Test ("ACT") composite score and average high school grade point average ("HS GPA") of the beginning undergraduate freshman class of the University for the past five fall semesters:

	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
ACT	22.2	22.4	21.7	22.4	23
HS GPA (4.0 Scale)	3.42	3.42	3.42	3.37	3.38

Admission Criteria

The University maintains admission requirements for traditional freshman applicants that require the applicant to meet one of the following criteria:

- 1) Complete a specific college preparatory curriculum of at least 16 high school units with a 2.5 average as calculated by the University;
- 2) Qualify for admission through a comparison of a University calculated high school GPA and standardized test scores;
- 3) Be admitted upon review by the University's Admission Committee considering both quantitative and subjective factors.

ACT Taken After 10/19/05	Class Rank
18-20	Top 25% of Class
21-24	Top 50% of Class
25-28	Top 75% of Class
29 or Higher	No Rank Requirement

TUITION AND FEES

The University meets the costs of its educational programs primarily through State appropriations, tuition, fees, and federal grants. Tuition and fees are set by the Board of Regents of the University. The Regents have adopted guidelines that correlate annual tuition and fee increases to the average percentage increase in the higher education price index and per capita income in New Mexico. Compliance with the guidelines is subject to other factors such as State funding, availability of access grants to financially needy students, and unforeseen events. The following table sets forth the base tuition and fees charged to full-time and part-time undergraduate, graduate, and law students on the basis of in-state and out-of-state residence for the past 5 academic years:

Academic Year	Full-Time Students				Part-Time Students	
	New Mexico Residents (per semester)		Non-Residents (per semester)		(per semester hour)	
	Tuition	Fees	Tuition	Fees	New Mexico Residents Tuition	Non- Residents Tuition
2020-2021	3,369.84	1,061.40	11,400.74	849.12	269.28	928.34
2021-2022	3,444.06	813.00	11,970.78	650.40	275.50	974.76
2022-2023	4,251.90	795.90	12,569.28	636.72	283.46	1,047.44
2023-2024	4,251.90	819.90	15,711.60	819.90	283.46	1,047.44
2024-2025	4,251.90	819.90	15,711.60	819.90	283.46	1047.44

⁽¹⁾ Adjusted to reflect Per Credit Hour Rate (hours 15 and above)

The income from student tuition and fees available for inclusion in Pledged Revenues is dependent on the number of students, particularly full-time students, enrolled. See “ENROLLMENT” for information concerning the University’s recent enrollment history. It is possible that any significant increase in student tuition and fees or other required fees could result in a reduction of the number of students at the University.

The University competes for students with junior colleges, other colleges and universities, and other institutions of higher education, including vocational and other career-related schools. In addition, the University competes with other entities in the community in the sale of goods and services; this is particularly true of the goods and services offered by the University’s auxiliary enterprises. Consequently, the revenues from student tuition and fees and these auxiliary enterprises of the University may vary depending on the University’s ability to compete successfully with these various outside entities.

FINANCIAL AID

During the 2023-2024 academic year, approximately 23,120 students received some form of institutionally sponsored or supported financial assistance totaling approximately \$320.2 million. Of this amount, \$243.4 million was in the form of grants and scholarships, approximately \$4.6 million in the form of student employment and \$72.2 million in the form of loans. The University expects that the percentage distribution among programs for the 2024-2025 academic years will be the same as those percentages for the 2023-2024 academic years.

A substantial portion of funds provided to students is derived from sources outside the University. Programs provided by the federal and state government are subject to appropriation and funding by the respective legislatures. There can be no assurance that the amounts of federal financial aid to students will be available in the future at the same levels and under the same terms and conditions as presently apply. Any changes in the availability of federal financial aid may affect the University's enrollment, but the impact of any such changes cannot be assessed at this time.

The Lottery Tuition Fund was established by the New Mexico Legislature in 1996 and receives 100 percent of net lottery proceeds from sales in New Mexico. Lottery tuition scholarships are made available to New Mexico residents graduating from New Mexico high schools and are awarded during the second semester of full-time enrollment at an eligible New Mexico public college or university, including the University. If a lottery tuition scholarship recipient maintains a 2.5 GPA and meets other criteria, the scholarship may continue for up to seven consecutive semesters. The amount of the scholarship is equal to 100 percent of the block tuition rate in 2023-2024.

See "INVESTMENT CONSIDERATIONS – Lottery Scholarships."

Number of Lottery Scholarship Recipients and Total Amounts Received

Number of Lottery Scholarship Recipients and Total Amounts Received

	Fall 2023		Spring 2024	
	Students	Total Amount	Students	Total Amount
Albuquerque	4,088	\$ 16,831,076	5,911	\$ 24,126,378
Gallup	30	\$ 25,230	64	\$ 53,159
Los Alamos	16	\$ 15,483	35	\$ 35,258
Taos	22	\$ 20,486	74	\$ 47,699
Valencia	50	\$ 43,743	120	\$ 66,496

Source: University of New Mexico Financial Aid Office.

The Opportunity Scholarship Fund was established by the New Mexico Legislature in 2022 and provides tuition-free college. Opportunity tuition scholarships, like Lottery Scholarships, are made available to New Mexico residents graduating from New Mexico high schools. They are awarded during the first semester of full-time enrollment at an eligible New Mexico public college or university, including the University. If an Opportunity tuition scholarship recipient maintains a 2.5 GPA and meets other criteria, the scholarship may continue for up to

160 attempted credit hours. The amount of the scholarship is equal to 100 percent of the full tuition and mandatory fee rate in 2023-2024 plus course fees up to \$50 per credit.

Number of Opportunity Scholarship Recipients and Total Amounts Received

	Fall 2023		Spring 2024	
	Students	Total Amount	Students	Total Amount
Albuquerque	11,190	\$ 39,126,888	9,955	\$ 27,772,767
Gallup	387	\$ 258,349	195	\$ 119,260
Los Alamos	106	\$ 68,796	84	\$ 58,507
Taos	250	\$ 172,693	198	\$ 140,098
Valencia	302	\$ 120,180	242	\$ 144,219

Source: University of New Mexico Financial Aid Office.

