
UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Financial Statements and Schedules

December 31, 2021

With Independent Auditors' Report Thereon



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Financial Statements and Schedules

December 31, 2021

With Independent Auditors' Report Thereon

UNIVERSITY OF NEW ORLEANS FOUNDATION

December 31, 2021

Table of Contents

	Page
Independent Auditors' Report	1 – 2
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7 – 19
Supplemental Schedules -	
Consolidating Statement of Financial Position – December 31, 2021	21
Consolidating Statement of Financial Position – December 31, 2020	22
Consolidating Statement of Activities and Changes in Net Assets – For the Year Ended December 31, 2021	23
Consolidating Statement of Activities and Changes in Net Assets – For the Year Ended December 31, 2020	24
Supplemental Schedule 1 – International Alumni Association – Schedule of Revenue, Support, and Expenses	26
Supplemental Schedule 2 – National Collegiate Athletic Association – Schedule of Revenue, Support, Expenses, and Capitalized Expenditures Made to or on Behalf of the University's Intercollegiate Athletics Program	27
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28 – 29

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
University of New Orleans Foundation

Opinion

We have audited the accompanying consolidated financial statements of the University of New Orleans Foundation, (a nonprofit organization) (the Foundation) and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of University of New Orleans Foundation as of December 31, 2021 and 2020, 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 audit 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University of New Orleans 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 Consolidated Financial Statements

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

In preparing the consolidated 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 21-27 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
June 22, 2022

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Statements of Financial Position

As of December 31, 2021 and 2020

Assets

	2021	2020
Current assets:		
Cash and cash equivalents (Note 11)	\$ 1,245,106	\$ 3,410,104
Investments (Note 3 and 9)	14,182,116	11,455,889
Accounts receivable	261,666	146,801
Contributions receivable	724,987	141,662
Unconditional promises to give, net (Note 4)	1,647,255	1,862,609
Deferred charges and prepaid expenses	46,093	45,148
Total current assets	<u>18,107,223</u>	<u>17,062,213</u>
Noncurrent assets:		
Cash and cash equivalents - endowments (Note 10)	1,881,498	1,091,167
Investments - endowments (Note 3, 7, 9, and 10)	95,605,658	83,227,587
Unconditional promises to give, net (Note 4)	6,418,230	4,021,660
Investments - other (Note 3 and 9)	219,228	189,519
Real estate, net (Note 5)	6,770,052	7,165,687
Other noncurrent assets	211,973	199,821
Total noncurrent assets	<u>111,106,639</u>	<u>95,895,441</u>
Total assets	<u>\$ 129,213,862</u>	<u>\$ 112,957,654</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 595,726	\$ 130,856
Amounts held in custody for others (Note 8)	405,265	366,293
Current portion of notes payable	-	215,100
Other current liabilities - due to University (Note 8)	706,295	617,966
Total current liabilities	<u>1,707,286</u>	<u>1,330,215</u>
Noncurrent liabilities:		
Amounts invested for others (Note 7 and 10)	27,132,215	24,485,157
Total noncurrent liabilities	<u>27,132,215</u>	<u>24,485,157</u>
Total liabilities	<u>28,839,501</u>	<u>25,815,372</u>
Net assets:		
Without donor restrictions	12,972,481	11,711,180
With donor restrictions (Note 6 and 10)	87,401,880	75,431,102
Total net assets	<u>100,374,361</u>	<u>87,142,282</u>
Total liabilities and net assets	<u>\$ 129,213,862</u>	<u>\$ 112,957,654</u>

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

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Statements of Activities and Changes in Net Assets

For the years ended ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	\$ 434,880	\$ 9,244,241	\$ 9,679,121	\$ 463,631	\$ 7,651,346	\$ 8,114,977
Investment income, net of investment fees of \$175,763 and \$138,740	1,440,600	8,442,511	9,883,111	907,203	5,300,918	6,208,121
Service fees, special events, and program revenue	1,337,276	706,141	2,043,417	1,041,909	294,073	1,335,982
Rental income	1,818,258	-	1,818,258	1,527,238	-	1,527,238
Gain on loan forgiveness	465,560	-	465,560	-	-	-
Other income	5,552	-	5,552	359,328	-	359,328
Total support and revenue before net assets released from restrictions	5,502,126	18,392,893	23,895,019	4,299,309	13,246,337	17,545,646
Net assets released from restrictions:						
Net assets released from restrictions	6,422,115	(6,422,115)	-	4,282,368	(4,282,368)	-
Total net assets released	6,422,115	(6,422,115)	-	4,282,368	(4,282,368)	-
Total revenue and support	11,924,241	11,970,778	23,895,019	8,581,677	8,963,969	17,545,646
Expenses:						
Program support	8,263,711	-	8,263,711	5,989,867	-	5,989,867
Management and general	843,670	-	843,670	864,721	-	864,721
Fundraising	1,555,559	-	1,555,559	1,553,001	-	1,553,001
Total expenses	10,662,940	-	10,662,940	8,407,589	-	8,407,589
Change in net assets	1,261,301	11,970,778	13,232,079	174,088	8,963,969	9,138,057
Net assets at beginning of year	11,711,180	75,431,102	87,142,282	11,537,092	66,467,133	78,004,225
Net assets at end of year	\$ 12,972,481	\$ 87,401,880	\$ 100,374,361	\$ 11,711,180	\$ 75,431,102	\$ 87,142,282

