
UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Financial Statements and Schedules

December 31, 2020

With Independent Auditors' Report Thereon

UNIVERSITY OF NEW ORLEANS FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
University of New Orleans Foundation

Report on the Consolidated Financial Statements

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, 2020 and 2019, 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.

Management's Responsibility 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.

Auditors' Responsibility

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

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

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

Opinion

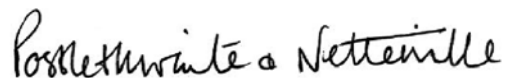
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the University of New Orleans Foundation as of December 31, 2020 and 2019, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 22 through 25 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations. The supplementary information included in Schedules 1 and 2 on pages 27 and 28 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 28, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.



Metairie, Louisiana
June 28, 2021

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Statements of Financial Position

As of December 31, 2020 and 2019

Assets

	2020	2019
Current assets:		
Cash and cash equivalents (Note 11)	\$ 3,410,104	\$ 1,821,601
Investments (Note 3 and 9)	11,455,889	11,120,972
Accounts receivable	146,801	45,330
Contributions receivable	141,662	133,515
Unconditional promises to give, net (Note 4)	1,862,609	1,342,381
Deferred charges and prepaid expenses	45,148	43,490
Total current assets	17,062,213	14,507,289
Noncurrent assets:		
Cash and cash equivalents - endowments (Note 10)	1,091,167	3,160,511
Investments - endowments (Note 3, 7, 9, and 10)	83,227,587	75,643,715
Unconditional promises to give, net (Note 4)	4,021,660	870,083
Investments - other (Note 3 and 9)	189,519	83,501
Real estate, net (Note 5)	7,165,687	7,562,143
Other noncurrent assets	199,821	191,780
Total noncurrent assets	95,895,441	87,511,733
Total assets	\$ 112,957,654	\$ 102,019,022

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 130,856	\$ 224,418
Amounts held in custody for others (Note 8)	366,293	372,480
Current portion of notes payable (Note 12)	215,100	-
Other current liabilities - due to University (Note 8)	617,966	624,238
Total current liabilities	1,330,215	1,221,136
Noncurrent liabilities:		
Amounts invested for others (Note 7 and 10)	24,485,157	22,793,661
Total noncurrent liabilities	24,485,157	22,793,661
Total liabilities	25,815,372	24,014,797
Net assets:		
Without donor restrictions	11,711,180	11,537,092
With donor restrictions (Note 6 and 10)	75,431,102	66,467,133
Total net assets	87,142,282	78,004,225
Total liabilities and net assets	\$ 112,957,654	\$ 102,019,022

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

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Statements of Activities and Changes in Net Assets

For the years ended ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	\$ 463,631	\$ 7,651,346	\$ 8,114,977	\$ 427,532	\$ 7,193,767	\$ 7,621,299
Investment income (loss), net	907,203	5,300,918	6,208,121	1,754,158	8,629,768	10,383,926
Service fees, special events, and program revenue	1,041,909	294,073	1,335,982	1,178,328	341,966	1,520,294
Rental income	1,527,238	-	1,527,238	1,621,459	-	1,621,459
Other income	359,328	-	359,328	4,148	-	4,148
Total support and revenue before net assets released from restrictions	4,299,309	13,246,337	17,545,646	4,985,625	16,165,501	21,151,126
Net assets released from restrictions:						
Net assets released from restrictions	4,282,368	(4,282,368)	-	6,603,682	(6,603,682)	-
Total net assets released	4,282,368	(4,282,368)	-	6,603,682	(6,603,682)	-
Total revenue and support	8,581,677	8,963,969	17,545,646	11,589,307	9,561,819	21,151,126
Expenses:						
Program support	5,989,867	-	5,989,867	8,357,817	-	8,357,817
Management and general	864,721	-	864,721	829,500	-	829,500
Fundraising	1,553,001	-	1,553,001	1,482,179	-	1,482,179
Total expenses	8,407,589	-	8,407,589	10,669,496	-	10,669,496
Change in net assets	174,088	8,963,969	9,138,057	919,811	9,561,819	10,481,630
Net assets at beginning of year	11,537,092	66,467,133	78,004,225	10,617,281	56,905,314	67,522,595
Net assets at end of year	\$ 11,711,180	\$ 75,431,102	\$ 87,142,282	\$ 11,537,092	\$ 66,467,133	\$ 78,004,225