STUDENT HOUSING

Residence Life and Student Housing strives to develop and maintain an environment of personal growth and academic opportunity for on-campus residents. In 2018, the University initiated the Freshman Live-In Requirement, which requires all first-time freshman to live on campus unless they are within a 30-mile radius of campus. Students within that radius are not required to live on campus but are strongly encouraged to do so for academic and personal success.

University Housing is comprised of four traditional style halls, two suite style halls, and two apartment style halls on main campus. There is also an apartment-style hall located off-campus in downtown Albuquerque.

Students electing to live in the University residence halls designed on main campus are required to sign a housing license agreement with the University for one academic year and have the option to sign a separate contract for the summer session. Students electing to live in Lobo Rainforest are required to sign an 11½ month license agreement that runs from mid-August until the end of July.

During the summer term, student housing on main campus is available in connection with regular academic and special programs sponsored by the University. Short-term guests and conference groups utilize the other residence halls intermittently during the summer.

Residence Halls and Apartments (Dates of Construction and Capacity)

Residence	Date Built	Design Capacity ⁽¹⁾
Alvarado	1965	166
Coronado	1959	433
Hokona	1957	304
Laguna/DeVargas ⁽²⁾	1969	371
Santa Clara	1964	166
Student Residence Center Apts.	1992	424

Redondo Village Apts.	2001	397
<u>Lobo Rainforest</u>	2017	<u>308</u>
TOTAL		2,569

(1) Capacity does not reflect the assignment of space to live-in staff, modifications, etc.

Freshmen students are required to select a meal plan. Sophomores and above are not required to purchase a meal plan. Several meal options are available through the UNM Lobo Card office.

The semester contract rate for a room will be charged at the beginning of the semester to the student's Bursars Account. Students may choose to pay the charge in full or may set up a payment plan through the Bursars Office. Students who cancel a residence hall contract after the commencement of classes are charged a daily rate for the time spent on campus and a percentage of the remainder of the contract which varies based on their enrollment status and date of move out.

Room and Board and Apartment Semester Charges

Double Room/ School Year	Full Meal Plan	Traditional Style Residence Hall	SRC & RVA Apartment Style Residence Hall ⁽¹⁾
2015-2016	\$1,900	\$2,445	\$3,145
2016-2017	1,900	2,445	3,145
2017-2018	1,900	2,445	3,145
2018-2019	1,975	2,445	3,195
2019-2020	2,025	2,445	3,195
2020-2021	1,895	2,445	3,295
2021-2022	1,925	2,525	3,500
2022-2023	2,050	2,650	3,850
2023-2024	2,150	2,725	3,925
<u>2024-2025</u>	<u>2,150</u>	<u>2,800</u>	<u>4,050</u>

(1) Student Residence Center opened in 1992-93. Figures listed are for an average semester fee, room only. Redondo Village Apartments had 402 additional units opened in 2001, for an average semester fee, room only

Occupancy Statistics - All UNM Operated Residence Halls Combined ⁽¹⁾

Capacity ⁽²⁾	Fall Term	Actual	Occupancy Rate	Spring Term	Actual	Occupancy Rate
2,126	2015	1,746	87.00%	2016	1,634	76.86%
2,126	2016	1,752	82.41%	2017	1,623	76.34%
2,126	2017	1,748	82.23%	2018	1,626	76.48%
2,126	2018	1,824	76.54%	2019	1,682	70.58%
2,383	2019	1,855	87.04%	2020	1,772	74.36%
1,694 ⁽⁴⁾	2020	1,250	73.70%	2021	819	48.35%
2,246	2021	1,981	88.2%	2022	1,820	81.00%
2,370	2022	2,353	99.3%	2023	2,181	92.0%
2,490	2023	2,469	99.2%	2024	2,289	91.9%
2,490	2024	2,530	101.6%	2025	N/A	N/A

⁽¹⁾ Student family apartment occupancy figures are not included above.

⁽²⁾ These capacity figures reflect the addition of some triple rooms and conversion of some single rooms to double occupancy. Triple room space is used only for overflow and is not a permanent designation.

⁽³⁾ Capacity reflects the destruction of Santa Ana Hall and SRC Apartment Buildings M&N. Occupancy may also be affected by the opening of ACC Main Campus Housing.

⁽⁴⁾ Temporary reduction in capacity during COVID-19 to assign all students to single rooms.

In 2010, the University entered into an agreement with American Campus Communities, Inc. (“ACC”) to construct student housing. ACC constructed an 864 bed, \$41.6 million facility for upperclassmen located on the University’s South Campus, approximately one mile from the University’s Main Campus, which was completed for occupancy in the fall of 2011. The site is ground leased to ACC for 40 years with three 10-year extensions options. In 2012, ACC also constructed a 1,028 bed, \$35.0 million facility for freshmen located on the University's main campus. Both projects were funded with ACC equity.

FINANCIAL INFORMATION

Endowment Funds

The University’s endowment funds consist of two principal components. The first component consists of endowment assets held in the name of the University and the second component consists of endowment funds held by the UNM Foundation for the benefit of the University. The balances of the University endowment assets are liquid funds. The UNM Foundation was established in 1979 as a 501(c)(3) corporation to solicit and manage private support for the University. Endowment funds provide student financial assistance, endowed faculty positions, library support and funding for other programs and projects that assist in meeting the institutional long-term goals.

All liquid funds held in the University endowment fund and all funds in the UNM Foundation are invested in the Consolidated Investment Fund (“CIF”), an internal pool of common endowment funds. The Investment Committee of the UNM Foundation Board manages the common endowment funds. The CIF is invested in diversified funds with one year target allocation as follows: fixed income (12.0 percent); international equity (22.0 percent); domestic equity (33.0 percent); private investments (22.0 percent); marketable alternatives (5.0 percent); real assets (5.0 percent); and cash (1.0 percent). The actual asset allocation on June 30, 2024, was as follows: fixed income (12.4 percent); international equity (22.7 percent); domestic equity (37.4 percent); private investments (17.4 percent); marketable alternatives (4.7 percent); real assets (3.4 percent); and cash (1.6 percent). We estimate the rebalancing activities (including rebalancing of less liquid investments) that were approved in June 2024 to take approximately eighteen months to complete. The actual asset allocation on June 30, 2024, was in compliance with the allocation ranges set by the CIF investment policy. The return on the CIF for the one-year period ending on June 30, 2024, was 12.2 percent, net of all management costs. Since inception in 1989, the CIF has produced an approximate average annual return of approximately 7.4 percent.

