



BOARD OF REGENTS

Agenda Book

**February 18, 2020
10:00 AM Open Session
Ballroom C, Student Union Building**



Regular Meeting of
The Board of Regents of the University of New Mexico
February 18, 2020
10:00 AM Open Session; Student Union Building (SUB), Ballroom C
Executive Session-luncheon; SUB, Cherry Silver Room

AGENDA

TAB

- I. Call to Order and Confirmation of a Quorum, *Regent President Douglas M. Brown*
- II. Approval of Minutes: 1
 1. December 10, 2019 regular meeting
 2. January 24, 2020 special meeting

Public Comment (limit 3 min.)
Comments from Regent Advisors (limit 3 min.)
Comments from Regents
- III. The President's Administrative Report, *President Garnett S. Stokes* 2
- IV. Regent Committee Reports

Approval of the Consent Docket

(Action items on Regent's Committee agendas may move to the Board of Regents' agenda as consent items; the below items are placed on the consent docket by the respective committee chairs; items on the consent docket received unanimous approval in committee; per Regents' Policy 1.2, "Any member of the Board of Regents shall have the right upon request to remove any item from the Board's consent agenda and place the item on the Board's regular agenda for discussion.")

Finance and Facilities Committee - Consent Items

1. Approval of 2nd Quarter Financial Actions Report and Certification through 12/31/19 and 2nd Quarter Informational Financial Report through 12/31/19 C-1
2. Approval of 2nd Quarter Athletics' Enhanced Fiscal Oversight Program Report and Certification through 12/31/19 and 2nd Quarter Information on Athletics' Report by Sport through 12/31/19 C-2
3. Approval of Requests for Project Construction: C-3
 - a. Clark Hall #22: Reibsoner Wing Lab Waste System Replacement (Re-Approval)
 - b. Johnson Center: Fire Alarm Upgrade

Health Sciences Center Committee - Consent Items

4. Approval of Disposition of Assets C-4
5. Approval of Perfusion and ECMO Services and Supplies – CCS Perfusion Services \$2.5M/yr.. C-5
6. Repair, Renew, Replace New Hospital Tower and New Parking Structure – Project Commissioning Services \$1,662,000 C-6
7. Approval of the 5th Amended and Restated Bylaws of the UNM Medical Group, Inc. C-7
8. Approval of Appointment of Karen Hawley, MD, to the UNM Medical Group, Inc., Board of Directors C-8
9. Acceptance of the FY 2018-19 External Audit for the UNM Medical Group, Inc. C-9
10. Approval of the 4th Amended and Restated Bylaws of SRMC, Inc. C-10
11. Acceptance of the FY 2018-19 External Audit for the SRMC, Inc. C-11
12. Approval to amend the current engagement letter with Huron Consulting - Sole Source Contract with projected contract cost of \$12,580,000 C-12

[end Consent Docket]

Ad Hoc Governance Committee, Regent Rob Schwartz, Chair

Information Item

1. Update on the work of the Committee, *Regent Schwartz, Committee Chair* 3

Audit and Compliance Committee, Regent Doug Brown, Chair

Information Items

1. Presentation of the FY19 University Consolidated Financial Statements External Audit Report, *Moss Adams and KPMG*..... 4
2. University-Wide Risk Assessment Report 5
Victor Griego, Interim Director, Internal Audit Department

Finance and Facilities Committee, Regent Sandra Begay, Chair

Action Item

1. Approval of Multi-Media Rights Contract for Athletics..... 6
Eddie Nunez, Dir. Athletics; David Williams, Deputy Athletic Dir., External Affairs; Ryan Berryman, Fiscal Operations Dir., Athletics

Health Sciences Center Committee, Regent Robert Schwartz, Chair

Action Items (*see Consent Docket*)

Annual Meetings of the Member:

- V. **Vote to Adjourn the Board of Regents meeting in order to conduct the Meetings of the Member:**
 1. UNM Medical Group, Inc. (UNMMG)-Meeting of the Member, *Regent President Doug Brown*..... 7
 - a. Convene the Meeting of the Member
 - b. [FY19 External Audit – accepted under Consent Docket]
 - c. Presentation of the Annual Report, *Rob McLean, UNMMG Interim CEO*
 - d. Adjourn the Meeting of the Member
 2. Sandoval Regional Medical Center, Inc. (SRMC)-Meeting of the Member, *Regent President Doug Brown*... 8
 - a. Convene the Meeting of the Member
 - b. [FY19 External Audit – accepted under Consent Docket]
 - c. Presentation of the Annual Report, *Jamie Silva-Steele, SRMC Pres/CEO*
 - d. Adjourn the Meeting of the Member
- VI. **Vote to Reconvene the Board of Regents Meeting**
- VII. **Advisors’ Comments/Reports (limit 3 min.)** 9
- VIII. **Vote to close the meeting and proceed in Executive Session (Roll Call Vote)**
 - A. Discussions of bargaining strategy preliminary to collective bargaining and collective bargaining between a policymaking body and an employee bargaining unit, as permitted by Section 10-15-1.H(5), NMSA (1978)
 - B. Discussions subject to attorney-client privilege pertaining to threatened or pending litigation as permitted by Section 10-15-1(7), NMSA (1978)
 - C. Discussion of “limited personnel matters” as defined in and permitted by Section 10-15-1.H(2), NMSA (1978) ---- regarding: employee appeal(s)
 - D. Discussion of personally identifiable information about a student, as permitted by Section 10-15-1.H(4), NMSA (1978), as amended
- IX. **Vote to re-open the meeting and certification that only those matters described in Agenda Item VIII. were discussed in Closed Session and if necessary, final action with regard to those matters will be taken in Open Session**
- X. **Adjourn**

**Minutes of the Regular Meeting of
The Board of Regents of the University of New Mexico
December 10, 2019
Roberts Room, Scholes Hall
Main Campus**

Members present

Douglas Brown, President; Kim Sanchez Rael, Vice President (telephonically); Sandra Begay, Secretary/Treasurer; Robert Dougherty; Melissa Henry; Marron Lee; Robert Schwartz

Administration present

Garnett S. Stokes, President; James Holloway, Provost and EVP for Academic Affairs; Paul Roth, EVP and Chancellor for Health Sciences Center; Teresa Costantinidis, SVP for Finance and Administration; Loretta Martinez, Chief Legal Counsel; Francie Cordova, Interim Chief Compliance Officer, Director of OEO, ADA Coordinator; Ava Lovell, Executive Officer for Finance & Administration, HSC; Dorothy Anderson, VP HR; Michael Richards, Vice Chancellor for Clinical Affairs; Eddie Nunez, Athletic Director; Assata Zerai, VP for Equity and Inclusion; Dan D. Garcia, VP for Enrollment Management; Kate Becker, CEO, UNM Hospitals; Liz Metzger, University Controller; Dana Allen, VP Alumni Relations; Terry Babbitt, President's Chief of Staff; Cinnamon Blair, Chief Marketing and Communications Officer

Advisors present

Ryan Gregg, Staff Council President; Adam Biederwolf, ASUNM President; Finnie Coleman, Faculty Senate President; Muhammad Afzaal Hussain, GPSA President; Beverly Kloeppel, Retiree Association President

Presenters in attendance

Kristi Avalos, Founder & CEO, Accessology; Victor Griego, Interim Director, Internal Audit; Lisa Kuuttila, CEO & Chief Economic Development Officer, STC.UNM; Victor Griego, Interim Director of Internal Audit; Ryan Berryman, Financial Operations Director, Athletics; Jason Strauss, President & CEO, Lobo Energy, Incorporated; Karen Brown, Chair, Honorary Degree Committee, Assistant Professor, College of Nursing;

Others in attendance

Members of administration, faculty, staff, students, the media and others.

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Regent President Douglas M. Brown called the meeting to order at 8:32 AM and confirmed a quorum with all seven members present: six members present in person; Regent Kim Sanchez Rael joined the meeting telephonically.

VOTE TO ADOPT THE AGENDA

Before adoption of the agenda, Regent President Brown requested two modifications to the agenda:

1. Remove/delete from the agenda: *Update on Homelessness Partnerships*, information item under the Health Sciences Center Committee (HSCC) Report.
2. Place under the Consent Docket: Action Items under the HSCC Report. (In committee, all action items on the Dec.9 HSCC agenda were moved forward onto the full Board of Regent Consent Docket.)

The motion to adopt the agenda as modified passed with a unanimous vote in favor (1st Schwartz; 2nd Begay).

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

Regent Brown asked for a motion to close the meeting; Regent Sandra Begay motion; Student Regent Melissa Henry seconded; a roll call vote was taken and all members voted yes. The meeting closed at 8:33 AM to address the following:

1. Discussions subject to attorney-client privilege pertaining to threatened or pending litigation as permitted by Section 10-15-1(7), NMSA (1978)

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION

Regent Sandra Begay motioned to re-open the meeting; Student Regent Melissa Henry seconded; all were in favor. The meeting re-opened at 9:00 AM; the doors to Roberts Room were opened. Regent President Brown certified that only those matters described in the closed session agenda were discussed and there were no matters upon which action would be taken in open session.

APPROVAL OF MINUTES

The motion to approve the minutes of the October 15, 2019 regular meeting and the September 20, 2019 special meeting passed with a unanimous vote in favor (1st Begay; 2nd Schwartz).