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

University of New Orleans Foundation

Consolidated Statements of Functional Expenses

For the years ended ended December 31, 2020 and 2019

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>

2019

	Program Support	Management & General	Fundraising	Total
Donations to University/affiliates	\$ 4,302,131	\$ -	\$ -	\$ 4,302,131
Fees for services	1,925,882	798,007	1,233,203	3,957,092
Advertising and promotion	24,214	-	75	24,289
Office expenses	502,900	24,397	99,441	626,738
Information technology	18,484	5,255	68,470	92,209
Occupancy	215,476	-	-	215,476
Travel	314,810	587	31,733	347,130
Conferences, conventions, and meetings	366,906	1,165	39,969	408,040
Depreciation	397,498	-	-	397,498
Insurance	5,566	-	-	5,566
Cultivations/donations	47,369	89	9,288	56,746
Property operation/maintenance services	225,122	-	-	225,122
Property operation/maintenance supplies	11,459	-	-	11,459
	<u>\$ 8,357,817</u>	<u>\$ 829,500</u>	<u>\$ 1,482,179</u>	<u>\$ 10,669,496</u>

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

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 9,138,057	\$ 10,481,630
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	396,456	397,498
Realized gain on investments, net	(1,488,017)	(1,051,134)
Unrealized (gain) on investments, net	(3,616,790)	(7,922,181)
Restricted long-term contributions pledged	(2,712,425)	(4,197,669)
Changes in receivables allowance and discount	1,829,453	222,274
Changes in assets and liabilities:		
Accounts and contributions receivable	(1,939,071)	(156,007)
Other assets	(2,720,712)	(13,803)
Accounts payable, accrued liabilities, and other liabilities	<u>(106,021)</u>	<u>27,570</u>
Net cash used in operating activities	<u>(1,219,070)</u>	<u>(2,211,822)</u>
Cash flows from investing activities:		
Purchases of investments, net	(2,920,000)	(3,473,229)
Change in amounts invested for others - noncurrent, net	<u>1,691,496</u>	<u>2,851,059</u>
Net cash used in investing activities	<u>(1,228,504)</u>	<u>(622,170)</u>
Cash flows from financing activities:		
Collections of contributions restricted for long-term purposes	1,751,633	3,219,705
Receipts from notes payable	<u>215,100</u>	<u>-</u>
Net cash provided by financing activities	<u>1,966,733</u>	<u>3,219,705</u>
Change in cash and cash equivalents	(480,841)	385,713
Cash and cash equivalents at beginning of year	<u>4,982,112</u>	<u>4,596,399</u>
Cash and cash equivalents at end of year	\$ <u><u>4,501,271</u></u>	\$ <u><u>4,982,112</u></u>
Composition of cash and cash equivalents:		
Current cash and cash equivalents	\$ 3,410,104	\$ 1,821,601
Non-current cash and cash equivalents - endowments	<u>1,091,167</u>	<u>3,160,511</u>
	\$ <u><u>4,501,271</u></u>	\$ <u><u>4,982,112</u></u>
SUPPLEMENTAL NON-CASH FLOW DISCLOSURE:		
Cash paid during the year for interest	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

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

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(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, 2020 and 2019

(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, 2020 and 2019, 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, 2020 and 2019

(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, 2020 or 2019.

(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.

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, 2020 and 2019

(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. The majority of expenses have been specifically identified with a program or supporting service. Certain costs have been allocated among the programs and supporting services benefitted using appropriate methodologies such as time and effort or square footage. 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) *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, 2021. 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, 2020 and 2019

(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 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.