Historical Endowment Fund Balances

Fiscal Year Ending 30-June	University Endowment Assets	UNM Foundation Assets
2014	226,163,176	189,073,515
2015	216,840,566	188,958,673
2016	208,100,937	187,038,856
2017	221,716,884	203,623,738
2018	230,950,151	223,906,564
2019	230,020,480	229,871,870
2020	218,570,808	226,060,001
2021	277,822,579	302,474,883
2022	255,214,851	348,845,442
2023	300,745,514	413,077,926
2024	341,630,672	472,779,720

The University Development Program raises funds to support multiple causes and programs at the University. The primary donors to the University are alumni, friends, corporations, foundations, and other organizations. The funds are raised primarily through direct appeals to these stakeholders. Approximately 2.98 percent of the living alumni of the University participate in the Development Program through contribution of funds. For the year ended June 30, 2024, the Development Program raised approximately \$135.6 million in total private support for the University from over 27,000 donations.

Land Fund, Permanent Fund and Other Lands Fund

Land Fund. The United States granted certain land to the Territory of New Mexico in 1893 and in 1910. Under the terms of the grants, it was stipulated that those lands, as well as all funds derived from them, were to be held in trust for the common schools and other designated institutions of the State, including the University.

The custody and control of the granted trust lands is entrusted to the Commissioner of Public Lands. The University land under his jurisdiction is estimated by the State Land Office to include surface rights to 272,113 acres and subsurface rights to 361,051 acres. These lands are located throughout the State and are used for a variety of purposes.

Land income available to the University from these lands is derived from the surface uses of the land under lease agreements, plus any bonuses paid for mineral leases. Payment is made to the University by the State Commissioner of Public Lands, which receives such payments from various lessees on a monthly basis.

Permanent Fund. Funds derived from the sale of land or from mineral royalties are transferred by the Commissioner of Public Lands to the University's Permanent Fund. The University's Permanent Fund is held in trust as part of the State Permanent Funds over which the

State Investment Council exercises complete investment jurisdiction and only the investment income from that fund is available to the University.

In order to achieve proportional equality in the diversification of investments and distribution of income, the 19 individual institutional funds were combined on September 21, 1961, for investment purposes, into a common trust fund known as the State Permanent Funds.

In combining the investments of the 19 funds, each of the beneficiary institutions was credited initially with its percentage share of the total assets transferred to the combined funds. Subsequent transfers of additional capital funds from the State Land Office have been similarly credited to the individual beneficiaries. Thus, each of the beneficiaries now participates pro rata in all investments held by the Permanent Funds in accordance with its percentage contribution to the combined assets.

Distributions from the Land and Permanent Fund to the University have been as follows for the past ten fiscal years:

Land and Permanent Fund Distribution

Fiscal Year	Total	Land Fund ⁽¹⁾	Permanent Fund
2014	8,749,529	809,814	7,939,715
2015	9,518,002	1,661,851	7,856,151
2016	9,888,203	749,633	9,138,569
2017	10,995,164	2,162,257	8,832,907
2018	12,410,515	2,367,582	10,042,933
2019	15,238,920	5,258,875	9,880,045
2020	11,304,730	1,340,806	9,963,924
2021	10,909,457	638,747	10,270,710
2022	11,813,409	1,128,860	10,684,549
2023	16,353,261	5,325,882	11,027,379
2024	15,814,684	4,416,591	11,398,092

⁽¹⁾ Revenues from the Land Fund include only those revenues from University land which are managed by the State Land Office and do not include revenues from lands managed separately by the University.

Land, Buildings and Improvements

The University's Main Campus in Albuquerque, New Mexico encompasses approximately 770 acres and consists of more than 325 buildings. Its general library holdings include more than 1,400,000 books and over 3,160,000 volumes of microforms and United States Federal Depository Documents. The cost value of the University's entire physical plant (including branch campuses and the hospitals) for the past ten fiscal years ended June 30 was as follows:

Fiscal Year	Total ⁽¹⁾	Land and Land Improvements	Buildings and Infrastructure	Library Books and Equipment	Construction in Progress
2015	1,831,500,000	114,994,000	1,291,813,000	398,336,000	26,357,000
2016	1,879,762,000	119,294,000	1,332,223,000	405,752,000	22,532,000
2017	2,766,553,000	138,277,000	1,673,827,000	877,391,000	77,038,000
2018	2,766,533,000	138,277,000	1,673,827,000	877,391,000	77,039,000
2019	2,926,902,000	142,448,000	1,775,362,000	889,070,000	110,022,000
2020	3,032,806,000	142,780,000	1,872,817,000	912,347,000	104,862,000
2021	3,122,661,000	144,384,000	1,899,574,000	941,568,000	137,135,000
2022	3,357,614,958	146,876,000	1,938,985,000	1,037,457,000	239,029,000
2023	3,712,875,539	170,033,716	2,025,004,987	1,034,660,971	483,175,865
2024	3,963,666,321	191,162,902	2,076,302,062	1,086,860,949	609,340,408

⁽¹⁾ The above figures do not reflect depreciation.

Retirement Program and Post-Retirement Benefits

The University's full-time employees participate in one of two retirement plans authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board ("ERB") is the administrator of both plans. One plan is a cost-sharing, multiple-employer defined-benefit plan. The other plan is a defined contribution plan, available only to employees in positions designated by the ERB as eligible to participate in the plan (the "Alternative Retirement Plan"). The ERB issues a separate, publicly available financial report that includes Financial Statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

The ERB had 172,680 members as of June 30, 2024, including active, retired, inactive vested and inactive non-vested members. The market value of the Educational Retirement Fund (the "Fund") as of June 30, 2024, was \$17.5 billion. The ERB had net investment gain for Fiscal Year 2024 of 9.2%. As of June 30, 2024, the actuarial value of assets was \$17.2 billion, and the unfunded accrual actuarial liability ("UAAL") was \$9.4 billion based on an assumed 7.00% rate of return. The ERB continues to monitor both its investment returns and general market conditions and may change its assumed rate of return as market conditions and experience warrant. The funded ratio on June 30, 2024, was 64.8%.