PUBLIC COMMENT

Dani Castioni, in the School of Medicine, commented on the ADA transition plan and emphasized the importance of working on the accessibility issue, both on this campus and other UNM campuses.

COMMENTS FROM REGENTS' ADVISORS (no comments)

COMMENTS FROM REGENTS (no comments)

PRESIDENT'S ADMINISTRATIVE REPORT

President Garnett S. Stokes opened her report with a statement regarding completion of the DOJ Agreement:

"As 2019 comes to a close, I have some very positive and important news that speaks directly to the dedication of our campus to fix what is wrong, improve what could be made better and provide our students and campus community an environment that is safe, welcoming and compassionate. In October of 2016, following a report by the U.S. Department of Justice released earlier that year, the Department of Justice and The University of New Mexico entered into a three-year formal agreement regarding UNM's obligations under federal civil rights laws to prevent and address sexual misconduct, and to provide clear and consistent policies and procedures for reporting, investigating and responding to such conduct.

Today, I am very pleased to announce that UNM has, in good faith, complied with all of the requirements of the Agreement and maintained timely compliance during the past three years, as reflected by a letter received this past Friday from the U.S. Department of Justice releasing us from the Agreement. We cannot be a strong university unless we address sexual misconduct effectively, fully, and in a timely manner.

During my tenure, it has been a top priority for UNM to fully comply with this agreement, promote positive behavior, provide resources in this area, and foster a safe and respectful culture. UNM has taken compelling steps to address sexual misconduct and change the campus culture, including the training of record numbers of faculty, staff, and students on sexual misconduct prevention at the University. Over the past three years more than 36,900 students received in-person sexual misconduct awareness training. I believe this is an unprecedented effort involving a university community. We have also committed new resources for campus training, investigation, and advocacy regarding sexual assault.

During this period characterized by intensified scrutiny, UNM staff, faculty, students, and administrators engaged in a variety of productive discussions about, and collaborative work to address, the origins, prevalence, and effects of campus sexual violence. We have revised our policies and implemented new processes for dealing with sexual misconduct. And the different offices working on these matters have overhauled how they work together to create a modern, collaborative, and responsive system, one that we are monitoring to identify any gaps and deficits that require our attention.

I am very proud of the offices and staff members who have worked tirelessly during this time, dealing with a multitude of issues. This includes but is not limited to the Main Campus Compliance Office, Office of Equal Opportunity, UNM Police Department, Dean of Students Office, LoboRESPECT Advocacy Center, Office of University Counsel, Human Resources, Women's Resource Center, and the LGBTQ Resource Center. I would also like to acknowledge the service and support that many faculty members have provided for the administration's efforts over the last three years. Through their work in faculty

governance, policy committees, grievance processes, and research on campus sexual violence, faculty have engaged constructively with our efforts to combat the prevalence of sexual misconduct.

Ultimately, our hard work has paid off. Our policies are clearer and more consistent. UNM employees and the student body are better educated on the processes and where to go for assistance. Our investigations into sexual misconduct are much stronger, making our responses more effective and transparent. We have seen a substantial increase in people reporting misconduct and/or seeking assistance and support. And staff and faculty are also playing a greater role in monitoring trends and working to proactively prevent additional sexual misconduct.

We have also committed to several projects that will broaden and deepen our efforts to prevent sexual misconduct. First, supported by a three-year grant from the Department of Justice's Office on Violence Against Women, staff and faculty across our campuses are taking action to reduce sexual assault, domestic violence, dating violence, and stalking on campus. We have also recently joined the Action Collaborative on Preventing Sexual Harassment in Higher Education, a national four-year project of the National Academies of Sciences, Engineering, and Medicine that moves beyond basic legal compliance to advance evidence-based policies and practices for addressing and preventing all forms of sexual harassment in higher education. And finally, UNM has been selected by the Department of the Navy to host a regional discussion in February 2020 with universities and military service academies on how to effectuate cultural change and utilize best practices and data driven models to reduce sexual violence on the nation's college and service campuses.

The conclusion of the Department of Justice's Agreement reflects a message of good faith and a positive ending. Please know, however, that UNM still has work to do in this area. As long as sexual misconduct continues to occur, we will continue to make this a top priority. We will remain committed, both as an institution and through my personal leadership, to preventing sexual misconduct, conducting fair processes for all, and providing a secure and caring environment for the entire community.

Thank you."

Regent Marron Lee commented:

"As a former Assistant United States Attorney (AUSA), I understand the magnitude of an oversight agreement and formal monitoring by the Department of Justice (DOJ) of any institutions or entities' policies and procedures. Frankly, the broad power of DOJ to force needed change, despite the economic ability of the entity to enact such change, is enough to make anyone—especially someone who is fiduciary of the entity—to take pause.

In the three years that we have been under the DOJ agreement, I have seen the best of UNM step up and complete something that is mind boggling. From the Board of Regents under Rob Doughty's leadership, to President Stokes, Francie Cordova, Rob Burfurd and Lisa Lindquist, UNM has become a national role model on how to implement and enact needed changes in a world that will no longer tolerate sexual abuse and assaults—at any level.

As you may know, other institutions and entities have not fared as well as UNM. The University of Montana, for example, had a 350 page book written by author John Krakauer about the culture of sexual assault tolerance that existed at the University of Montana. This is not the kind of notoriety any university seeks. Unlike others, UNM's "all hands on deck" mentality ensured that our policies, our procedures, and our culture moved firmly into the 21st Century higher education norm. While I do not believe that these policies and practices will be the be all and cure all for sexual assaults and abuse -- and certainly as an urban University, we do not control our borders -- I do believe that UNM's leadership has put in place the tools and the training to swiftly address sexual abuse, assault and harassment.

Just to give some context of the magnitude of the undertaking—think of it, UNM personally training over 36,000 Lobos is the equivalent of personally training every single citizen living in the town of

Alamogordo, New Mexico. That is a staggering number and a tangible example of the yeoman's work and accomplishments of UNM under the leadership of President Stokes.

I really hope that all of you out there in the audience realize that this is a great day at UNM where if we take the motto: Each of Us Defines All of US, then I am proud to be defined by our community."

Regent Rob Doughty commented that he wanted to recognize also former Chief Compliance Officer, Libby Washburn, for her contributions toward satisfying the DOJ Agreement.

President Stokes continued her administrative report highlighting the upcoming Fall Commencement and other recent UNM successes, including the naming of two 2019 Fellows of the National Academy of Inventors: two professors in the Department of Molecular Genetics and Microbiology, Bryce Chackerian and David Peabody, have worked together for more than a decade to create cutting-edge, customized vaccines targeting a variety of diseases. Dr. Stokes noted the recipients of the outstanding supervisor and staff awards given every year and the Governor's New Mexico Distinguished Public Service Award. The Governor recognized ten New Mexican citizens for their contributions to public service. Among those were UNM's Vice President for Student Affairs, Dr. Eliseo "Cheo" Torres and Distinguished Professor of Medicine, Dr. Sanjeev Arora, who was honored as a Lifetime Achievement winner. The recipients of this year's Sarah Belle Brown Community Service Award were: Adam Boswell (student), Tracy Owens (staff), and Stacy Sacco (faculty). Former Student Regent, Heidi Overton, a UNM School of Medicine graduate (2015) and general surgery resident and PhD candidate at Johns Hopkins University, was named a White House Fellow to serve in the Office of American Innovation. In the area of athletics, the Women's Cross Country team placed fourth at the NCAA Championship, and team member Weini Kelati won the NCAA Women's Cross Country individual championship.

President Stokes provided updates on University initiatives, including a task force on Institutional Ethics and Integrity which will address campus culture, research and academic ethics, conflict of interest, financial and resource misuse, and sexual harassment/consensual relationships. The final report for that group is expected spring 2020. The University Seal Committee has received 50 design submissions for the new official university seal; campus and community input will be solicited in January. The final seal design will be brought to the Regents for approval. President Stokes emphasized student mental health and well-being as a high priority and named several resource centers, including the Student Health and Counseling Center (SHAC); Therapy Assistance Hotline (TAO); LoboRESPECT Advocacy Center; Agora Crisis Center; New Collegiate Recovery Center at Logan Hall; and numerous ethnic and community resource centers.

The Regents thanked President Stokes for her report.

ENROLLMENT UPDATE (information item)

Dan Garcia, as the new VP for Enrollment Management, presented his first update to the Board. Mr. Garcia spent the first three months in his new role assessing current enrollment management activities and efforts, assessing the environment, and initiating changes to improve and expand efforts. There has been much done in recent years across the University to improve enrollment, but there is more that can be done. Mr. Garcia provided a short overview of the environment, key initiatives, and preliminary indicators for fall of 2020 enrollment. Higher Education (HE) is an increasingly competitive environment across the nation. Only about 12% of high school seniors are reporting in a national survey that they are applying to only one college or university. In New Mexico, there are upwards of 30 HE institutions competing for high school graduates in the state, and only fifteen thousand of the 20 thousand who graduate actually go on to college. Texas has about 340 thousand high school grads per year; Arizona has about 66 thousand, but only 3 state universities. In our state, with the small population and lots of competition, there is likely the need to reach across the nation to bring in more students. When choosing an institution, students' primary interests are: quality of academic programs, availability of major, cost, and financial assistance – so those need to be UNM's focus.