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

University of New Orleans Foundation

Consolidated Statements of Functional Expenses

For the years ended ended December 31, 2021 and 2020

	2021			
	Program Support	Management & General	Fundraising	Total
Donations to University/affiliates	\$ 4,268,613	\$ -	\$ -	\$ 4,268,613
Fees for services	2,104,572	806,786	1,147,828	4,059,186
Advertising and promotion	30,423	-	106,926	137,349
Office expenses	451,047	34,293	111,498	596,838
Information technology	19,156	1,115	137,202	157,473
Occupancy	217,219	-	-	217,219
Travel	70,717	181	2,572	73,470
Conferences, conventions, and meetings	291,875	1,295	40,710	333,880
Depreciation	395,635	-	-	395,635
Insurance	123,714	-	-	123,714
Cultivations/donations	3,044	-	8,823	11,867
Property operation/maintenance services	284,661	-	-	284,661
Property operation/maintenance supplies	3,035	-	-	3,035
	<u>\$ 8,263,711</u>	<u>\$ 843,670</u>	<u>\$ 1,555,559</u>	<u>\$ 10,662,940</u>

	2020			
	Program Support	Management & General	Fundraising	Total
Donations to University/affiliates	\$ 2,611,638	\$ -	\$ -	\$ 2,611,638
Fees for services	1,804,800	810,966	1,301,507	3,917,273
Advertising and promotion	23,432	-	19,419	42,851
Office expenses	427,347	35,626	100,730	563,703
Information technology	19,056	14,373	118,349	151,778
Occupancy	175,291	-	-	175,291
Travel	60,073	791	9,587	70,451
Conferences, conventions, and meetings	195,827	2,426	2,188	200,441
Depreciation	396,456	-	-	396,456
Insurance	6,992	-	-	6,992
Cultivations/donations	12,480	490	1,221	14,191
Property operation/maintenance services	255,900	49	-	255,949
Property operation/maintenance supplies	575	-	-	575
	<u>\$ 5,989,867</u>	<u>\$ 864,721</u>	<u>\$ 1,553,001</u>	<u>\$ 8,407,589</u>

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

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 13,232,079	\$ 9,138,057
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	395,635	396,456
Amortization of unconditional promises to give discount	697,534	1,875,904
Forgiveness of loan payable	(465,560)	-
Realized gain on investments	(6,155,000)	(1,488,017)
Unrealized gain on investments	(2,318,804)	(3,616,790)
Restricted long-term contributions pledged	(5,958,623)	(2,712,425)
Changes in unconditional promises to give allowance	(6,411)	(46,451)
Changes in assets and liabilities:		
Accounts and contributions receivable	(698,190)	(1,939,071)
Other assets	(13,097)	(2,720,712)
Accounts payable, accrued liabilities, and other liabilities	592,171	(106,021)
Net cash used in operating activities	<u>(698,266)</u>	<u>(1,219,070)</u>
	(698,266)	(1,219,070)
Cash flows from investing activities:		
Purchases of investments, net	(6,660,203)	(2,920,000)
Change in amounts invested for others - noncurrent, net	<u>2,647,058</u>	<u>1,691,496</u>
Net cash used in investing activities	<u>(4,013,145)</u>	<u>(1,228,504)</u>
Cash flows from financing activities:		
Collections of contributions restricted for long-term purposes	3,086,284	1,751,633
Receipts from notes payable	250,460	215,100
Net cash provided by financing activities	<u>3,336,744</u>	<u>1,966,733</u>
Change in cash and cash equivalents	(1,374,667)	(480,841)
Cash and cash equivalents at beginning of year	<u>4,501,271</u>	<u>4,982,112</u>
Cash and cash equivalents at end of year	<u><u>3,126,604</u></u>	<u><u>4,501,271</u></u>
Composition of cash and cash equivalents:		
Current cash and cash equivalents	1,245,106	3,410,104
Non-current cash and cash equivalents - endowments	<u>1,881,498</u>	<u>1,091,167</u>
	<u>\$ 3,126,604</u>	<u>\$ 4,501,271</u>
SUPPLEMENTAL NON-CASH FLOW DISCLOSURE:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>

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

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Summary of Significant Accounting Policies

(a) *History and Organization*

The University of New Orleans Foundation (the Foundation), a registered nonprofit corporation in Louisiana, was established in 1984 with a mission of serving the University of New Orleans (the University) by raising private sector funds for the advancement of the University. During the year ended December 31, 2013, the Foundation created three wholly owned subsidiaries, University of New Orleans Foundation Real Estate Company, L.L.C. (UNOFREC), University of New Orleans Foundation Working Interest, L.L.C. (UNOFWI), and University of New Orleans Foundation Royalty Company, L.L.C. (UNOFRC), (collectively, the Foundation), which are disregarded entities for income tax purposes. The purpose of the subsidiaries is to receive and hold funds and property for the advancement of the University.

(b) *Basis of Presentation*

The consolidated financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (US GAAP). The consolidated financial statements include the financial statements of the Foundation and its three wholly-owned controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The significant accounting policies followed in the preparation of the accompanying consolidated financial statements are described below.