In July 2012, the ERB adopted goals of achieving 95%, plus or minus 5%, funded ratio by 2040. To achieve this goal, the New Mexico Legislature amended the Educational Retirement Act in the 2013 legislative session (Senate Bill 115; Chapter 61, Laws 2013). The amendments increase employee contributions for members whose salary exceeds \$20,000 per year to 10.1% in Fiscal Year 2014 and 10.7% beginning in Fiscal Year 2015 (ERB members who make less than \$20,000 contribute 7.9% of their gross salary); keeps in place scheduled increases in employer contribution rates; creates a new tier membership for persons who become members of the ERB Fund on or after July 1, 2013; creates certain actuarial limitations on benefits of new tier members; places limitations on future cost of living adjustments ("COLA") for current and future retirees which are tied to the future funded ratios of the Fund; and make certain other clarifying and technical changes. In Fiscal Year 2020, the ERB decreased the assumed rate of return from 7.25% to 7.00%,

on the advice of its actuary, after reviewing an experience study based on the June 30, 2019, valuation report.

In December 2013, the New Mexico Supreme Court, in *Barlett v. Cameron*, (316 P.3d 889), rejected the claims of certain retired teachers, professors and other public education employees challenging the state constitutionality of Senate Bill 115 (Chapter 61, Laws 2013) to the extent that it reduces the future amounts that all education retirees might receive as annual COLA. The Court held that Article XX, Section 22 of the New Mexico Constitution did not grant the retirees a right to an annual COLA based on the formula in effect on the date of their retirement for the entirety of their retirement. The Court held that in the absence of any contrary indication from the New Mexico Legislature, any future COLA to a retirement benefit is merely a year-to-year expectation that, until paid, does not create a property right under the New Mexico Constitution. Once paid, the COLA by statute becomes part of the retirement benefit and a property right subject to those constitutional protections.

In Fiscal Year 2024 for the defined benefit plan, the University was required to contribute 18.15% of the gross covered salary of eligible employees. For Alternative Retirement Plan (ARP) participants, New Mexico universities and colleges contribution is split such that in FY23, employers contributed 10.9% of salary to participants' (ARP) accounts and 7.25% of ARP participants' salary was directed to the pension plan for purposes of meeting unfunded liability obligations. At this time, it is not expected that the employer contributions will increase in FY25 or FY26. The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature.

Under the defined contribution Alternative Requirement Plan, the benefit received upon retirement is based on the amount contributed by the employee during their career, subject to any investment gains or losses. Employees are 100% vested in both the employee and employer contributions upon enrollment in the Alternative Retirement Plan. For Fiscal Year 2024, the university contributed 10.90% of participating employees' gross salary to the ARP on behalf of the participant, and 7.25% of the employees' gross salary to NMERB for a total of 18.15%. The University's 7.25% contribution remitted for the fiscal year ended June 30, 2024, was \$14,372,474.

Under the defined benefit plan, a member's benefit is determined by a formula which includes 1) the member's final average salary, 2) the number of years of service credit, and 3) a multiplier. For members hired on or before June 30, 2019, the multiplier is 2.35%. For members hired after June 30, 2019, the multiplier accrues as follows:

<u>Years of Service:</u>	<u>Benefit Percentage Earned:</u>
1-10	1.35%
11-20	2.35%
21-30	3.35%
31 plus	2.40%

The University's contributions to ERB for the fiscal years ended June 30, 2024, 2023, 2022 were \$120,333,297, \$102,864,990, and \$80,578,522, respectively, which equal the amount of the required contributions for each fiscal year. The Clinical Operations' contributions to ERB for the fiscal years ended June 30, 2024, 2023, 2022 were \$166,863, \$173,804, and \$190,620, respectively, which equal the amount of the required contributions for each fiscal year.

The University offers other post-employment benefits under the UNM Retiree Welfare Benefit Plan, administered by the UNM Retiree Welfare Benefit Trust. This plan is used to provide post-employment benefits other than pensions for eligible employees. The plan offers health, dental and life insurance coverage to eligible retirees who have met the contribution requirements prior to retirement. The contribution requirements are established by and may be amended by the University Board of Regents. The asset values in the Trust for the fiscal years ended June 30, 2024, 2023 and 2022 were \$72,877,436, \$61,442,719, and \$51,900,147 respectively.

Leases

UNM adopted GASB Statement No. 87, Leases, for the year ended June 30, 2023, with retrospective application to all periods presented.

Statement of Net Position

A comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2024, 2023, and 2022 is as follows:

	2024	2023	2022
Assets			
Current assets	\$ 1,580,523,140	\$ 1,302,733,625	\$ 1,359,184,106
Capital assets, net	1,953,299,550	1,796,513,343	1,530,236,881
Other noncurrent assets	787,319,897	767,836,124	796,249,769
Total assets	\$ 4,321,142,587	\$ 3,867,083,092	\$ 3,685,670,756
Deferred Outflows of Resources	\$ 222,822,532	\$ 417,608,801	\$ 958,060,366
Liabilities			
Current liabilities	\$ 667,901,026	\$ 565,147,618	\$ 597,951,838
Noncurrent liabilities	2,261,131,496	2,194,200,922	1,857,109,205
Total liabilities	\$ 2,929,032,522	\$ 2,759,348,540	\$ 2,455,061,043
Deferred Inflows of Resources	\$ 309,486,913	\$ 857,205,877	\$ 1,650,176,269
Net Position			
Net investment in capital assets	\$ 1,243,990,908	\$ 1,156,050,064	\$ 993,638,442
Restricted - nonexpendable	174,273,283	157,607,006	150,615,863
Restricted - expendable	170,287,353	94,946,171	84,206,103
Unrestricted	(283,105,860)	(740,465,765)	(689,966,598)
Total net position	\$ 1,305,445,684	\$ 668,137,476	\$ 538,493,810