Mr. Garcia discussed the 2020-25 enrollment initiatives and progress toward 2020. The first area of focus is implementation of a comprehensive enrollment and recruitment plan, which will be built upon the work done over the past year by the Enrollment Initiative Task Force. Key elements of the plan include, improved communications with prospective students and improved messaging at every level of communication. In-state students are the priority, but efforts will also be toward recruiting from other pools of prospective students across the nation. Another area of focus will be utilization of a newly formed Recruitment Coordinating Council composed of faculty, staff and students across the University who are already engaged in recruitment activities. Additional areas of focus will be expanded recruitment travel to NM high schools and process improvements that address speed, efficiency and convenience for prospective students. Looking forward to fall 2020, one of the key indicators for the future is numbers of applications, which indicate interest and demand. As of the end of November, first-year student applications were up 14% year-over-year, and number of students admitted for fall is up 11% over last fall. This does not indicate that all of these students will enroll, but there are initiatives to keep students engaged and encourage earlier commitment to coming to UNM. Mr. Garcia thanked the UNM community and administration for their support of enrollment management.

Regent Rob Schwartz inquired about the yield of in-state, versus out-of-state students. Mr. Garcia responded that overall nationally it's about 34%, and UNM's combined yield is around 38%. UNM's non-resident yield has consistently been 18-20% over the last several years.

Regent Begay shared a personal concern that her niece, a senior in high school, recently received her admittance letter to NMSU, but may not have received her admittance letter from UNM, even though she takes classes at UNM Gallup. Regent Begay stressed the importance that UNM understand issues at the grass roots level, the needs of New Mexico students in rural communities, and the roadblocks that need to be removed for the rural, minority students. The Yazzie and Martinez case is still not being done the way it should be; the rural level of advisement still has pieces that are inequitable. Regent Begay stressed there are still pieces in UNM's system that need to be fixed, like student counseling and getting the word out to communities about UNM. VP Garcia concurred and added that recruitment is one-to-one.

Regent Lee urged VP Garcia to look into engaging a population of prospective students who are oftentimes overlooked, the young people aging out of foster care. There are also scholarship funds to support these students.

Student Regent Henry reiterated the importance of reaching out to rural, minority students, because UNM is one of only two R1 institutions that is also Hispanic-serving.

Regent Schwartz stressed the importance of including information about graduate education opportunities at UNM, as well as undergraduate, when recruiting in rural communities.

Regent Brown commented he would like UNM's acceptance letter to be the first envelope the prospective student receives - it should be one of UNM's goals, to be the first. This will send a message of priority and oftentimes the first offer is the one that is accepted.

ACCESSOLOGY-AMERICANS WITH DISABILITIES ACT (ADA)-UNM TRANSITION (information item)
Francie Cordova, the ADA Coordinator for the University, introduced the item. As ADA Coordinator, Ms. Cordova works with many campus partners: the Accessibility Resource Center, the Veterans Resource Center, and committed faculty and staff, to address accessibility issues in the work toward a more accessible campus. The University's transition plan update will involve determining the areas with the biggest gaps, where funds need to be focused, and will seek federal grants and funding for those areas. The ADA is nearing its 30-year anniversary. With Audit Committee and President Stokes' approval, an expert has been brought in to help with the scope of the scope, to help outline priorities, programmatic concepts, risk management and the financial aspects. Ms. Cordova introduced Kristi Avalos, the Founder & CEO of Accessology, to present introductory information.

Ms. Avalos opened saying it is an honor to work with UNM, to be out front on this issue, because after 30 years, people with disabilities are frustrated at the lack of accessibility nationwide. ADA is not the only law that will need attention. When federal funds are used, also triggered are the Architectural Barriers Act, and the Rehabilitation Act of 1973 which is specific to Section 504. Section 504 calls for

compliance with all program services and activities, so it is not just a matter of widening doorways and putting in ramps, it's about looking at everything that UNM offers to every student and ensuring it is available to everybody. The Civil Rights Restoration Act will also come into play with some of the facilities and with the ADA. Ms. Avalos briefly discussed the 5 Titles of ADA, the areas of focus that may affect UNM. In 2010, at the 20th anniversary of the signing of ADA, all of the federal agencies recommitted to the ADA, and they gave 20 years to become compliant. Additionally, if an entity was not already working toward compliance, the agencies would start tying it to funding. Over the last ten years, in order to get any federal grants or funds, organizations have had to confirm whether or not they have a transition plan. Transition plans, just like master plans, need to be updated roughly every five years. These days, there is better technology to facilitate plan updates where the plan can virtually be a living document. This exercise will be setting the baseline for moving forward over the next several decades. Ms. Avalos discussed the four distinct parts in putting together a transition plan, the first and most important being the planning process, which has been going on since July. The next phase is the Compliance Plan which documents the historical work already done and the future work needed. The process and prioritizing takes into consideration risk management, including litigation risk and risks to students with attention also given to DOJ recommendations. Ms. Avalos discussed preliminary recommendations and the process of executing the plan. The Compliance Plan will be presented in January.

Regent Lee expressed appreciation for Ms. Cordova's hard work on this issue and emphasized it is critical that UNM address what has been long neglected.

UNM FOUNDATION, CHANGING WORLDS CAMPAIGN UPDATE (information item)

Jeff Todd, presented the item and said it was an honor to be making his first presentation to the Board as the Foundation's new President and CEO. The Foundation raises private funds to support and advance UNM's mission and priorities. Development officers and senior leaders collaborate and partner with UNM leadership and many others on campus to identify critical needs and areas where philanthropy can make an impact. The Foundation's team works with donors to match their passions to those priorities and needs to help UNM succeed. Mr. Todd discussed highlights of the December Changing Worlds Campaign report. As of December 4, 2019, 78,413 generous donors have given \$1,152,825,446 in gifts supporting student success and opportunity, faculty support and research, campus programs, and capital projects and facilities. The UNM School of Engineering, along with students who work at Popejoy Hall and students enrolled in Earth and Planetary Science, received a gift of \$1.7 million for scholarships. The University Libraries received a gift of \$300K to benefit historic preservation. The School of Engineering received a gift of \$1.2 million to benefit engineering students in the honors program, and The School of Medicine received a gift of \$196K for scholarships and \$180K for fourth year medical students to support travels for residency interviews. Mr. Todd thanked the generous and dedicated donors who support the Flagship University and its students with their philanthropy.

Mr. Todd spoke about the comprehensive strategic planning process that the Foundation recently embarked upon. The ultimate goal of the process, launched at the most recent Board of Trustees meeting, is to create an ambitious yet achievable five-year strategic plan to guide the Foundation's work in support of the University. During the course of the project, the Foundation will engage the Regents, University Leadership, Foundation Trustees, and other constituents to assure the plan is aligned with the priorities of the University. The Foundation anticipates the strategic plan will be completed by June 2020 and will be presented to the Regents upon its completion.

REGENT COMMITTEE REPORTS

CONSENT DOCKET

Regent Brown addressed the consent docket. No items were removed for discussion.

Academic/Student Affairs and Research Committee - Consent Items

- a. AS Health Information Technology (UNM-Valencia) (delete)
- b. Certificate in Race and Social Justice
- c. Approval of New UNM-Los Alamos Programs:
 - i. Certificate in Radiation Control Technology
 - ii. Certificate Nuclear Waste Operator
 - iii. Certificate Nuclear Enterprise Science & Technology

iv. AAS Nuclear Enterprise Science & Technology

Finance and Facilities Committee - Consent Items

- d. Approval of Disposition of Surplus Property for Main Campus for the months of September, October, and November 2019
- e. Approval of Contract: College of University Libraries and Learning Sciences and the UNM Health Sciences Library and Informatics Center – License Renewal for Elsevier
- f. Approval of Requests for Project Construction:
 - i. Phase 2 Renovations at Clark Hall Chemistry Building
 - ii. Center for the Arts – Fire Alarm Upgrade
 - iii. Economics Building #57: Infrastructure Upgrades
 - iv. Clark Hall #22: Riebsomer Wing Lab Waste System Replacement
 - v. UNM Popejoy Hall Artist Support Spaces Renovation
 - vi. Renovate Cube Area, South Wing, Information Technology Building #153
 - vii. Santa Ana Star Baseball Field Bleacher Expansion
 - viii. ASUNM Main Campus Photovoltaic System
 - ix. Student Union Building #60: Partial Roof Replacement
- g. Approval of Real Estate Items:
 - i. Real Property Acquisition – 1790 Grande Blvd. SE, Rio Rancho, New Mexico
 - ii. Long-Term Ground Lease – Proposed City of Rio Rancho Senior Center at the UNM Health Sciences Rio Rancho Campus

Health Sciences Center Committee - Consent Items

- h. Request for Contract Approval for New Mexico Cancer Alliance
- i. Request for Project/Program Approval for Health Sciences Rio Rancho Campus Orthopedic Surgery and Rehabilitation Center of Excellence
- j. Request for Approval of Appointment of New UNMMG Board of Directors (2) and Renewal of Existing Board Members (2)
- k. Request for Approval of Appointment of New UNMH Board of Trustee Member
- l. Request for Approval of 5ACC Clinic Renovations (\$2,000,000)
- m. Request for Approval of UH-Main Lands West Curb and Gutter Improvements (\$626,000)
- n. Request for Approval of the UNM Health Sciences Center Fall 2019 Graduates

The motion to approve the items on the consent docket passed with a unanimous vote in favor (1st Begay; 2nd Schwartz).