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

	2020	2019
Total assets	\$ 112,957,654	\$ 102,019,022
Less: non-current and non-financial assets		
Deferred charges and prepaid expenses	45,148	43,490
Noncurrent unconditional promises to give	4,021,660	870,083
Investments-other	189,519	83,501
Real estate	7,165,687	7,562,143
Other noncurrent assets	199,821	191,780
Total financial assets at year end	101,335,819	93,268,025
Less: financial asset designations and restrictions		
Amounts invested for others	24,485,157	22,793,661
Amount held in custody for others	366,293	372,480
Board designated endowments	338,082	327,645
Liquid assets with donor restrictions	71,209,621	65,405,270
Financial assets available for general expenditures over the next 12 months	\$ 4,936,666	\$ 4,368,969
Financial assets available for general expenditures over the next 12 months	\$ 4,936,666	\$ 4,368,969
Less: current liabilities at year end	963,922	848,656
Net financial assets available for general expenditures over the next 12 months	\$ 3,972,744	\$ 3,520,313

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(3) Investments

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

	2020	2019
Fixed income bonds	\$ -	\$ 10
Domestic equity securities	8,451,032	5,654,215
International equity securities	-	124,499
Mutual funds	79,637,629	75,438,728
Private equity	1,501,508	1,092,237
Hedge fund of funds	5,093,307	4,454,998
	94,683,476	86,764,687
Investments - other	189,519	83,501
Total investments	\$ 94,872,995	\$ 86,848,188

(4) Unconditional Promises to Give

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

	2020	2019
In one year or less- current	\$ 2,260,641	\$ 1,702,801
Between one year and five years	1,490,776	1,116,877
In five years or more	4,020,081	45,000
Less: Present value discount (5%)	(1,420,216)	(138,250)
Less: Allowances for uncollectible pledges	(467,013)	(513,964)
Unconditional promises to give, net	\$ 5,884,269	\$ 2,212,464

Unconditional promises to give have the following restrictions:

	2020	2019
Without donor restriction	\$ 56,328	\$ 1,706
With donor restriction	5,827,941	2,210,758
	\$ 5,884,269	\$ 2,212,464

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(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:

	2020	2019
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
	11,236,883	11,236,883
Less: accumulated depreciation	(4,071,196)	(3,674,740)
Total	\$ 7,165,687	\$ 7,562,143

(6) Net Assets

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

	2020	2019
Building fund	\$ 1,820,788	\$ 1,130,610
Scholarships and awards	12,020,841	10,833,194
Chairs and professorships	35,323,836	32,602,961
Faculty support	1,662,284	1,883,689
Research	2,634,035	2,581,297
Educational studies program	5,041,556	4,461,245
Departmental development	16,927,762	12,974,137
Total net assets with donor restrictions	\$ 75,431,102	\$ 66,467,133

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(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, 2020 and 2019, that was attributable to the Endowed Chairs and Professorships, was \$24,485,157 and \$22,793,661, respectively.

(8) **Related Party/Affiliate Transactions**

The Foundation administers the financial assets and maintains the financial records of the UNO International Alumni Association, and one other entity affiliated with the University. Amounts held in custody for others included in current liabilities amounted to \$366,293 and \$372,480 at December 31, 2020 and 2019, 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 2020 and 2019 were \$2,611,638 and \$4,302,131, respectively. Additionally, the Foundation reimbursed the University for salaries of employees shared with the Foundation in 2020 and 2019 of \$1,301,055 and \$1,129,006, respectively. At December 31, 2020 and 2019, funds due to the University totaled \$617,966 and \$624,238, respectively.