The financial statements of the Foundation have been prepared in accordance with US GAAP, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors. The revenues received and expenses incurred in conducting the mission of the Foundation are included in this category.
- Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statements of Activities and Changes in Net Assets.

In determining the classification of certain assets as current or non-current, management has considered whether the ultimate use of the asset is related to current operations. Consequently, in accordance with US GAAP, a portion of cash and cash equivalents and unconditional promises to give which are intended for uses other than current operations have been presented as non-current assets, despite their expected collection within twelve months.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Summary of Significant Accounting Policies (continued)

(c) Cash and Cash Equivalents

For the purposes of the Consolidated Statements of Cash Flows, the Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

(d) Unconditional Promises to Give

Unconditional promises to give are recognized as revenue in the period received. Promises to give are recorded at their realizable value, using present value techniques if they are expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. An allowance for doubtful accounts has been established based on management's assessment of collectability.

(e) Investments

Investments are recorded at cost when purchased, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Consolidated Statements of Financial Position. Net investment income/(loss) is reported in the Consolidated Statements of Activities and Changes in Net Assets and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

In accordance with Accounting Standards Update (ASU) No. 2015-07, Fair Value Measurement (Topic 820), the Foundation does not categorize, within the fair value hierarchy, any investments for which fair value is measured using the net asset value per share practical expedient.

(f) Art Collections

In accordance with ASC 958-360-25-3, the Foundation has chosen to not capitalize collections and works of art. Due to the Foundation's policy on not capitalizing art collections, the Foundation has not recorded an amount for the art in the consolidated financial statements.

(g) Real Estate

Real estate is recorded at cost or fair market value on the date acquired. Depreciation of real estate (excluding land) is calculated on the straight-line basis ranging from 5 years to 20 years for improvements and equipment, and ranging from 20 years to 40 years for buildings.

(h) Property and Equipment

Assets acquired are stated at cost, net of accumulated depreciation. Assets donated are carried at fair market value on the date of donation, net of accumulated depreciation. Depreciation of property, furnishings, and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis ranging from 3 years to 7 years for vehicles and equipment. As of December 31, 2021 and 2020, property and equipment consisted of furniture and equipment that was fully depreciated and had a net value of \$0.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Summary of Significant Accounting Policies (continued)

(h) Property and Equipment (continued)

Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

(i) Impairment of Long-Lived Assets

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2021 or 2020.

(j) Amounts Invested for Others and Amounts Held for Others

Amounts invested for others are not owned by the Foundation (see Note 7). The Foundation considers unexpended income from these funds as amounts invested for others. In addition, the Foundation administers the financial assets and maintains the financial records of other entities affiliated with the University, which are amounts held for others and not owned by the Foundation (see Note 8).

(k) Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Service fee revenue primarily relates to fees earned by the Foundation for managing the endowments. Service fee revenue is calculated on a quarterly basis as a percentage of the endowment balances and recognized when earned. Special events and program revenue relates to activities, events, and programmatic offerings including seminars, lectures, career fairs, and events.

Rental income from operating leases is recognized over the terms of the related leases. Recoveries from tenants for operating expenses are recognized as revenues in the period the corresponding costs are incurred.

(l) Fundraising Expenses

All expenses associated with fundraising activities are expensed as incurred, including any expenses related to fundraising appeals in a subsequent year.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Summary of Significant Accounting Policies (continued)

(m) Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Expenses have been specifically identified with a program or supporting service and have been charged to their program. The Statements of Functional Expense present a reconciliation of expense by natural classification to expenses by function.

(n) Income Taxes

The Foundation is exempt from income tax under Internal Revenue Code Section 501(c)(3), though it is subject to tax on income unrelated to its purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

(o) Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets, the valuation of fixed assets, and investments.

(p) Payroll Protection Program Funding

The Foundation has elected to record the proceeds received under this program in accordance with FASB ASC 470 resulting in the proceeds being reported as a financial liability upon receipt based on the terms as set forth with the financial institution.

(q) Recent Accounting Pronouncements

In February 2016, FASB issued ASU No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. This ASU is effective for fiscal years beginning after December 15, 2021.

On September 17, 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures of Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Foundation's fiscal year ending December 31, 2022. The Foundation is currently assessing the impact of these pronouncements, but anticipates no significant changes in presentation or disclosures.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(2) Liquidity and Availability

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions. Such support is augmented by investment income without donor restrictions, appropriated earnings from gifts with donor restrictions, and management fees to support the annual program funding needs.