THE UNIVERSITY OF NEW MEXICO

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

(15) Leases

A summary of the lease asset activity during the years ended June 30, 2024 and 2023 is as follows:

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
Right to use, Leases				
Buildings	\$ 74,515,647	\$ 6,176,236	\$ (13,339,275)	\$ 67,352,608
Equipment	1,536,545	-	-	1,536,545
Accumulated depreciation				
Buildings	(24,015,481)	(7,572,832)	393,696	(31,194,617)
Equipment	(1,150,151)	(356,671)	-	(1,506,822)
Right to use Leases, net	\$ 50,886,560	\$ (1,753,267)	\$ (12,945,579)	\$ 36,187,714
	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Right to use, Leases				
Buildings	\$ 61,120,026	\$ 13,395,621	\$ -	\$ 74,515,647
Equipment	1,536,545	-	-	1,536,545
Accumulated depreciation				
Buildings	(16,371,893)	(7,643,588)	-	(24,015,481)
Equipment	(769,910)	(380,241)	-	(1,150,151)
Right to use Leases, net	\$ 45,514,768	\$ 5,371,792	\$ -	\$ 50,886,560

Below is a summary of changes in the related lease liability and deferred inflow of resources during the years ended June 30, 2024 and 2023. The decreases in deferred inflow of resources represent amounts recognized in the Statements of Revenues, Expenses, and Changes in Net Position in the respective years:

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Amounts due within one year
Lease liabilities	\$ 51,663,483	\$ 5,997,012	\$ (20,870,475)	\$ 36,790,020	\$ 6,634,821
Deferred inflow of resources - Leases	\$ 37,529,180	\$ 1,486,205	\$ (8,363,963)	\$ 30,651,422	
	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Amounts due within one year
Lease liabilities	\$ 46,900,571	\$ 18,176,076	\$ (13,413,164)	\$ 51,663,483	\$ 7,771,249
Deferred inflow of resources - Leases	\$ 33,652,814	\$ 10,310,387	\$ (6,434,020)	\$ 37,529,180	

UNM is a lessee and lessor for numerous noncancelable leases. For leases with a maximum possible term of 12 months or less at commencement (short term), UNM

recognizes expense based on the provisions of the lease contract. For leases that are not short-term, UNM recognizes a lease liability and an intangible right-to-use (RTU) lease asset.

Initial measurement of the lease receivable/payable amount is calculated at the present value of payments expected to be received/paid during the lease term, discounted using the University's incremental borrowing rate. Leases for UNM is a lessee that are accounted for under this standard are capitalized as a right to use asset and lease payable discounted by the incremental borrowing rate. The right-to use-asset is also amortized on a straight-line basis over the term of the lease. Leases for which UNM is the lessor are also discounted by the incremental borrowing rate, with anticipated payments being recorded as a deferred inflow of resources, amortized on a straight-line basis over the term of the lease.

Minimum Lease Payments

(a) *University as Lessee*

The following is a schedule of future minimum lease payments for the University is a lessee as of June 30, 2024.

Year ending June 30	Principal Payments	Interest Payments	Total Lease Payments
2025	6,634,821	920,133	7,554,954
2026	3,902,249	786,419	4,688,668
2027	3,209,002	697,555	3,906,557
2028	2,778,082	622,118	3,400,200
2029	2,293,132	557,492	2,850,624
2030-2034	10,915,756	2,554,685	13,470,441
2035-2039	3,629,122	670,580	4,299,702
2040-2044	3,427,856	187,105	3,614,961
2045 & After	-	-	-
	<u>\$ 36,790,020</u>	<u>\$ 6,996,087</u>	<u>\$ 43,786,107</u>

(b) *University as Lessor*

The University is lessor of various properties under operating lease agreements.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2024:

Year ending June 30	Principal Receivable	Interest Revenue Receivable	Total Lease Receivable
2025	4,114,316	914,305	5,028,621
2026	3,697,834	808,234	4,506,068
2027	2,359,591	718,893	3,078,484
2028	2,140,919	642,472	2,783,391
2029	1,735,214	573,892	2,309,106
2030-2034	5,007,821	2,256,021	7,263,842
2035-2039	3,418,368	1,682,374	5,100,742
2040-2044	3,483,861	1,283,551	4,767,412
2045 and thereafter	7,302,199	2,502,279	9,804,478
	<u>\$ 33,260,123</u>	<u>\$ 11,382,019</u>	<u>\$ 44,642,142</u>

Operating Budget

The University's operating budget is prepared by the Office of Planning, Budget and Analysis and is based on information supplied by each University department. The operating budget is submitted to the Regents in May of each year. Following approval by the Regents, the budget is then submitted to the New Mexico Higher Education Department ("HED") for its approval and then to the Budget Division of the State Department of Finance and Administration for official approval before July 1 of each year. The University's operating budget for its Fiscal Year 2025, which began July 1, 2024, has been approved.

State Appropriations

A significant amount of the University's current unrestricted funds revenues is derived from State appropriations. These appropriations are determined each year by the State Legislature and are excluded from Pledged Revenues. (State and local appropriations, which were classified by the auditors as other revenues, are not reflected in the table below and are also excluded from Pledged Revenues.) The State is not obligated to provide a specific appropriation in any year. The New Mexico Legislature has set the State budget appropriation for Fiscal Year 2024 at \$466,093,232. The annual appropriation is distributed to the University in monthly installments. The University may request monthly installments from the State on an accelerated basis to meet temporary cash flow needs.

The following table sets forth combined State appropriations for the University, Health Sciences Center (formerly Medical Center) and branch colleges for the past ten fiscal years ended June 30.

Fiscal Year	Total ⁽¹⁾
2015	309,009,274
2016	313,643,087
2017	301,844,838
2018	299,100,304
2019	310,784,779
2020	334,381,020
2021	322,785,925
2022	346,263,042
2023	404,313,948
2024	466,093,232

(1) State appropriations are reported as a single consolidated amount in accordance with GASB standards.

HED, formerly known as the Commission on Higher Education, was established in 1951 to oversee the finances of State institutions of higher education. The HED must review, adjust and approve requests for appropriations submitted by the State educational institutions before the submission of those requests to the State Legislature. Additionally, the HED must approve all building construction plans and projects undertaken by the educational institutions and any new

advanced degree programs.