R&T Foundation

The R&T Foundation provides administrative support to the Foundation for an annual contracted amount of \$455,000 and \$478,333 for each of the years ended December 31, 2020 and 2019, respectively. The Foundation also recorded a subsidy for expenses from R&T Foundation of \$21,929 and \$31,136 which were passed through to the University in 2020 and 2019, respectively. At December 31, 2020 and 2019, funds due from R&T totaled \$40 and \$162, respectively.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(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, 2020 and 2019

(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
Fixed income bonds	\$ -	\$ -	\$ -	\$ -
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	<u>88,088,661</u>	<u>-</u>	<u>189,519</u>	<u>88,278,180</u>
Hedge fund of funds at NAV	-	-	-	5,093,307
Private equity funds at NAV	-	-	-	1,501,508
Total investments at fair value	<u>\$ 88,088,661</u>	<u>\$ -</u>	<u>\$ 189,519</u>	<u>\$ 94,872,995</u>

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 0.74% 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% 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.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(9) Fair Value Measurements (continued)

The following table summarizes investments measured at fair value based on net asset value (NAV) 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

The following table sets forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value as of December 31, 2019. There have been no changes in the methodologies used at December 31, 2019.

	Level 1	Level 2	Level 3	Total
Fixed income bonds	\$ -	\$ 10	\$ -	\$ 10
Domestic equity securities	5,654,216	-	-	5,654,215
International equity securities	124,499	-	-	124,499
Mutual funds	75,438,728	-	-	75,438,728
Other investments	-	-	83,501	83,501
Subtotal	81,217,443	10	83,501	81,300,953
Hedge fund of funds at NAV	-	-	-	4,454,998
Private Equity Funds at NAV	-	-	-	1,092,237
Total investments at fair value	\$ 81,217,443	\$ 10	\$ 83,501	\$ 86,848,188

As of December 31, 2019, 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, 2019, represents .58% 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, 2019, represents a weighted average of 1.149% 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, 2019.

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund of funds	\$ 4,454,998	Not applicable	Quarterly	60 days
Private equity	\$ 1,092,237	\$ 2,044,875	None	Not applicable

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(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, 2020 of \$24,485,157 is not included in the table below. The composition of the Foundation's endowments by net asset class at 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

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(10) Endowment Net Assets (continued)

The amount invested for others in noncurrent liabilities at December 31, 2019 of \$22,793,661 is not included in the table below. The composition of the Foundation's endowments by net asset class as of December 31, 2019 is:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 279,035	\$ 47,626,197	\$ 47,905,232
Investment income	53,145	8,758,026	8,811,171
Contributions	-	2,822,827	2,822,827
Appropriated for expenditure:			
Program expenses	-	(1,603,523)	(1,603,523)
Management expenses	(4,535)	(759,237)	(763,772)
Endowment net assets, end of year	\$ 327,645	\$ 56,844,290	\$ 57,171,935

(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.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(12) Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, June 28, 2021, and determined the following subsequent event requires disclosure. In February 2021 the SBA forgave the Foundation's PPP loan in the amount of \$215,100 which was recorded as a gain. On March 15, 2021 SBA approved a second PPP loan in the amount of \$250,460. 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, 2020

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UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Financial Position

As of December 31, 2020

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
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	<u>17,062,213</u>	<u>22,375</u>	<u>31,071</u>	<u>40,032</u>	<u>(93,478)</u>	<u>17,062,213</u>
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	<u>95,705,922</u>	<u>-</u>	<u>61,058</u>	<u>35,107</u>	<u>93,354</u>	<u>95,895,441</u>
Total assets	<u>\$ 112,768,135</u>	<u>\$ 22,375</u>	<u>\$ 92,129</u>	<u>\$ 75,139</u>	<u>\$ (124)</u>	<u>\$ 112,957,654</u>
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	<u>1,330,215</u>	<u>-</u>	<u>124</u>	<u>-</u>	<u>(124)</u>	<u>1,330,215</u>
Noncurrent liabilities:						
Amounts invested for others	24,485,157	-	-	-	-	24,485,157
Total noncurrent liabilities	<u>24,485,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,485,157</u>
Total liabilities	<u>25,815,372</u>	<u>-</u>	<u>124</u>	<u>-</u>	<u>(124)</u>	<u>25,815,372</u>
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	<u>86,952,763</u>	<u>22,375</u>	<u>92,005</u>	<u>75,139</u>	<u>-</u>	<u>87,142,282</u>
Total liabilities and net assets	<u>\$ 112,768,135</u>	<u>\$ 22,375</u>	<u>\$ 92,129</u>	<u>\$ 75,139</u>	<u>\$ (124)</u>	<u>\$ 112,957,654</u>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Financial Position