The Board of Directors authorized the establishment of designated funds for an investment portfolio with the objective to seek growth of income and capital appreciation consistent with long term objectives to support the programs of the Foundation. The purpose of the investments will be to provide scholarships to support the University and its students.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted contributions, and contributions without donor restrictions to be available to meet cash needs for general expenditures. The Foundation considers contributions with donor restrictions available for use in current programs which are ongoing, major, and central to its annual operations based on the donor's restrictions. General expenditures include programmatic expenses, administrative and general expenses, and fundraising expenses expected to be paid in the subsequent year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining adequate liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance that long term commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(2) Liquidity and Availability (continued)

The table below presents financial assets available for general expenditures within one year at December 31:

	2021	2020
Total assets	\$ 129,213,862	\$ 112,957,654
Less: non-current and non-financial assets		
Deferred charges and prepaid expenses	46,093	45,148
Noncurrent unconditional promises to give	6,418,230	4,021,660
Investments-other	219,228	189,519
Real estate	6,770,052	7,165,687
Other noncurrent assets	211,973	199,821
Total financial assets at year end	115,548,286	101,335,819
Less: financial asset designations and restrictions		
Amounts invested for others	27,132,215	24,485,157
Amount held in custody for others	405,265	366,293
Board designated endowments	373,498	338,082
Liquid assets with donor restrictions	80,771,677	71,209,621
Financial assets available for general expenditures over the next 12 months	<u>\$ 6,865,631</u>	<u>\$ 4,936,666</u>
Financial assets available for general expenditures over the next 12 months	\$ 6,865,631	\$ 4,936,666
Less: current liabilities at year end	1,302,021	963,922
Net financial assets available for general expenditures over the next 12 months	<u>\$ 5,563,610</u>	<u>\$ 3,972,744</u>

(3) Investments

The composition of investments at December 31, was as follows:

	2021	2020
Domestic equity securities	\$ 16,540,768	\$ 8,451,032
International equity securities	187,068	-
Mutual funds	83,833,773	79,637,629
Private equity	3,923,143	1,501,508
Hedge fund of funds	5,303,022	5,093,307
	<u>109,787,774</u>	<u>94,683,476</u>
Investments - other	219,228	189,519
Total investments	<u>\$ 110,007,002</u>	<u>\$ 94,872,995</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(4) Unconditional Promises to Give

As of December 31, unconditional promises to give were expected to be realized in the following periods:

	2021	2020
In one year or less- current	\$ 1,989,492	\$ 2,260,641
Between one year and five years	3,643,654	1,490,776
In five years or more	5,285,041	4,020,081
Less: Present value discount (5%)	(2,413,101)	(1,420,216)
Less: Allowances for uncollectible pledges (2.5%)	(439,601)	(467,013)
Unconditional promises to give, net	<u>\$ 8,065,485</u>	<u>\$ 5,884,269</u>

Unconditional promises to give have the following restrictions:

	2021	2020
Without donor restriction	\$ 42,740	\$ 56,328
With donor restriction – purpose	8,022,745	5,827,941
	<u>\$ 8,065,485</u>	<u>\$ 5,884,269</u>

(5) Real Estate

In July 2001, the Foundation purchased from a private company a 108,000 square foot building in support of the University of New Orleans film program and designated the building as the Robert & Jeri Nims Center for Entertainment Arts and Multi-Media Technology (the “Nims Center”) in honor of its primary benefactor.

During fiscal year 2016, the Foundation purchased a property for the UNO President’s official residence for \$692,597. The residence is being leased to the University for \$1 per year for 30 years. The building and improvements are being depreciated over 40 years. The purchase of the property was internally financed through a Board approved loan from the Foundation’s general endowment funds to the unrestricted fund, which bears interest at a fixed rate of 4% and is being paid in monthly installments of principal and interest totaling \$2,960 over a thirty year period. Fifty percent of the annual cost of the principal and interest of approximately \$35,000 is received from University of New Orleans Research and Technology Foundation, Inc. (R&T), an affiliated entity.

Real estate consisted of the following at December 31:

	2021	2020
Official Residence:		
Land	\$ 217,194	\$ 217,194
Building and improvements	475,403	475,403
Nims Center Complex:		
Land	721,500	721,500
Building and improvements	9,722,786	9,722,786
Lee Circle Properties:		
Taylor Library land	100,000	100,000
	<u>11,236,883</u>	<u>11,236,883</u>
Less: accumulated depreciation	(4,466,831)	(4,071,196)
Total	<u>\$ 6,770,052</u>	<u>\$ 7,165,687</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(6) Net Assets

Net assets with donor restrictions - purpose are restricted to the following at December 31:

	2021	2020
Building fund	\$ 1,036,031	\$ 1,820,788
Scholarships and awards	15,400,182	12,020,841
Chairs and professorships	38,855,585	35,323,836
Faculty support	1,755,169	1,662,284
Research	2,809,154	2,634,035
Educational studies program	5,369,213	5,041,556
Departmental development	22,176,546	16,927,762
Total net assets with donor restrictions	<u>\$ 87,401,880</u>	<u>\$ 75,431,102</u>

(7) The Louisiana Endowment Trust Fund for Endowed Chairs and Professorships

One of the Foundation's primary objectives is to raise and manage funds to provide endowed professorships and chairs to the University. The Louisiana Endowment Trust Fund for Endowed Chairs and Professorships was created by the Louisiana legislature in 1983 to provide state funds to eligible public and private institutions which would be responsible for providing matching funds obtained from gifts.

Endowed professorships are established at \$100,000 and endowed chairs at \$1,000,000. For endowments submitted for matching prior to July 1, 2017, the Board of Regents will provide 40% of the funding once the Foundation has acquired 60% of the principal through private gifts. Endowed professorships submitted for matching after July 1, 2017, will be matched at \$20,000 for every \$80,000 of private funding acquired while endowed chairs remain unchanged.