In addition to State appropriations for operations, the University receives proceeds from State general obligation bonds, severance tax bonds, and the State general fund for specific capital projects. Over the past five fiscal years, the University has received the following capital appropriations which are listed in the fiscal year when the University received the money:

State Appropriations for Capital Projects	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Buildings and Equipment Renewal/Replacement ⁽¹⁾	\$20,743,957	\$15,573,662	\$12,964,424	\$10,000,000	\$13,204,246
General Appropriations for Capital Projects	35,845,000	44,543,297	-0-	-0-	56,989,800
Severance Tax Bonds for Capital Projects	-0-	-0-	13,192,000	15,241,500	-0-
General Obligation Bonds for Capital Projects ⁽²⁾	<u>94,500,000</u>	<u>-0-</u>	<u>89,200,000</u>	<u>-0-</u>	<u>-0-</u>
TOTAL	<u>60,116,959</u>	<u>60,116,959</u>	<u>115,356,424</u>	<u>29,398,229</u>	<u>70,194,010</u>

⁽¹⁾ Funded initially in Instruction and General and then transferred to Capital Fund.

⁽²⁾ General Obligation Bonds are subject to voter approval and biannual.

Governmental and Private Gifts, Grants and Contracts

The United States, and state and local governments, corporations, individuals and other entities through various gifts, grant and contract programs, provide a substantial portion of the University's current restricted funds revenues and a small portion of the University's unrestricted funds revenues. A portion of revenues from these gifts, grants and contracts are allocated to a University account titled "Indirect Costs Recovered" and constitute a portion of the University's Pledged Revenues. The University believes it has complied with all material conditions and requirements of these various gifts, grants and contracts. The following table sets forth revenues from federal, state, local government and private grants and contracts:

Fiscal Year	Total
2012	343,550,440
2013	346,565,819
2014	289,981,907
2015	306,145,765
2016	310,819,879
2017	324,044,720
2018	326,326,209
2019	315,143,038
2020	329,242,047
2021	424,660,619
2022	496,461,669
2023	400,343,950
2024	510,982,596

HEALTH SCIENCES CENTER

The Health Sciences Center (“HSC”) is a component part of the University and is subject to governance by the Regents. Except as described below, revenues of HSC are not Pledged Revenues. HSC consists of the School of Medicine (including programs of Physical Therapy, Occupational Therapy, Physician Assistants, Medical Lab Sciences and Dental Programs), the College of Nursing, the College of Pharmacy, the College of Population Health, the Health Sciences Library and Informatics Center, a robust medical research enterprise and public service programs related to health sciences. The clinical elements of the HSC operate an integrated health care delivery care system, the UNM Health System, consisting of patient care facilities including the University of New Mexico Hospital and clinics, UNM Sandoval Regional Medical Center, UNM Psychiatric Center (“UNMPC”), UNM Children's Psychiatric Center, Carrie Tingley Hospital, and the UNM NCI designated Comprehensive Cancer Center (all these units together are referred to as “UNMHs.”) UNM Medical Group, Inc. is a non-profit corporation formed by the University under the University Research Park and Economic Development Act.

The UNMHs are accredited as a single organization by the Joint Commission whose standards require a single governing body, a single medical staff, and approval of medical staff credentialing decisions and oversight of quality assurance matters by the governing body. However, HSC also has clinics that are not accredited by the Joint Commission. The UNMHs are served by the unified medical staff with unified bylaws, rules and regulations, whose members are required to be employed by the University or to have faculty appointments in the School of Medicine. The Dental Ambulatory Surgery Center and various clinics operated by UNM Medical Group, Inc. are accredited by the Accreditation Association for Ambulatory Health Care (AAAHC).

Certain facilities comprising the UNMHs (UNMH and UNMPC) are owned by Bernalillo County; however, under a lease agreement between the Regents and the Board of Bernalillo County Commissioners, dated July 1, 1999 as amended by that certain First Amendment thereto dated as of November 18, 2004 (“Lease Agreement”), the Regents are responsible for operation and maintenance of UNMH and the UNMPC. The Lease Agreement became effective on October 8, 1999, after receipt of approval from the Indian Health Service (required because of contractual obligations of the County to the federal government to provide health care to Native Americans). The Lease Agreement provides that the University will have exclusive responsibility and authority to control and manage UNMH and the UNMPC in accordance with terms of the Lease Agreement. Consistent with provisions of the Lease Agreement and for purposes of compliance with federal and state laws and regulations and accreditation standards applicable to healthcare facilities, UNMH BOT (as described below) have been delegated governing body status, but the Regents are the ultimate governing body of UNMHs and all other HSC clinical, research and educational facilities.

The Lease Agreement provides for the appointment of a combined nine-member governing board, called UNM Hospital Board of Trustees (“UNMH BOT”), for the non-research, non-educational, clinical operations of UNMHs, with such authority and powers as are delegated to the UNMH BOT by Regents' policy and consistent with applicable federal and state laws and regulations and accreditation standards. The non-research, non-educational clinical operations of the UNMHs delegated to the UNMH BOT are essentially those operations related to the delivery

of routine patient care, including medical and surgical care, diagnostic procedures, psychiatric and mental health care, substance abuse services, rehabilitation, cancer treatment, home health services and hospice care, to HSC patients. The Regents have authority to appoint seven of the UNMH BOT members, and the Bernalillo County Commissioners have authority to appoint two of the UNMH BOT members. At least one Regent-appointed member of the UNMH BOT must be a Pueblo Indian, as required by the contract between the County and the federal government for provision of healthcare to Native Americans.

The University's Executive Vice President for Health Sciences also serves as the Chief Executive Officer of the UNM Health System. The Senior Vice President for Clinical Affairs is responsible for administering and managing the business and administrative operations of, and the clinical operations in support of delivery of medical care by, all the clinical facilities of the UNM Health System. The Executive Vice President for Health Sciences has the authority, subject to President's approval, to appoint such other directors or administrators as in his or her judgment are necessary to carry out the functions of the HSC and of the UNM Health System.