As of December 31, 2019

	<u>UNOF</u>	<u>UNOFREC</u>	<u>UNOFWI</u>	<u>UNOFRC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents	\$ 1,821,601	\$ 22,375	\$ 22,554	\$ 30,821	\$ (75,750)	\$ 1,821,601
Investments	11,120,972	-	-	-	-	11,120,972
Accounts receivable	45,330	-	381	(381)	-	45,330
Contributions receivable	133,515	-	-	-	-	133,515
Unconditional promises to give, net	1,342,381	-	-	-	-	1,342,381
Deferred charges and prepaid expenses	43,490	-	-	-	-	43,490
Total current assets	<u>14,507,289</u>	<u>22,375</u>	<u>22,935</u>	<u>30,440</u>	<u>(75,750)</u>	<u>14,507,289</u>
Noncurrent assets:						
Cash and cash equivalents - endowments	3,160,511	-	-	-	-	3,160,511
Investments - endowments	75,643,715	-	-	-	-	75,643,715
Unconditional promises to give, net	870,083	-	-	-	-	870,083
Investments - other	-	-	-	-	83,501	83,501
Real estate, net	7,562,143	-	-	-	-	7,562,143
Property and equipment, net	-	-	61,058	-	(61,058)	-
Other noncurrent assets	191,780	-	-	35,107	(35,107)	191,780
Total noncurrent assets	<u>87,428,232</u>	<u>-</u>	<u>61,058</u>	<u>35,107</u>	<u>(12,664)</u>	<u>87,511,733</u>
Total assets	<u>\$ 101,935,521</u>	<u>\$ 22,375</u>	<u>\$ 83,993</u>	<u>\$ 65,547</u>	<u>\$ (88,414)</u>	<u>\$ 102,019,022</u>
<u>LIABILITIES AND NET ASSETS</u>						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 224,418	\$ -	\$ 919	\$ 87,495	\$ (88,414)	\$ 224,418
Amounts held in custody for others	372,480	-	-	-	-	372,480
Other current liabilities - due to University	624,238	-	-	-	-	624,238
Total current liabilities	<u>1,221,136</u>	<u>-</u>	<u>919</u>	<u>87,495</u>	<u>(88,414)</u>	<u>1,221,136</u>
Noncurrent liabilities:						
Amounts invested for others	22,793,661	-	-	-	-	22,793,661
Total noncurrent liabilities	<u>22,793,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,793,661</u>
Total liabilities	<u>24,014,797</u>	<u>-</u>	<u>919</u>	<u>87,495</u>	<u>(88,414)</u>	<u>24,014,797</u>
Net assets:						
Without donor restrictions	11,453,591	22,375	83,074	(21,948)	-	11,537,092
With donor restrictions	66,467,133	-	-	-	-	66,467,133
Total net assets	<u>77,920,724</u>	<u>22,375</u>	<u>83,074</u>	<u>(21,948)</u>	<u>-</u>	<u>78,004,225</u>
Total liabilities and net assets	<u>\$ 101,935,521</u>	<u>\$ 22,375</u>	<u>\$ 83,993</u>	<u>\$ 65,547</u>	<u>\$ (88,414)</u>	<u>\$ 102,019,022</u>

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
Gain/Loss on Sale of Assets	-	-	-	-	-	-
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	4,282,368	-	-	-	-	4,282,368
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	(4,282,368)	-	-	-	-	(4,282,368)
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	77,920,724	22,375	83,074	(21,948)	-	78,004,225
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>