The University is allowed to apply for the match while maintaining the private gift in the Foundation. Funds are pooled for investment purposes in the Foundation, but the Board of Regents' match is recognized as a liability to the University under the caption "Amounts invested for others." The amount invested for others in noncurrent liabilities at December 31, 2021 and 2020, that was attributable to the Endowed Chairs and Professorships, was \$27,132,215 and \$24,485,157, respectively.

(8) Related Party/Affiliate Transactions

The Foundation administers the financial assets and maintains the financial records of the UNO International Alumni Association. Amounts held in custody for others included in current liabilities amounted to \$405,265 and \$366,293 at December 31, 2021 and 2020, respectively. These amounts represent funds collected by the Foundation on behalf of these affiliates in excess of expenditures made on behalf of these affiliates.

University of New Orleans

In the normal course of business, the Foundation reimburses the University for certain expenses as well as provides certain services and support to the University. Support paid to the University included in expenses in 2021 and 2020 were \$4,268,613 and \$2,611,638, respectively. Additionally, the Foundation reimbursed the University for salaries of employees shared with the Foundation in 2021 and 2020 of \$1,413,782 and \$1,301,055, respectively. At December 31, 2021 and 2020, funds due to the University totaled \$706,295 and \$617,966, respectively.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(8) Related Party/Affiliate Transactions (continued)

R&T Foundation

The R&T Foundation provides administrative support to the Foundation for an annual contracted amount of \$455,000 for each of the years ended December 31, 2021 and 2020, respectively. The Foundation also recorded a subsidy for expenses from R&T Foundation of \$21,928 and \$21,929 which were passed through to the University in 2021 and 2020, respectively. At December 31, 2021 and 2020, funds due from R&T totaled \$4,176 and \$40, respectively.

(9) Fair Value Measurements

The Financial Accounting Standard Board ("FASB") authoritative guidance for fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under the guidance are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Domestic and international equity securities and fixed income bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Hedge funds: Valued at the net asset value ("NAV") of shares held at year end.

Private equity funds: Valued at the net asset value ("NAV") of shares held at year end.

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

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(9) Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value as of December 31, 2021. There have been no changes in the methodologies used at December 31, 2021.

	Level 1	Level 2	Level 3	Total
Domestic equity securities	\$ 16,540,768	-	-	\$ 16,540,768
International equity securities	187,068	-	-	187,068
Mutual funds	83,833,773	-	-	83,833,773
Other investments	-	-	219,228	219,228
Subtotal	100,561,609	-	219,228	100,780,837
Hedge fund of funds at NAV	-	-	-	5,303,022
Private equity funds at NAV	-	-	-	3,923,143
Total investments at fair value	\$100,561,609	\$ -	\$ 219,228	\$110,007,002

As of December 31, 2021, there were no assets measured at fair value on a nonrecurring basis.

The Foundation's investment in the hedge fund of funds at December 31, 2021, represents 0.76% ownership of all ownership interests in the fund. The hedge fund invests in directional, relative value, and event-driven hedge fund managed accounts. The fair value of the investments in this class has been estimated using the net asset value per share of the investments.

The Foundation's investment in private equity funds at December 31, 2021, represents a weighted average of 1.05% of all ownership interests in the fund. The private equity funds invest in venture capital, buyout, and other private equity oriented portfolio funds. Private equity investments are generally in funds with no specific redemption period. Investment proceeds, if any, from private equity investments are distributed to investors throughout the life of the private equity investment fund, as stipulated in the funds' offering documents. The fair value of the investments in this class has been estimated using the net asset value of the investments.

The following table summarizes investments measured at fair value based on net asset value (NAV) per share as of December 31, 2021.

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund of funds	\$ 5,303,022	Not applicable	Quarterly	60 days
Private equity	\$ 3,923,143	\$ 4,938,938	None	Not applicable

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(9) Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value as of December 31, 2020. There have been no changes in the methodologies used at December 31, 2020.

	Level 1	Level 2	Level 3	Total
Domestic equity securities	\$ 8,451,032	\$ -	\$ -	\$ 8,451,032
International equity securities	-	-	-	-
Mutual funds	79,637,629	-	-	79,637,629
Other investments	-	-	189,519	189,519
Subtotal	88,088,661	-	189,519	88,278,180
Hedge fund of funds at NAV	-	-	-	5,093,307
Private equity funds at NAV	-	-	-	1,501,508
Total investments at fair value	\$ 88,088,661	\$ -	\$ 189,519	\$ 94,872,995

As of December 31, 2020, there were no assets measured at fair value on a nonrecurring basis.

The Foundation's investment in the hedge fund of funds at December 31, 2020, represents .74% ownership of all ownership interests in the fund. The hedge fund invests in directional, relative value, and event-driven hedge fund managed accounts. The fair value of the investments in this class has been estimated using the net asset value per share of the investments.

The Foundation's investment in private equity funds at December 31, 2020, represents a weighted average of 1.05% ownership of all ownership interests in the fund. The private equity funds invest in venture capital, buyout, and other private equity oriented portfolio funds. Private equity investments are generally in funds with no specific redemption period. Investment proceeds, if any, from private equity investments are distributed to investors throughout the life of the private equity investment fund, as stipulated in the funds' offering documents. The fair value of the investments in this class has been estimated using the net asset value of the investments.