University of New Mexico Hospital

UNM Hospital, a 543-bed hospital facility, is used by the School of Medicine as its primary teaching facility. It is the public hospital for Bernalillo County (the "County") and is partially supported by the County through County property tax revenues. UNM Hospital is not part of the System (as defined in the Bond Resolution), and revenue attributable to UNM Hospital operations is not part of Pledged Revenues except for the lease payments to be paid to the University by UNM Hospital for (a) the ambulatory care center and (b) approximately one-half of the parking structure financed with the proceeds of a prior bond issue.

Bernalillo County Property Tax Support

The Lease Agreement provides that the County will use its best efforts to obtain voter approval to continue to provide mill levy support for the operation and maintenance of UNM Hospital and UNM Psychiatric Center. Under New Mexico law, a levy of up to 6.5 mills can be levied to support UNMH and UNMPC for a period of up to 8 years before expiring unless extended by additional voter approval. In 1992, voter approval was obtained for 4.3 mills for UNMH and for 0.5 mills for UNMPC. In November 2000, voters re-approved, by a 2 to 1 margin, the levy in the combined amount of 6.0 mills for UNMH and UNMPC. In November 2008, voters re-approved, by a 2 to 1 margin, the levy in the combined amount of 6.4 mills for UNMH and UNMPC. Voters re-approved in 2016. The following is a ten-year history of Bernalillo County mill levy collections dedicated to UNMH.

Historical Mill Levy Collections

Year	UNMH	UNMPC
	Share of Mill Levy Collections	Share of Mill Levy Collections
2014	78,217,226	13,803,040

2015	79,261,909	13,987,396
2016	81,471,947	14,377,402
2017	82,139,803	14,495,259
2018	86,523,778	15,268,902
2019	89,853,146	15,856,438
2020	92,326,229	16,292,864
2021	95,312,579	16,819,867
2022	97,605,586	17,224,515
2023	102,552,193	18,097,446
2024	117,236,607	19,136,747

UNMPC receives 15 percent of the mill levy designated for the hospitals. None of the revenues received from the mill levy are Pledged Revenues.

Other Health Sciences Center Facilities

In addition to UNM Hospital, the Health Sciences Center is responsible for the operation of the UNM Psychiatric Center, the UNM Children’s Psychiatric Center, UNM Sandoval Regional Medical Center, Carrie Tingley Hospital, the NCI designated UNM Comprehensive Cancer Center and related programs. Each of these facilities is used for teaching and research purposes as well as providing patient care and public service programs. Like revenues derived from University Hospital, most revenue attributable to other HSC facilities are not part of the Pledged Revenues.

Sandoval Regional Medical Center

UNM Sandoval Regional Medical Center, Inc. (“SRMC, Inc.”), a wholly owned subsidiary of the University with a majority of SRMC’s Board of Directors membership from the University and UNM Hospital, is and, as required by law, all are, appointed by the Board of Regents. On May 30, 2023, SRMC, Inc. entered into an Asset Purchase Agreement with UNM Hospital under which SRMC, Inc. agreed to sell all of its assets to UNM Hospital in exchange for UNM Hospital agreeing to assume all of the liabilities of SRMC, Inc., including the HUD-insured mortgage debt arising out of the construction of the SRMC Hospital. The Asset Purchase Agreement transaction closed on December 20, 2023, and will be effective as of 12:01 a.m. on January 1, 2024. At that time, the SRMC Hospital will be and become a provider-based hospital operation of UNM Hospital. As a part of this transaction, HUD, and each of the HUD-insured mortgage lenders to SRMC, Inc. and UNM Hospital consented to the Asset Purchase Agreement transaction and entered into an Intercreditor Agreement related to their various mortgage positions and collateral.

In November 2008, the voters of Sandoval County voted to approve a mill levy to enable Sandoval County to contract with SRMC and another hospital to provide care to the sick of Sandoval County, in an amount equal to 4.25 mills. However, in November 2016 Sandoval County voters did not renew the property tax measure and SRMC recalibrated its programs to offset the loss of revenue. Prior to the 2018 mid-term elections, Sandoval County approached SRMC and requested a proposal to reinstate the programs that were lost when the Mill Levy was defeated in 2016. Working together, SRMC, Sandoval County government and the community, placed a new Mill Levy on the ballot for the November 2018 election. The ballot measure was overwhelming

supported for 1.9 mills generating about \$7 million annually. Those funds were included in the FY21 budget starting July 1, 2020. The revenues of the SRMC are not part of the Pledged Revenues. As a part of the Asset Purchase Agreement transaction described above, SRMC, Inc., and UNM Hospital entered into an Assignment and Assumption Agreement, to which the Sandoval County Commission consented, under which the Health Facilities Agreement that governs the use of such Mill Levy was assigned by SRMC, Inc. to UNM Hospital and was assumed by UNM Hospital.

Historical Balance Sheets, Income Statements, Cash Flows and Patient Statistics of UNMH

The tables on the following pages show selected financial and statistical information regarding the University compiled by the UNMH finance office. Similar information was not compiled for other clinical operations of the Health Sciences Center because the operations at UNMH constitute the largest component of activities of the Health Sciences Center. Revenues of UNMH and its assets are not pledged to payment of the Bonds. This information is also reported on the University's Combined Statement and should be read in conjunction with the audited Financial Statements included in Appendix B. Effective January 1, 2024, the UNMH acquired UNM Sandoval Regional Medical Center, Inc. under a zero dollar purchase agreement. Under the purchase agreement, UNMH acquired all of the assets and liabilities of the Sandoval Campus. Unless otherwise stated, the 2024 financial summary and 2024 statistics presented below include the acquired assets and liabilities as well as the full year of fiscal year 2024 operating results.