ACADEMIC/STUDENT AFFAIRS AND RESEARCH COMMITTEE

Approval of Fall 2019 Degree Candidates

Student Regent Henry asked Finnie Coleman, Faculty Senate President, to present the item. Dr. Coleman provided a breakdown, by degree-type, of the over 2,000 degree candidates slated to graduate.

The motion to approve the Fall 2019 degree candidates passed with a unanimous vote in favor (1st Lee; 2nd Henry).

Approval of Honorary Degrees

Student Regent Henry stated the item would be discussed during the lunchtime closed session so the names of nominees could be kept confidential.

AUDIT AND COMPLIANCE COMMITTEE

Meeting Summary Report – October 17 Meeting (information item)

Victor Griego, Interim Director of Internal Audit, presented the summary report. During closed session of the meeting, the FY19 external financial audit and internal audits were presented to members. In open session, the committee approved submittal of the external audit to the NM State Auditor's Office and unanimously approved three internal audits. Members also accepted the annual audit report for the Main Campus Internal Audit Department. The approved internal audits are uploaded on the department's public website. The committee's next meeting is scheduled for February.

FINANCE AND FACILITIES COMMITTEE

Approval of the STC.UNM FY 2019 Annual Report and the FY 2019 Audit Results

Lisa Kuuttila presented the item and referred to slides that were made available in the eBook. Ms. Kuuttila highlighted members on the STC Board, along with its staff members and student interns. Over 140 UNM students have been a part of STC's student intern program through the years. Regarding the annual report, Ms. Kuuttila touched on the organization's annual metrics, those including the number of disclosures, number of new U.S. patent applications filed, patents issued, option/license agreements, start-up companies, as well as patent expenses and revenues. In FY19, STC filed 102 new U.S. patent applications and issued 59 U.S. patents. It also entered into 53 option/license agreement and assisted 11 start-up companies. In April, STC hosted its Innovations Awards dinner and honored Angela Wandinger-Ness with the Innovation Fellow Award in recognition of her achievements as a leading innovator at the University of New Mexico. Dr. Wandinger-Ness is an expert in cell biology and protein biochemistry, and the Victor and Ruby Hansen Surface Endowed Professor in Cancer Cell Biology and Clinical Translation. Recognized by the National Academy of Inventors (NAI) and the Intellectual Property Owners Association (IPO). UNM ranks in the top 100 worldwide universities in number of issued U.S. patents for the 5th year in a row. Ms. Kuuttila discussed the STC's marketing packet, current tenants in the Rainforest Building, and historical trend of numbers of start-up companies. Both in-state and out-of-state, start-ups have increased overall from 5 annually in FY10 & 11, to 9 each year during FY13-15. The past 4 years saw 11-12 startups annually. Ms. Kuuttila touched on Economic Development activities. The UNM Economic Development Council (EDC), with 42 members, meets quarterly and will be an advisory board for the NM Rainforest University Center. A UNM Economic Impact Report, done by Kelly O'Donnell and released in 2018, reported UNM's economic output to the state at \$3.1 billion. Ms. Kuuttila talked about UNM's Innovate Academy, the iCorps site, and the EDA University Center which backed a 5-year grant of \$564K from the EDA to support expanding the Rainforest model to the branch campuses.

Ms. Kuuttila briefly discussed the FY19 audit results. There were no matters to report in the audit.

The motion to approve the STC.UNM FY 2019 Annual Report and the FY 2019 Audit Results passed with a unanimous vote in favor (1st Begay; 2nd Lee).

Appointment of Frank H. Martinez and Kelly D. Hammett to the STC.UNM Board of Directors

Lisa Kuuttila presented two candidates for the STC board of directors. Mr. Frank Martinez is a UNM alumna and also a graduate of Harvard University. He retired in 2012 as a visiting research scholar in UNM's Department of Architecture and Planning. Mr. Martinez is a long-time community volunteer and UNM advocate. Dr. Kelly Hammett is Director of the Directed Energy Directorate. He obtained his MS in Aeronautics and Astronautics from MIT and a PhD from the Air Force Institute of Technology.

Regent Begay commented these candidates reflect the effort to bring diversity to the STC board.

The motion to approve the appointments of Frank H. Martinez and Kelly D. Hammett to the STC.UNM Board of Directors passed with a unanimous vote in favor (1st Begay; 2nd Lee).

Athletics' Quarterly Financial Report through September 30, 2019 (information item)

Eddie Nunez introduced Ryan Berryman, Athletics Financial Operations Director, to present the report. The first quarter report through end of September was made available in the eBook. Schedule A shows pooled revenues are slightly lower than this time last year due to the reduced accrual of the multi-media rights contract. Directed revenues, which are ticket sale revenues, reflect only two home football games, and are yet to reflect basketball ticket sales. The football game guarantee check was received in November, so will be reflected in the second quarter numbers. Expenses are for the most part trending on budget. Travel expenses are slightly up due to inflation, and gift-in-kind is higher due to an accounting change recognizing it in the first quarter. This year's first quarter financials reflect a \$860K net positive, compared to a last year first quarter loss of \$144K.

Regent Rob Schwartz inquired if Athletics is it still within its annual budget? AD Nunez responded the end of the second quarter, with ticket sales in, will show more clearly how the total year will look. Regent Schwartz inquired about budgeted use of reserves, a \$487K payment was reflected in budget, but does not show up in the quarterly actuals. Mr. Berryman said he would check with Nicole Dopson about her budget assumptions and what quarter that amount is shown as paid. AD Nunez responded there have

been discussions with HED about when that payment needs to be made, and he confirmed to Regent Schwartz' question that Athletics still plans to make the budgeted payment and also plans to stay in budget for the year. There was brief discussion about what the source of funds would be, if needed, to pay of a fired coach.

Regent Sandra Begay asked for clarification about the payment toward the negative reserves balance and whether HED stipulated those need to be made before the end of the academic year, and further, are required payments, versus expected. AD Nunez confirmed they are required payments and reiterated they are in conversations with the HED about the details.

VOTE TO ADJOURN THE BOARD OF REGENTS IN ORDER TO CONDUCT THE MEETINGS OF THE MEMBER

The motion to adjourn the Board of Regents for the Board to convene the annual Meeting of the Member of Lobo Development Corporation and of Lobo Energy, Inc. passed unanimously (1st Lee; 2nd Schwartz). The meeting adjourned at 10:42 AM.

MEETING OF THE MEMBER – LOBO DEVELOPMENT CORPORATION (LDC)

Regent Brown convened the Meeting of the Member of Lobo Development Corporation at 10:42 AM and asked Regent Lee, Chair of Lobo Development Corporation, to take the gavel.

Regent Lee asked for a motion to approve the minutes of the May 9, 2019 LDC Meeting of the Member; Regent Begay motioned; Regent Doughty seconded; the motion passed unanimously.

Regent Lee noted the FY 2018-19 external audit that was provided in the eBook and asked SVP for Finance and Administration, Teresa Costantinidis, to present any issues in the audit. Ms. Costantinidis confirmed the audit came out clean and any past findings had been downgraded. It was a good audit report. Regent Lee asked for a motion to accept the FY19 external audit; Regent Doughty motioned; Regent Schwartz seconded; the motion passed unanimously.

There being no further business, Regent Lee adjourned the LDC meeting of the member. The meeting adjourned at 10:43 AM.

MEETING OF THE MEMBER – LOBO ENERGY, INC. (LEI)

Regent Lee, the Regent Member on the Lobo Energy Board, convened the LEI Meeting of the Member at 10:44 AM. Regent Lee asked Jason Strauss, President & CEO of LEI, be available to answer questions.

Regent Lee asked for a motion to approve the minutes of the May 9, 2019 LEI Meeting of the Member; Regent Doughty motioned; Regent Begay seconded; the motion passed unanimously.

Before acceptance of the external audit, Regent Lee asked Mr. Strauss if there were any issues. Mr. Strauss confirmed it was a clean audit. There being no other questions, Regent Lee asked for a motion to accept the FY 2018-19 external audit report; Regent Doughty motioned; Regent Schwartz seconded; motion passed unanimously.

There being no further business, Regent Lee adjourned the LEI meeting of the member at 10:44 AM.

Regent Lee handed the gavel to Regent Brown.

VOTE TO RECONVENE BOARD OF REGENTS

The vote to reconvene the Board of Regents passed unanimously (1st Lee; 2nd Begay).

PUBLIC COMMENT (no comments)

ADVISORS REPORTS

Adam Biederwolf, ASUNM President, spoke about recent ASUNM activities, including the 56th annual Arts and Crafts Fair, where ASUNM hosted over 75 vendors; the annual Fall Frenzy event to help clean up campus; graduating 36 Lobos in the new Lobo Leaders program; hosting Homecoming events and

the annual Red Rally; and Governmental Affairs trainings in preparation for students' involvement in Santa Fe during the Legislative Session and helping ASUNM lobby for the Lottery Scholarship.