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2020.

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund of funds	\$ 5,093,307	Not applicable	Quarterly	60 days
Private equity	\$ 1,501,508	\$ 4,266,625	None	Not applicable

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(10) Endowment Net Assets

The Foundation's Board of Directors (the Board) is of the belief that they have a strong fiduciary duty to manage the assets of the Foundation's endowments in the most prudent manner possible. The Board recognizes its responsibility to fulfill the donor's intent with respect to expenditures from endowments. If this intent is clearly expressed by the donor whether the intent is in a written gift instrument or not, the intent of the donor is followed. If the intent is not expressed, the Board ensures the assets of the endowment are spent in a prudent manner which considers the purpose of the fund, current economic conditions and preservation of the fund.

In accordance with the Foundation's policy, the Foundation generally allocates annually 4% of the latest 12 quarter fair market value average for all endowments as of December 31 of each calendar year, subject to certain limitations. The Board of Regents matched endowments do not receive spending allocations until the Board of Regents matches the private donation. The Foundation generally does not allocate funds from underwater endowments.

The goals and objectives of the Foundation's investment policy are to 1) provide investment earnings adequate to fulfill the desires of donors as stated in the gift instruments, 2) achieve a total return adequate to fund the spending rate plus corpus growth to ensure future benefits to later generations, and 3) invest in a variety of diversified categories so that the diversity of the performance characteristics will reduce the volatility of returns from year to year.

The strategies employed to achieve these objectives for the Board of Regents matching endowment is to follow the Board of Regents guidelines on investing the funds. The general endowments follow a strategy of guidelines of asset benchmarks and setting investment guidelines for allowed and prohibited investments and transactions.

The amount invested for others in noncurrent liabilities at December 31, 2021 of \$27,132,215 is not included in the table below. The composition of the Foundation's endowments by net asset class at December 31, 2021 is:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 338,082	\$ 63,891,810	\$ 64,229,892
Investment income	49,939	8,602,390	8,652,329
Contributions	-	5,126,810	5,126,810
Appropriated for expenditure:			
Program expenses	(9,159)	(1,063,991)	(1,073,150)
Management expenses	(5,364)	(953,913)	(959,277)
Other Changes	-	(95)	(95)
Endowment net assets, end of year	<u>\$ 373,498</u>	<u>\$ 75,603,011</u>	<u>\$ 75,976,509</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(10) Endowment Net Assets (continued)

The amount invested for others in noncurrent liabilities at December 31, 2020 of \$24,485,157 is not included in the table below. The composition of the Foundation's endowments by net asset class as of December 31, 2020 is:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 327,645	\$ 56,844,290	\$ 57,171,935
Investment income	27,115	5,427,114	5,454,229
Contributions	-	4,111,300	4,111,300
Appropriated for expenditure:			
Program expenses	(12,305)	(1,722,494)	(1,734,799)
Management expenses	(4,373)	(768,400)	(772,773)
Endowment net assets, end of year	\$ 338,082	\$ 63,891,810	\$ 64,229,892

(11) Concentrations of Risk and Contingencies

The Foundation has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Investments are made by diversified investment managers whose performance is monitored by management and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation. The Foundation believes concentration risk in the portfolio as it relates to credit, geography, and industry is mitigated by the investment policies of the Foundation and the diversified approach taken by the investment managers.

The Foundation is involved in certain claims and legal actions arising in the normal course of activities. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position.

(12) Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 22, 2022, and determined the following subsequent event requires disclosure. In March 2022 a tract of land adjacent to the Nims Center Complex was purchased for \$925,000. No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statements

December 31, 2021

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Financial Position

As of December 31, 2021

	UNOF	UNOFREC	UNOFWI	UNOFRC	Eliminating Entries	Consolidated Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,245,106	\$ 22,375	\$ 44,112	\$ 56,799	\$ (123,286)	\$ 1,245,106
Investments	14,182,116	-	-	-	-	14,182,116
Accounts receivable	261,666	-	381	-	(381)	261,666
Contributions receivable	724,987	-	-	-	-	724,987
Unconditional promises to give, net	1,647,255	-	-	-	-	1,647,255
Deferred charges and prepaid expenses	46,093	-	-	-	-	46,093
Total current assets	18,107,223	22,375	44,493	56,799	(123,667)	18,107,223
Noncurrent assets:						
Cash and cash equivalents - endowments	1,881,498	-	-	-	-	1,881,498
Investments - endowments	95,605,658	-	-	-	-	95,605,658
Unconditional promises to give, net	6,418,230	-	-	-	-	6,418,230
Investments - other	-	-	-	-	219,228	219,228
Real estate, net	6,770,052	-	-	-	-	6,770,052
Property and equipment, net	-	-	61,058	-	(61,058)	-
Other noncurrent assets	211,973	-	-	35,107	(35,107)	211,973
Total noncurrent assets	110,887,411	-	61,058	35,107	123,063	111,106,639
Total assets	\$ 128,994,634	\$ 22,375	\$ 105,551	\$ 91,906	\$ (604)	\$ 129,213,862
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 595,726	\$ -	\$ 223	\$ 381	\$ (604)	\$ 595,726
Amounts held in custody for others	405,265	-	-	-	-	405,265
Other current liabilities - due to University	706,295	-	-	-	-	706,295
Total current liabilities	1,707,286	-	223	381	(604)	1,707,286
Noncurrent liabilities:						
Amounts invested for others	27,132,215	-	-	-	-	27,132,215
Total noncurrent liabilities	27,132,215	-	-	-	-	27,132,215
Total liabilities	28,839,501	-	223	381	(604)	28,839,501
Net assets:						
Without donor restrictions	12,753,253	22,375	105,328	91,525	-	12,972,481
With donor restrictions	87,401,880	-	-	-	-	87,401,880
Total net assets	100,155,133	22,375	105,328	91,525	-	100,374,361
Total liabilities and net assets	\$ 128,994,634	\$ 22,375	\$ 105,551	\$ 91,906	\$ (604)	\$ 129,213,862