UNIVERSITY OF NEW ORLEANS FOUNDATION

Consolidating Statement of Activities and Changes in Net Assets

For the year ended December 31, 2019

	<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	\$ 427,532	\$ -	\$ -	\$ -	\$ -	\$ 427,532
Investment income (loss), net	1,450,214	-	-	-	303,944	1,754,158
Service fees, special events, and program revenue	1,178,328	-	-	-	-	1,178,328
Rental income	1,621,459	-	-	246,710	(246,710)	1,621,459
Gain/Loss on Sale of Assets	-	31,047	-	-	(31,047)	-
Other income	4,148	-	25,055	19,295	(44,350)	4,148
Total support and revenue without donor restrictions before net assets released from restrictions	<u>4,681,681</u>	<u>31,047</u>	<u>25,055</u>	<u>266,005</u>	<u>(18,163)</u>	<u>4,985,625</u>
Net assets released from restrictions						
Net assets released from restrictions	<u>6,603,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,603,682</u>
Total support and revenue without donor restrictions	<u>11,285,363</u>	<u>31,047</u>	<u>25,055</u>	<u>266,005</u>	<u>(18,163)</u>	<u>11,589,307</u>
Expenses						
Program support	8,357,817	35	16,328	1,800	(18,163)	8,357,817
Management and general	829,500	-	-	-	-	829,500
Fundraising	1,482,179	-	-	-	-	1,482,179
Total expenses	<u>10,669,496</u>	<u>35</u>	<u>16,328</u>	<u>1,800</u>	<u>(18,163)</u>	<u>10,669,496</u>
Change in net assets without donor restrictions	<u>615,867</u>	<u>31,012</u>	<u>8,727</u>	<u>264,205</u>	<u>-</u>	<u>919,811</u>
Changes in net assets with donor restrictions:						
Support and revenue with donor restrictions						
Contributions	7,193,767	-	-	-	-	7,193,767
Investment income (loss), net	8,629,768	-	-	-	-	8,629,768
Service fees, special events, and program revenue	341,966	-	-	-	-	341,966
Total support and revenue with donor restrictions before net assets released from restrictions	<u>16,165,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,165,501</u>
Net assets released from restrictions						
Net assets released from restrictions	<u>(6,603,682)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,603,682)</u>
Change in net assets with donor restrictions	<u>9,561,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,561,819</u>
Change in net assets	10,177,686	31,012	8,727	264,205	-	10,481,630
Owner contributions/(withdrawals)	303,361	(237,662)	(32,772)	(32,927)	-	-
Net assets, at beginning of year	<u>67,439,677</u>	<u>229,025</u>	<u>107,119</u>	<u>(253,226)</u>	<u>-</u>	<u>67,522,595</u>
Net assets, at end 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>

See accompanying independent auditors' report.

UNIVERSITY OF NEW ORLEANS FOUNDATION

Supplemental Schedules

December 31, 2020

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Supplemental Schedule 2 – National Collegiate Athletic Association – Revenue, Support, Expenses, and Capitalized Expenditures Made to or on Behalf of the University’s Intercollegiate Athletics Program	28

UNIVERSITY OF NEW ORLEANS FOUNDATION

Supplemental Schedule 1 - International Alumni Association

Schedule of Revenue, Support, and Expenses

For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and support		
Contributions and bequests	\$ 28,707	\$ 215,091
Program revenues	37,709	176,798
Investment income	<u>2,842</u>	<u>5,022</u>
Total revenue and support	<u>69,259</u>	<u>396,911</u>
Expenses		
Program support	48,480	337,501
General and administrative	<u>17,215</u>	<u>20,070</u>
Total expenses	<u>65,695</u>	<u>357,571</u>
Excess of revenues over expenses	<u>\$ 3,563</u>	<u>\$ 39,340</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and support		
Contributions, net of management fee	\$ 173,114	\$ 204,292
Endowment spending allocation	3,747	1,444
Program revenue	68,424	81,759
Total revenue and support	<u>245,285</u>	<u>287,495</u>
Expenses		
Program support	<u>326,781</u>	<u>272,448</u>
Total expenses	<u>326,781</u>	<u>272,448</u>
Excess of revenues over expenses/(expenses over revenues)	<u>\$ (81,495)</u>	<u>\$ 15,047</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, 2020, 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 28, 2021.

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) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 28, 2021
Metairie, Louisiana