Student Regent Henry expressed appreciation for ASUNM's work and added she has seen firsthand how ASUNM is helping to build a sense of campus community among students.

Muhammad Afzaal Hussain, GPSA President, spoke about GPSA's grants and scholarships offered to graduate students this year as well as recent collaborative activities with resource centers on campus. GPSA recently celebrated its 50th anniversary; the organization plans to start a leadership initiative this semester and also to hire its first staff position to facilitate continuity and leadership transitions.

Ryan Gregg, Staff Council President, highlighted this year's Gerald W. May Outstanding Staff Award Winners: Rudy Montoya, Jolyne McCrary, Crystle Collier, and Robben Brown and pointed out the staff recipient of the Sarah Belle Brown Community Service award, Tracy Owen, works at UNM-Valencia Branch Campus. Mr. Gregg spoke about the recent Staff-as-Students information session; Staff Council awarded six, \$50 scholarships toward staff students; staff who work in EDAC (Earth Data Analysis Center) on various projects also work with other organizations such as FEMA and NASA.

Bev Kloeppel, Retiree Association President, spoke about members' attendance at the open enrollment fair for post-65 insurance and other recent activities, including work with the ERB as a stakeholder. Ms. Kloeppel thanked the Provost's Office and VP HR, Dorothy Anderson, for providing the Association with administrative support.

Finnie Coleman, Faculty Senate President, spoke about restructuring committees within the organization; establishing faculty senate service awards to recognize faculty on campus; and the next steps in the faculty unionization process.

Lisa Lindquist, representing the Parent Association, presented each Regent the 12th collectible holiday ornament, this year's featuring a picture of Dane Smith Hall. The proceeds of UNM's ornament sales benefit the Parent Association Scholarship Fund.

Vote to Close the Meeting and Proceed in Executive Session

Regent Brown asked for a motion to close the meeting and clarified he would take a roll call vote; Regent Lee motioned; Regent Schwartz seconded; the following votes were taken: Regent Henry-yes; Regent Schwartz-yes; Regent Doughty-yes; Regent Brown-yes; Regent Begay-yes; Regent Lee-yes; Regent Sanchez Rael-yes vote; motion passed. The meeting closed at 11:19 AM to address the following:

Executive Session Agenda

- A. Honorary Degree Candidates – discussion
- B. Discussions of bargaining strategy preliminary to collective bargaining and collective bargaining between a policymaking body and an employee bargaining unit, as permitted by Section 10-15-1.H(5), NMSA (1978)
- C. Discussion of "limited personnel matters" as defined in and permitted by Section 10-15-1.H(2), NMSA (1978) ---- regarding: employee appeal; President's Goals
- D. Discussion of personally identifiable information about a student, as permitted by Section 10-15-1.H(4), NMSA (1978), as amended
- E. Discussion and determination where appropriate of potential purchase, acquisition, or disposal of real property, as permitted by Section 10-15-1.H(8), NMSA (1978)
- F. Discussions subject to attorney-client privilege pertaining to threatened or pending litigation as permitted by Section 10-15-1(7), NMSA (1978)

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION

The meeting re-opened at 1:26 PM; the doors to Roberts Room were opened. Regent Brown certified that only those matters described in the closed session agenda were discussed; the following actions were taken in open session:

The motion to approve the candidates recommended for Honorary Degrees passed unanimously (1st Lee; 2nd Schwartz).

The motion to approve the President's goals as amended, and to make the final copy available to the public, passed unanimously (1st Schwartz; 2nd Begay).

The motion to exercise discretion not to hear the appeal of a student, dated October 30, 2019, passed unanimously (1st Doughty; 2nd Lee).

The motion to exercise discretion not to hear the appeal of an employee, dated November 13, 2019, passed unanimously (1st Schwartz; 2nd Lee).

The motion to approve the lease agreements for the Women's Health Clinic in Gallup and the Behavioral Health Clinic and Offices at the Airport Submarket, in order to satisfy the new Higher Education Department approval requirements, passed unanimously (1st Doughty; 2nd Lee).

ADJOURN

There being no further business, Regent Brown asked for a motion to adjourn; Regent Doughty motioned; Regent Lee seconded; motion passed unanimously; the meeting adjourned at 1:29 PM.

Approved:

Attest:

Douglas M. Brown, President

Sandra K. Begay, Secretary/Treasurer

**Minutes of the Special Meeting of the
Board of Regents of the University of New Mexico
January 24, 2020
Roberts Room, Scholes Hall, Main Campus**

Members present

Douglas M. Brown, President; Kim Sanchez Rael, Vice President; Sandra K. Begay, Secretary
Treasurer; Rob Doughty; Melissa Henry; Marron Lee (telephonically); Robert Schwartz

Administration present

Garnett S. Stokes, President; Paul Roth, EVP and Chancellor for Health Sciences Center; Loretta Martinez, Chief Legal Counsel; Eva Lovell, Ava Lovell, Executive Officer for Finance & Administration, HSC; Terry Babbitt, President's Chief of Staff; and others

Presenters in attendance

Jamie Silva Steele, President and CEO, Sandoval Regional Medical Center (SRMC)

Others in attendance

Greg Lauer, Rio Rancho's City Attorney; Carole Jaramillo, Rio Rancho's Director of Financial Services; Zach Dillenback, Chief Lending Officer for New Mexico Finance Authority (NMFA); members of administration, faculty, staff, students, the media and others.

CALL TO ORDER, CONFIRMATION OF A QUORUM, AND ADOPTION OF THE AGENDA

Regent President Douglas M. Brown called the meeting to order at 9:02 AM and confirmed a quorum. Six members were present in person; Regent Marron Lee attended telephonically.

The motion to adopt the agenda passed unanimously (1st Doughty; 2nd Begay).

DISCUSSION AND APPROVAL OF MOU WITH THE CITY OF RIO RANCHO RELATIVE TO DEVELOPMENT OF HEALTH SCIENCES RIO RANCHO CAMPUS, INCLUDING NMFA FUNDING OF THE ORTHOPEDIC CENTER OF EXCELLENCE

Chancellor Roth introduced the item. The Health Sciences Center Rio Rancho Campus, under the leadership of Jamie Silva-Steele, has had multiple negotiations with the city in an effort to construct a second academic building on that campus. In order to do that, arrangements have been made jointly between the City and the University in moving forward to the Finance Authority in an effort to obtain the necessary funds to begin the construction of that project. Dr. Roth turned the presentation over to Ms. Silva-Steele to present the details. Eva Lovell was available to questions about financing, and University Counsel was available to answer questions about legal aspects. Ms. Silva-Steele introduced others present from the City of Rio Rancho and the New Mexico Finance Authority (NMFA), who were also available to answer questions.

Ms. Silva-Steele thanked the Regents for holding a special meeting. This will allow the project to stay on track with important milestones. At its December meeting, the Board of Regents approved the actual concepts of Building 2, which is a Center of Excellence for Orthopedic Surgery and Rehabilitation, and since that time there have been efforts toward negotiating an agreement between the City of Rio Rancho and the Health Sciences Center, to understand how the financing of such a facility would occur. The materials that were provided to Regents listed the key 5 initiatives of the campus: the first initiative is extension of the Broadmoor Boulevard; a second is to construct a new senior center on the campus; a third is Building 2 which is adjacent to SRMC; and the fourth and fifth are off-campus parks, one to address water drainage.

A copy of the MOU was provided to the Regents. A key piece is the funding of the Building 2 facility which will utilize three means of financing. In 2015, there was \$2 million transferred from the Higher Education GRT (gross receipts tax) balance at the City of Rio Rancho to the Health Sciences Center. The \$2 million was to be used for current infrastructure issues within Building 1 and also any planning and development for the campus. Currently, the balance in that fund is about a \$1.3 million, and it is being held by the HSC. The HSC intends to use the fund balance toward the construction of the Building 2 facility, estimated to cost about \$20.8 million. The second funding stream for the facility will be NMFA. It will take future years of the 10 years of the GRT and will go out for bonds up to \$15 million. Their process will start soon in order to get this before their board by March. The third funding source will be balances in the GRT fund retained by the City of Rio Rancho. The MOU spells out funding details in paragraphs 9, 10, and 11 and further details in Exhibit 9. Other parts of the MOU outline quarterly meetings with the City of Rio Rancho and annual updates to constituents. The MOU was presented to the City of Rio Rancho's governing body on January 22, and the document was approved unanimously.

[See ATTACHMENT A - MOU with Exhibits]

There being no questions or further discussion, Regent President Brown asked for a motion to approve the MOU.

The motion to approve the MOU with the City of Rio Rancho passed with a unanimous vote in favor (1st Dougherty; 2nd Schwartz).

ADJOURN

There being no further business, Regent Brown asked for a motion to adjourn; Regent Begay motioned; Regent Henry seconded; motion passed unanimously; the meeting adjourned at 9:11 AM.