See accompanying independent auditors' report.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Financial Position

As of December 31, 2020

	UNOF	UNOFREC	UNOFWI	UNOFRC	Eliminating Entries	Consolidated Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 3,410,104	\$ 22,375	\$ 30,690	\$ 40,413	\$ (93,478)	\$ 3,410,104
Investments	11,455,889	-	-	-	-	11,455,889
Accounts receivable	146,801	-	381	(381)	-	146,801
Contributions receivable	141,662	-	-	-	-	141,662
Unconditional promises to give, net	1,862,609	-	-	-	-	1,862,609
Deferred charges and prepaid expenses	45,148	-	-	-	-	45,148
Total current assets	17,062,213	22,375	31,071	40,032	(93,478)	17,062,213
Noncurrent assets:						
Cash and cash equivalents - endowments	1,091,167	-	-	-	-	1,091,167
Investments - endowments	83,227,587	-	-	-	-	83,227,587
Unconditional promises to give, net	4,021,660	-	-	-	-	4,021,660
Investments - other	-	-	-	-	189,519	189,519
Real estate, net	7,165,687	-	-	-	-	7,165,687
Property and equipment, net	-	-	61,058	-	(61,058)	-
Other noncurrent assets	199,821	-	-	35,107	(35,107)	199,821
Total noncurrent assets	95,705,922	-	61,058	35,107	93,354	95,895,441
Total assets	\$ 112,768,135	\$ 22,375	\$ 92,129	\$ 75,139	\$ (124)	\$ 112,957,654
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 130,856	\$ -	\$ 124	\$ -	\$ (124)	\$ 130,856
Amounts held in custody for others	366,293	-	-	-	-	366,293
Current Portion of Notes Payable	215,100	-	-	-	-	215,100
Other current liabilities - due to University	617,966	-	-	-	-	617,966
Total current liabilities	1,330,215	-	124	-	(124)	1,330,215
Noncurrent liabilities:						
Amounts invested for others	24,485,157	-	-	-	-	24,485,157
Total noncurrent liabilities	24,485,157	-	-	-	-	24,485,157
Total liabilities	25,815,372	-	124	-	(124)	25,815,372
Net assets:						
Without donor restrictions	11,521,661	22,375	92,005	75,139	-	11,711,180
With donor restrictions	75,431,102	-	-	-	-	75,431,102
Total net assets	86,952,763	22,375	92,005	75,139	-	87,142,282
Total liabilities and net assets	\$ 112,768,135	\$ 22,375	\$ 92,129	\$ 75,139	\$ (124)	\$ 112,957,654

See accompanying independent auditors' report.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Activities and Changes in Net Assets

For the year ended December 31, 2021

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
Changes in net assets without donor restrictions:						
Support and revenue without donor restrictions						
Contributions	\$ 434,880	\$ -	\$ -	\$ -	\$ -	\$ 434,880
Investment income (loss), net	1,410,891	-	-	-	29,709	1,440,600
Service fees, special events, and program revenue	1,337,276	-	-	-	-	1,337,276
Rental income	1,818,258	-	-	-	-	1,818,258
Gain on loan forgiveness	465,560	-	-	-	-	465,560
Other income	5,552	-	18,539	24,034	(42,573)	5,552
Total support and revenue without donor restrictions before net assets released from restrictions	5,472,417	-	18,539	24,034	(12,864)	5,502,126
Net assets released from restrictions	6,422,115	-	-	-	-	6,422,115
Net assets released from restrictions	6,422,115	-	-	-	-	6,422,115
Total support and revenue without donor restrictions	11,894,532	-	18,539	24,034	(12,864)	11,924,241
Expenses						
Program support	8,263,711	-	5,216	7,648	(12,864)	8,263,711
Management and general	843,670	-	-	-	-	843,670
Fundraising	1,555,559	-	-	-	-	1,555,559
Total expenses	10,662,940	-	5,216	7,648	(12,864)	10,662,940
Change in net assets without donor restrictions	1,231,592	-	13,323	16,386	-	1,261,301
Changes in net assets with donor restrictions:						
Support and revenue with donor restrictions						
Contributions	9,244,241	-	-	-	-	9,244,241
Investment income (loss), net	8,442,511	-	-	-	-	8,442,511
Service fees, special events, and program revenue	706,141	-	-	-	-	706,141
Total support and revenue with donor restrictions before net assets released from restrictions	18,392,893	-	-	-	-	18,392,893
Net assets released from restrictions	(6,422,115)	-	-	-	-	(6,422,115)
Net assets released from restrictions	(6,422,115)	-	-	-	-	(6,422,115)
Change in net assets with donor restrictions	11,970,778	-	-	-	-	11,970,778
Change in net assets	13,202,370	-	13,323	16,386	-	13,232,079
Net assets, at beginning of year	86,952,763	22,375	92,005	75,139	-	87,142,282
Net assets, at end of year	\$ 100,155,133	\$ 22,375	\$ 105,328	\$ 91,525	\$ -	\$ 100,374,361