University Hospital Balance Sheet Fiscal Years 2020-2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>					
Cash and Investments	\$328,006,000	\$219,352,000	\$265,125,000	\$359,196,000	\$270,257,000
Accounts Receivables & Other Current Assets	428,598,000	339,861,000	312,257,000	276,174,000	245,884,000
Restricted Cash & Assets	59,588,000	83,860,000	255,662,000	334,663,000	100,020,000
Non-current Assets	69,374,000	55,797,000	55,037,000	52,776,000	45,609,000
Deferred Outflows	1,878,000	139,000	912,000	2,068,000	415,000
Fixed & Right to Use Assets	<u>920,972,000</u>	<u>711,771,000</u>	<u>475,239,000</u>	<u>262,033,000</u>	<u>222,163,000</u>
Total Assets	<u>\$1,808,416,000</u>	<u>\$1,410,780,000</u>	<u>\$1,364,232,000</u>	<u>\$1,286,910,000</u>	<u>\$884,348,000</u>
<u>Liabilities and Fund Balances</u>					
Current Liabilities	\$446,485,000	\$329,622,000	\$357,827,000	\$363,372,000	\$300,981,000
Non-current Liabilities	435,808,000	259,259,000	166,837,000	87,648,000	89,001,000
Deferred Inflows	348,000	464,000	2,088,000	557,000	487,000

Fund Balances	<u>925,775,000</u>	<u>821,435,000</u>	<u>837,480,000</u>	<u>835,333,000</u>	<u>493,879,000</u>
TOTAL	<u>\$1,808,416,000</u>	<u>\$1,410,780,000</u>	<u>\$1,364,232,000</u>	<u>\$1,286,910,000</u>	<u>\$884,348,000</u>

University Hospital Income Statement
Fiscal Years 2024-2020

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Patient Revenues	\$1,631,688,000	\$1,328,882,000	\$1,345,556,000	\$1,319,372,000	\$1,108,735,000
County Taxes	117,237,000	102,552,000	97,606,000	95,513,000	92,326,000
Investment (Loss) Income	6,118,000	2,637,000	(747,000)	492,000	3,421,000
Other Revenues	<u>137,582,000</u>	<u>57,735,000</u>	<u>78,295,000</u>	<u>129,279,000</u>	<u>121,166,000</u>
Operating Revenues	<u>\$1,892,625,000</u>	<u>\$1,491,806,000</u>	<u>\$1,520,710,000</u>	<u>\$1,544,456,000</u>	<u>\$1,325,648,000</u>
Expenses	\$1,695,634,000	\$1,442,861,000	\$1,458,162,000	\$1,337,325,000	\$1,177,565,000
Net Margin Before Transfers	196,991,000	48,945,000	62,548,000	207,131,000	148,083,000
Transfer of Assets	-	-	-	196,000,000	-
Net assets acquired	19,352,000	-	-	-	-
Intergovernmental Transfers	<u>(112,003,000)</u>	<u>(64,990,000)</u>	<u>(60,400,000)</u>	<u>(61,677,000)</u>	<u>(52,244,000)</u>
Net Income	<u>\$104,340,000</u>	<u>\$(16,045,000)</u>	<u>\$2,148,000</u>	<u>\$341,454,000</u>	<u>\$95,839,000</u>

University Hospital Cash Flow Statement
Fiscal Years 2024-2020

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Change in Net Assets	\$104,340,000	\$(16,045,000)	\$2,148,000	\$341,454,000	\$95,839,000
Depreciation	40,970,000	33,759,000	33,543,000	33,297,000	33,020,000
Gain/Loss on Retirement of Assets	(125,000)	(17,000)	324,000	(445,000)	118,000
Change in Assets*	(62,903,000)	144,211,000	41,813,000	(273,753,000)	(105,620,000)
Net Assets Acquired	19,352,000	-	-	-	-
Change in Liabilities*	169,964,000	62,593,000	75,175,000	61,108,000	96,511,000
Capital Expenditures	<u>(162,946,000)</u>	<u>(270,274,000)</u>	<u>(247,074,000)</u>	<u>(72,722,000)</u>	<u>(43,718,000)</u>
Net Cash Provided/(Used) by Operations	108,654,000	(45,773,000)	(94,071,000)	88,939,000	76,150,000
Beginning Cash and Investments	<u>219,352,000</u>	<u>265,125,000</u>	<u>359,196,000</u>	<u>270,257,000</u>	<u>194,107,000</u>
Ending Balance	<u>\$328,006,000</u>	<u>\$219,352,000</u>	<u>\$265,125,000</u>	<u>\$359,196,000</u>	<u>\$270,257,000</u>

*Presented net of assets/liabilities acquired

University Hospital Patient Statistics
Fiscal Years 2024-2020

		<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Days	Adult	143,590	123,695	132,137	121,703	104,360
	Observe Equal	14,792	13,497	13,362	12,430	12,295
	Pediatric	37,020	38,961	42,268	35,774	39,025
	Newborn & Obstetric	<u>15,257</u>	<u>14,793</u>	<u>15,446</u>	<u>14,195</u>	<u>13,903</u>
	Total	210,659	190,946	203,213	184,102	169,483
Discharges	Adult	19,298	15,468	15,642	16,081	14,547
	Observe Equal	12,198	10,425	10,208	10,469	9,354
	Pediatric	5,464	5,313	5,488	3,691	4,576
	Newborn & Obstetric	<u>5,856</u>	<u>5,737</u>	<u>5,751</u>	<u>5,355</u>	<u>5,532</u>
	Total	42,816	36,943	37,089	35,596	34,009
Outpatient Visits	Outpatient Clinics	591,101	549,832	561,356	534,607	509,931
	Emergency Room	120,393	97,674	98,356	111,898	97,781
Ancillary Statistics	Operations	24,765	21,064	20,357	19,663	18,198
	Births	2,939	2,891	2,879	2,745	2,894

University Hospital Payor Mix
Fiscal Years 2024-2020

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Gross</u>					
Medicaid	34%	35%	35%	35%	33%
Medicare	32%	35%	33%	33%	33%
Managed Care/Insurance	24%	21%	22%	23%	23%
Self-pay	5%	4%	5%	4%	5%
Other	5%	5%	5%	5%	6%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Further information relating to the financial status of the University of New Mexico Hospital can be found in the University of New Mexico Hospital independent audit report.

APPENDIX B

UNIVERSITY OF NEW MEXICO REPORT ON EXAMINATION OF COMBINED FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024

The audited financials for 2024 are available on the

UNM Website: <https://fsd.unm.edu/annual-audited-financial-statements.html>