Approved:

Attest:

Douglas M. Brown, President

Sandra K. Begay, Secretary/Treasurer

**FIRST AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING
PERTAINING TO THE DEVELOPMENT OF
THE UNIVERSITY OF NEW MEXICO
HEALTH SCIENCES RIO RANCHO CAMPUS**

This First Amended and Restated Memorandum of Understanding (“**First Amended MOU**”) pertaining to the University of New Mexico Health Sciences Rio Rancho Campus is entered into by and between the City of Rio Rancho, a New Mexico municipal corporation (the “**City**”) and the Regents of the University of New Mexico, a constitutionally created educational institution of the State of New Mexico (the “**University**” or “**UNM**”) for its public-serving healthcare and educational facilities known as the UNM Health Sciences Center, and more specifically for the UNM Health Sciences Rio Rancho Campus (each of the City and UNM a “**Party**” and collectively, the “**Parties**”) as of the Effective Date, as hereinafter defined.

RECITALS

WHEREAS, the Parties previously entered into a Memorandum of Understanding pertaining to what was then referred to as the University of New Mexico UNM West Campus¹, with an effective date of December 10, 2015 (the “**Initial MOU**”) acknowledging the construction of an initial academic building on the UNM West Campus, and providing a funding plan for the construction of a second academic building and related campus infrastructure in order to expand educational opportunities for the citizens of Rio Rancho, including a health sciences curriculum, in a fashion complementary to the UNM Sandoval Regional Medical Center, and

WHEREAS, the completed building is a 33,000 sq. ft. facility (“**Building 1**”) in which the Health Sciences Center is providing a Bachelor’s of Science in Nursing degree with the UNM College of Nursing, a Medical Assistant Certification in collaboration with Central New Mexico Community College (CNM), a Behavioral Health Clinic and Training Center in partnership with the UNM Medical Group, and a Health Careers Academy for High School Students in partnership with the UNM Health Sciences Center (“**Health Sciences Center**” or “**HSC**”) Office of Diversity, Equity and Inclusion, and

WHEREAS, the proposed funding plan for the second academic building and related campus infrastructure did not materialize as contemplated, and

WHEREAS, the Parties remain committed to the expansion of post-secondary health science education and related medical facilities and medical services on the UNM West Campus, and

WHEREAS, the Parties wish to plan for, accommodate, and implement an expanded vision for the HS Rio Rancho Campus, and in order to do so, wish to replace the 2015 Memorandum of

¹ The UNM Health Sciences Rio Rancho Campus, formerly known as UNM West Campus, consisting of approximately 203 acres, is more particularly shown on **Exhibit 1** attached hereto.

Understanding, with this First Amended and Restated Memorandum of Understanding (the “**First Amended MOU**”) effective as of the Effective Date of this First Amended MOU, and

WHEREAS, in recognition of the expanded scope and nature of post-secondary health science education, services and facilities to be placed on the UNM West Campus, the UNM West Campus shall hereinafter be designated the UNM Health Sciences Rio Rancho Campus (for purpose of this document, the “**HS Rio Rancho Campus**” or “**Campus**”), and

WHEREAS, the Health Sciences Center wishes to incrementally expand its post-secondary public educational offerings at the HS Rio Rancho Campus, with a particular emphasis on health science educational programming, to eventually include a full range of Health Sciences Center baccalaureate and advanced degree programs (the “**Health Sciences Programs**”); and the City wishes to see the continued development of the HS Rio Rancho Campus and the expansion of post-secondary educational opportunities, especially the Health Sciences Programs, to residents of the City, and

WHEREAS, the expansion of the HS Rio Rancho Campus will complement current operations and planned expansions at the UNM Sandoval Regional Medical Center, owned and operated by UNM Sandoval Regional Medical Center, Inc., a New Mexico University Research Park and Economic Development Act non-profit corporation, providing additional post-secondary sciences related educational opportunities; and

WHEREAS, the City and citizens of Rio Rancho have provided and continue to offer financial assistance to the University for health sciences education and medically related facilities and infrastructure via use of the receipts from the City’s municipal higher education facilities gross receipts tax (the “**Higher Education GRT Tax**”), which are collected and placed in a separate and segregated fund (the “**Higher Education GRT Fund**”) for these purposes, and

WHEREAS, the University is now prepared to construct the second building (“**Building 2**”) called for in the Initial MOU at the HS Rio Rancho Campus, and

WHEREAS, the City is willing to further assist the University in this initiative by providing the necessary funding for Building 2 in the maximum amount stated in Paragraph 10 hereof and for the planning, development and construction of additional educational facilities and related infrastructure, and

WHEREAS, the City wishes to make available to the University and its Health Sciences Center the necessary funds from the Higher Education GRT Fund as provided herein so that the University can bring about the development of Building 2, as well as additional educational medical and ancillary buildings, facilities and related on and off-site infrastructure, landscaping, and related site amenities to provide the Health Sciences Programs and other higher education offerings and to otherwise promote and assist the development of the HS Rio Rancho Campus for the purposes intended (the “**Additional Educational Facilities**”), and

WHEREAS, in implementing the new expanded vision for the HS Rio Rancho Campus, the Parties wish to provide for and undertake the following initiatives on the Campus: (1)

construction of a new senior center, (2) construction of a new building for orthopedic surgery and rehabilitation, (3) the extension of Broadmoor Boulevard and the construction of a portion of No Name Road, (4) construction of Phase I of a campus park system, (5) conceptual approval of a curvilinear park running from west to east through the Campus, and (6) resolution of present and future stormwater drainage considerations, therefore:

MEMORANDUM OF UNDERSTANDING

1. The parties agree to the following terms, provisions, and conditions.

2. The Parties agree to support and work collaboratively to achieve the construction of the following four initiatives on the HS Rio Rancho Campus: (1) a new senior center, (2) a new building for orthopedic surgery and rehabilitation, (3) the extension of Broadmoor Boulevard and the construction of a portion of No Name Road, and (4) Phase I of a campus park system. The Parties also agree to (1) conceptually approve a curvilinear park running from west to east through the Campus, and (2) research present and future storm drainage considerations and/or a process by which to do so. The location of each of the initiatives and the conceptual layout of the curvilinear park are indicated on **Exhibit 2**, attached hereto. Each is described more fully in the following paragraphs.

3. **Senior Center.** The City will, at its sole cost and expense, design and construct a senior center, consisting of approximately 7,500 square feet, to be used for educational and related uses on the Campus on approximately 3.85 acres of land leased from the University at, essentially, no cost to the City. The Senior Center's functions and operations must comply substantially with the New Mexico Aging and Long Term Services Department program and funding requirements. The approximate location of the senior center is shown on **Exhibit 2** and more particularly on **Exhibit 3**. The understandings on the development and implementation of the senior center, and necessary related infrastructure are more fully set forth in the proposed ground lease to be entered into by and between the City and UNM, a copy of which is available to each of the Parties. The senior center and related on and off-site improvements are expected to be constructed, in place and operational no later than December 31, 2021.

4. **Center of Excellence for Orthopedic Surgery and Rehabilitation (Building 2).** The University will construct an orthopedic surgery and rehabilitation center, estimated to cost approximately \$20,802,411, consisting of (1) approximately 48,000 square feet, affording clinical services and post-secondary health sciences related educational opportunities with teaching, research, clinic, rehabilitation functions and learning opportunities more particularly described in **Exhibit 4**, consisting of four pages, attached hereto, and (2) related campus core infrastructure, including, but not limited to utility extensions and installation, internal roadways, parking areas, curb, gutter, lighting, pedestrian pathways, signage, landscaping, and other elements ancillary to the development of a campus setting (collectively, the "**Orthopedic Center**"), the location of which is indicated on the project site plan for the HS Rio Rancho Campus Building 2 – Orthopedic Surgery and Rehabilitation Center of Excellence, attached as **Exhibit 5**. The Orthopedic Center will be located on the Campus adjacent to and southeast of the Sandoval County Regional Medical Center at the location shown on **Exhibit 6**. The Orthopedic Center will be constructed, in place and operational no later than June 30, 2022, assuming the necessary funding is in place no later

than June 30, 2020. Otherwise, the Orthopedic Center will be constructed, in place and operational within 24 months after the necessary funding is made available for the Orthopedic Center.

5. Extension of Broadmoor Boulevard and Construction of a Portion of No Name Road. The City will, at its sole cost and expense, design, construct and extend (1) Broadmoor Boulevard from Paseo Volcan north to what is known as “No Name Road” within the 53 feet wide area presently reserved by the University for future road right of way (the “**Broadmoor Extension**”), and (2) No Name Road from the northernmost point of the Broadmoor Extension, west for a duration of approximately 650 feet within the entirety of a 68 foot right-of-way, both of which areas will be dedicated by and from the University to the City, at no cost to the City. The Broadmoor Extension and the No Name Road construction will be located as shown on **Exhibit 7** and will be constructed within the right-of-way shown thereon. The Broadmoor Extension and the No Name Road construction are expected to be in place and operational no later than December 31, 2021.

6. Campus Park (Phase I). The City will, at its sole cost and expense, plan, design and construct Phase I of a Campus Park system, which Campus Park system will include and extend from Campus Park Phase I, north to and through Campus Park Phase II, both of which are located west and slightly south of Rio Rancho City Hall, to and along a proposed curvilinear park area running from west to east through the HP Rio Rancho Campus, all as shown on **Exhibit 2** attached hereto. Campus Park Phase I, which is more particularly described as Lot 3F of City Centre subdivision, and Campus Park Phase II, which is more particularly described as Lot 3E of City Centre subdivision, will be combined as one parcel following the vacation of Commerce Street.