See accompanying independent auditors' report.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Activities and Changes in Net Assets

For the year ended December 31, 2020

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
Changes in net assets without donor restrictions:						
Support and revenue without donor restrictions						
Contributions	\$ 463,631	\$ -	\$ -	\$ -	\$ -	\$ 463,631
Investment income (loss), net	801,185	-	-	-	106,018	907,203
Service fees, special events, and program revenue	1,041,909	-	-	-	-	1,041,909
Rental income	1,527,238	-	-	87,495	(87,495)	1,527,238
Other income	359,328	-	15,326	10,783	(26,109)	359,328
Total support and revenue without donor restrictions before net assets released from restrictions	<u>4,193,291</u>	<u>-</u>	<u>15,326</u>	<u>98,278</u>	<u>(7,586)</u>	<u>4,299,309</u>
Net assets released from restrictions						
Net assets released from restrictions	<u>4,282,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,282,368</u>
Total support and revenue without donor restrictions	<u>8,475,659</u>	<u>-</u>	<u>15,326</u>	<u>98,278</u>	<u>(7,586)</u>	<u>8,581,677</u>
Expenses						
Program support	5,643,281	-	6,395	1,191	(7,586)	5,643,281
Management and general	1,211,307	-	-	-	-	1,211,307
Fundraising	1,553,001	-	-	-	-	1,553,001
Total expenses	<u>8,407,589</u>	<u>-</u>	<u>6,395</u>	<u>1,191</u>	<u>(7,586)</u>	<u>8,407,589</u>
Change in net assets without donor restrictions	<u>68,070</u>	<u>-</u>	<u>8,931</u>	<u>97,087</u>	<u>-</u>	<u>174,088</u>
Changes in net assets with donor restrictions:						
Support and revenue with donor restrictions						
Contributions	7,651,346	-	-	-	-	7,651,346
Investment income, net	5,300,918	-	-	-	-	5,300,918
Service fees, special events, and program revenue	294,073	-	-	-	-	294,073
Total support and revenue with donor restrictions before net assets released from restrictions	<u>13,246,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,246,337</u>
Net assets released from restrictions						
Net assets released from restrictions	<u>(4,282,368)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,282,368)</u>
Change in net assets with donor restrictions	<u>8,963,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,963,969</u>
Change in net assets	9,032,039	-	8,931	97,087	-	9,138,057
Net assets, at beginning of year	<u>77,920,724</u>	<u>22,375</u>	<u>83,074</u>	<u>(21,948)</u>	<u>-</u>	<u>78,004,225</u>
Net assets, at end of year	<u>\$ 86,952,763</u>	<u>\$ 22,375</u>	<u>\$ 92,005</u>	<u>\$ 75,139</u>	<u>\$ -</u>	<u>\$ 87,142,282</u>

See accompanying independent auditors' report.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Supplemental Schedules 1 and 2

December 31, 2021

UNIVERSITY OF NEW ORLEANS FOUNDATION

Supplemental Schedule 1 - International Alumni Association

Schedule of Revenue, Support, and Expenses

For the years ended December 31, 2021 and 2020

	2021	2020
Revenue and support		
Contributions and bequests	\$ 123,857	\$ 28,708
Program revenues	103,463	37,709
Investment income	1,115	2,842
Total revenue and support	<u>228,435</u>	<u>69,259</u>
Expenses		
Program support	156,474	48,480
General and administrative	13,769	17,215
Total expenses	<u>170,243</u>	<u>65,695</u>
Excess of revenues over expenses	\$ <u>58,192</u>	\$ <u>3,564</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Supplemental Schedule 2 - National Collegiate Athletic Association

Schedule of Revenue, Support, Expenses, and Capitalized Expenditures
Made to or on Behalf of the University's Intercollegiate Athletics Program

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue and support		
Contributions	\$ 324,699	\$ 173,114
Endowment spending allocation	(3,516)	3,747
Program revenue	<u>494,051</u>	<u>68,424</u>
Total revenue and support	<u>815,234</u>	<u>245,285</u>
Expenses		
Program support	<u>655,103</u>	<u>326,781</u>
Total expenses	<u>655,103</u>	<u>326,781</u>
Excess of revenues over expenses/(expenses over revenues)	\$ <u>160,131</u>	\$ <u>(81,496)</u>

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

To the Board of Directors
University of New Orleans Foundation
New Orleans, Louisiana

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 consolidated financial statements of the University of New Orleans Foundation (a nonprofit organization) (the Foundation) and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Foundation's consolidated 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 have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

June 22, 2022
Metairie, Louisiana