7. Curvilinear Park. The Parties agree to pursue, no later than the completion of the last of the four above-described projects now underway, the planning, design and construction of a curvilinear park running from west to east through the Campus. The proposed curvilinear park is shown conceptually on **Exhibit 2**.

8. Stormwater Drainage. The Parties agree to work cooperatively to address and resolve the existing and permanent stormwater situation created and exacerbated as a result of current and projected future development within the boundaries of the basin map attached as Figure 1 to the Jacobs City Centre Drainage Facility Plan 2018 Update, a copy of which basin map is attached hereto as **Exhibit 8**. Such efforts shall include, but not be limited to, a joint effort, with possible participation from other affected persons and entities, to prepare an updated drainage plan addressing current development, current planning efforts and historic, developed and future developed flows. This is with the understanding that the City will, in the interim, continue to enforce State statutory provisions pertaining to stormwater flow and the protection of downstream owners provided for therein.

9. The City transferred \$2,000,000 of the then uncommitted fund balance of the Higher Education GRT_Fund to the University on December 15, 2015 “Previously Transferred Higher Education GRT Funds”, pursuant to the execution of the initial MOU, to enable the Health Sciences Center to renovate and improve Building 1, and initiate actions for necessary planning, design, and construction of infrastructure and other site improvements necessary to support the development of Building 2. Of the \$2,000,000 advanced by the City, the University retains

\$1,327,463 of the Previously Transferred Higher Education GRT Funds, which will be applied to the cost of development of Building 2, now known as the Orthopedic Center.

10. The remaining anticipated cost of the Orthopedic Center in the amount of \$19,474,948 will be funded through the Higher Education GRT Fund with a combination of available Fund cash and revenue bond or loan proceeds obtained from bonds or other debt financing **“Debt Financing”** provided by the New Mexico Finance Authority (“NMFA”), with bond or other debt repayment funded solely by and from Higher Education GRT Fund gross receipts tax revenues pursuant to an arrangement between the City and NMFA. The Parties understand and agree that, because the Orthopedic Center will not be owned or operated by the City, if interest payable in connection with the borrowing is to be excludable for federal income tax purposes, an appropriate officer from UNM will be required to execute the loan agreement as to representations and covenants relating to compliance with the applicable federal tax requirements in connection with the use of the financed facility, or alternatively, a tax compliance agreement for the same purpose, and a tax compliance certificate to be delivered in connection with the closing of the financing.

11. Debt Financing obtained from NMFA will be delivered to UNM in accordance with the NMFA process for requisitioning loan proceeds, which process is set forth in Exhibit 9 attached hereto. The City will cooperate with the University so the University may submit requisitions directly to the NMFA to obtain Debt Financing proceeds. During construction of Building 2, funding shall be utilized in the following order: First, all Previously Transferred Higher Education GRT Funds; Second, proceeds from Debt Financing; Third, cash from the Higher Education GRT Fund. The City will disburse funds from the Higher Education GRT Fund only after all proceeds from Previously Transferred Higher Education GRT Funds and Debt Financing have been expended. Upon request, substantiated by invoices for actual project costs, and approval by the City, the City will disburse funds to the University from the Higher Education GRT Fund within ten (10) working days.

12. In the event the cost of the development of the Orthopedic Center is more than \$20,802,411, the parties agree to work cooperatively to identify additional resources in order to complete construction, including from available balances in the Higher Education GRT Fund. In the event the cost of the development of the Orthopedic Center is less than the total estimated project cost of \$20,802,411, the excess funds shall be reserved in the Higher Education GRT Fund.

13. All Higher Education GRT Funds generated by the Higher Education GRT Tax are to be used to pay for costs associated with Building 1, the Orthopedic Center, and Additional Educational Facilities, the construction, operation and use of which must be consistent with the intended purpose of the Higher Education GRT Tax.

14. The City maintains all revenues from the Higher Education GRT Tax in the Higher Education GRT Fund. Notwithstanding anything to the contrary contained herein, the City's financial obligations under this Memorandum of Understanding, and under any other agreement or instrument executed pursuant to the parties' understanding herein, shall be strictly limited to sums in the Higher Education GRT Fund, and no other funds of the City may be used to satisfy such obligations. Neither the University nor any affiliate or creditor of the University shall have any

claim to City property, funds or revenues other than the Higher Education GRT Fund to satisfy any financial obligation of the City hereunder.

15. Should the University cease to use Building 1, the Orthopedic Center, or the Additional Educational Facilities for an educational or health sciences related medical facility and/or uses related to the educational or institutional mission of the University, the University shall reimburse the City prorata, based on the period of use and the remaining functional life of the facility no longer in use for education or medical purposes, for funds advanced by the City from its Higher Education GRT Fund for Building 1, the Orthopedic Center, and/or the Additional Educational Facilities no longer in use. To the extent that the University's discontinuation of or change in use of the Orthopedic Center results in private business use which requires remedial action in connection with tax-exempt financing, the University shall, to the extent permitted by law, reimburse the City for the costs associated with such remedial action (e.g. defeasance of the tax-exempt bonds or debt obligation on a taxable basis), including costs of issuance of the defeasance obligations.

16. The City Manager or his designee, and a designated representative of the Health Sciences Center shall meet, at least, quarterly, starting with the calendar quarter beginning on January 1, 2020, to discuss items of mutual interest, including, but not limited to, the status of Building 1, the Orthopedic Center, and Additional Educational Facilities and the status of the Higher Education GRT Tax and the Higher Education GRT Fund. A designated representative of the Health Sciences Center, on an annual basis starting with the calendar year beginning on January 1, 2020, shall update the Rio Rancho Governing Body at one of their meetings on the status of Building 1, the Orthopedic Center, and Additional Educational Facilities.

17. All notices and other communications under this Memorandum of Understanding shall be in writing and shall be deemed duly given (i) when delivered personally or by prepaid overnight courier, with a record of receipt, (ii) the third day after mailing if mailed by certified mail, return receipt requested, or (iii) the day of transmission, if sent electronically, if there is proof of receipt on the day of transmission or the first day thereafter on which receipt can be verified, to the Parties at the following physical, mail, or e-mail addresses (or to such other address, telecopy number, or e-mail address as a Party may have specified by notice given to the other Party pursuant to this provision):

If to the City:

David S. Campbell, City Manager
City of Rio Rancho
3200 Civic Center Circle NE
Rio Rancho, NM 87144-4501
Telephone: (505) 891-5002
E-mail: dcampbell@rrnm.gov

With a copy to:

Office of the City Attorney
Attention: Gregory F. Lauer, Esq.
City of Rio Rancho
3200 Civic Center Circle NE
Rio Rancho, NM 87144
Telephone: (505) 896.8711
E-mail: glauer@rrnm.gov

If to the University: Chancellor for Health Sciences
MSC09 5300, 1 University of New Mexico
Albuquerque, NM 87131-5001
Telephone: (505) 272-5849

With a copy to: Executive Director
Health Sciences Rio Rancho Campus
UNM Health Sciences
3001 Broadmoor Boulevard NE
Rio Rancho, NM 87144
Telephone: (505) 994-7430
E-mail: jsilva@srmc.unm.edu

and

HSC Office of University Counsel
Attn: Deputy University Counsel for Health
Sciences
Street Address: 1001 Stanford Drive NE, Suite 3010
Albuquerque, NM 87131
Mailing Address: MSC09 5300, 1 University of New Mexico
Albuquerque, NM 87131-0001
Telephone: (505) 272-2377
E-mail: counsel@unm.edu

and

Director of Real Estate
University of New Mexico
Street Address: 2811 Campus Boulevard NE
Albuquerque, NM 87106
Mailing Address: MSC 06 3595, 1 University of New Mexico
Albuquerque, NM 87131-0001
Telephone: (505) 277-4620
E-mail: tneale@unm.edu

18. This First Amended MOU may be executed in one or more counterparts, including electronic counterparts, each of which shall be a fully binding and enforceable contract and agreement against the Party signing such counterpart, but all such counterparts shall together constitute but one agreement.

19. This First Amended MOU may be amended, upon mutual agreement of the Parties, by written agreement executed by each of the Parties.

20. The Parties agree to hereafter negotiate and enter into such further and more definitive agreements, as may be necessary, to effectuate the transactions contemplated by this First Amended MOU.

21. The Parties agree to the terms and conditions of this First Amended MOU and shall endeavor in good faith to fulfill their respective obligations as set forth herein.

22. Force Majeure. If either Party cannot perform any of its obligations under the terms of this First Amended MOU due to event(s) beyond its control, the time provided for performance of such obligations shall be extended by a period of time equal to the duration of such event(s). If either Party desires to invoke the provisions of this section, it shall provide written notice to the other of the reasons for the delay and shall use best reasonable efforts to mitigate the effects of such occurrence. Event(s) beyond a Party's control include, but are not limited to, acts of God, war, civil commotion, labor disputes strikes, fire, flood, or other casualty, shortages of labor and materials, government regulation or restriction and weather conditions.

23. This First Amended MOU is signed, sealed, executed and delivered by the Parties as of the date indicated next to the respective signatures, with the Effective Date to be the date of the last signature affixed hereto.

CITY OF RIO RANCHO, a New Mexico municipal corporation

By: _____
David S. Campbell, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Gregory F. Lauer, City Attorney
City of Rio Rancho

Date: _____

**REGENTS OF THE UNIVERSITY OF NEW MEXICO,
a constitutionally created educational institution of the
State of New Mexico**

By: _____
Teresa Costantinidis, Senior Vice President
for Finance and Administration
University of New Mexico

Date: _____

REVIEWED AND APPROVED:

UNM HEALTH SCIENCES CENTER

By: _____
Paul B. Roth, MD, MS
Executive Vice President and
Chancellor for Health Sciences CEO

Date: _____

By: _____
Jamie Silva-Steele
Executive Director Health Sciences
Rio Rancho Campus

Date: _____

By: _____
Thomas M. Neale, Director
UNM Real Estate Department

Date: _____

APPROVED AS TO FORM:

By: _____
Scot Sauder
Deputy University Counsel
for Health Sciences

Date: _____

ACKNOWLEDGEMENT OF THE CITY OF RIO RANCHO

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANDOVAL)

 This instrument was acknowledged before me this _____ day of _____, 2020, by
David S. Campbell, City Manager, City of Rio Rancho, a New Mexico municipal corporation.

Notary Public

My commission expires:

ACKNOWLEDGEMENT OF THE UNIVERSITY

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

 This instrument was acknowledged before me this _____ day of _____, 2020, by
Teresa Costantinidis, Senior Vice President for Finance and Administration, University of New
Mexico, on behalf of the Regents of the University of New Mexico.

Notary Public

My commission expires:

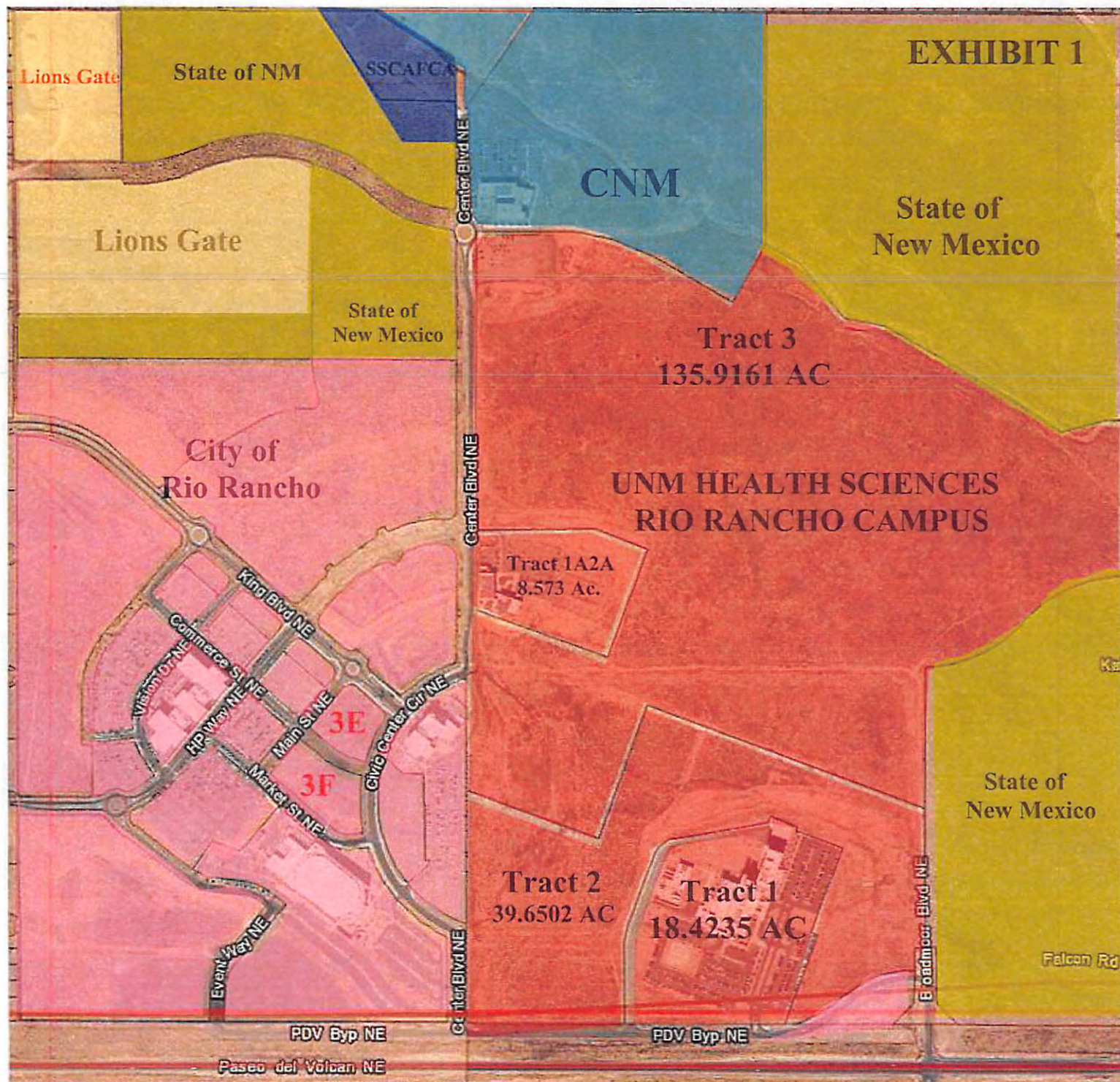
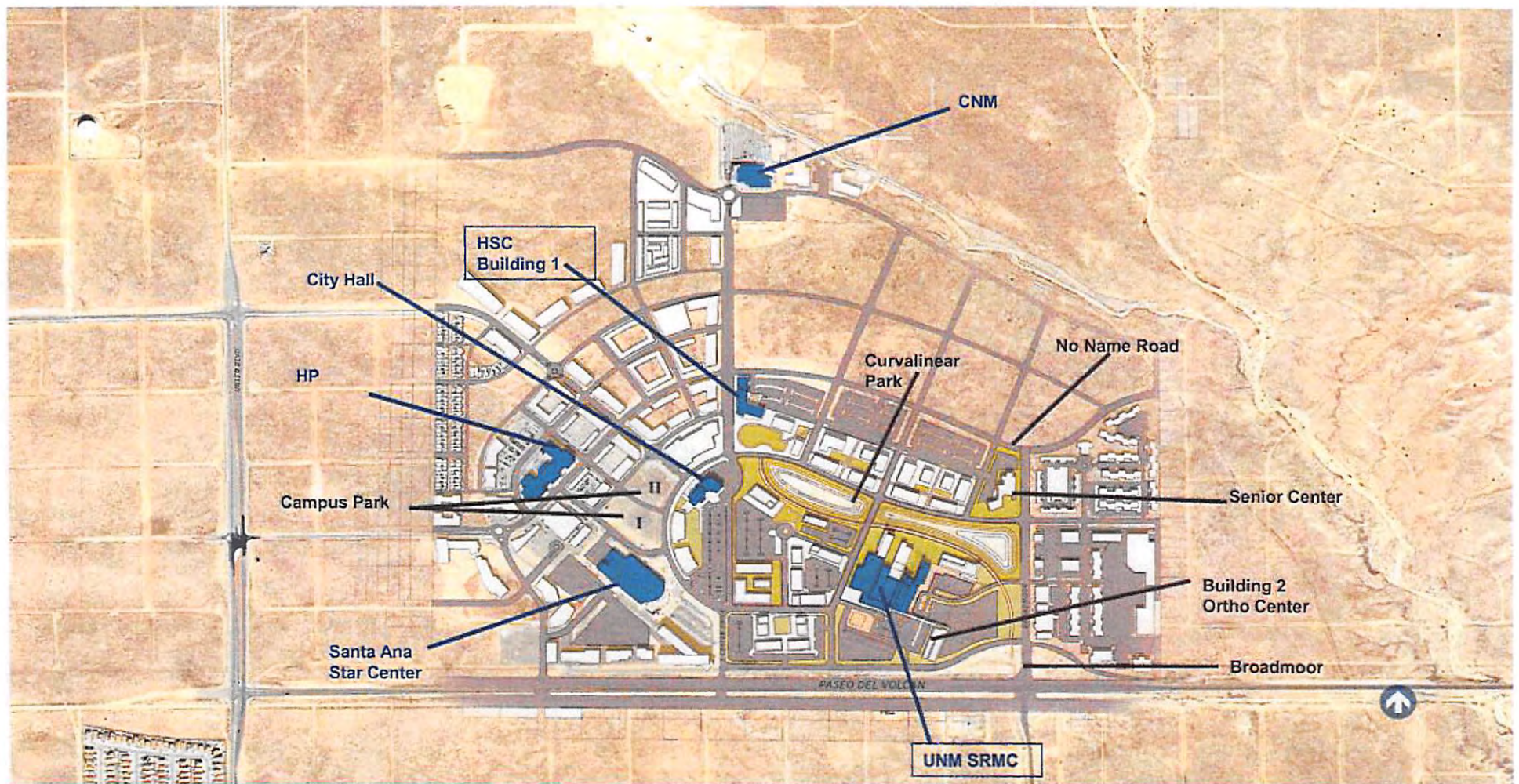
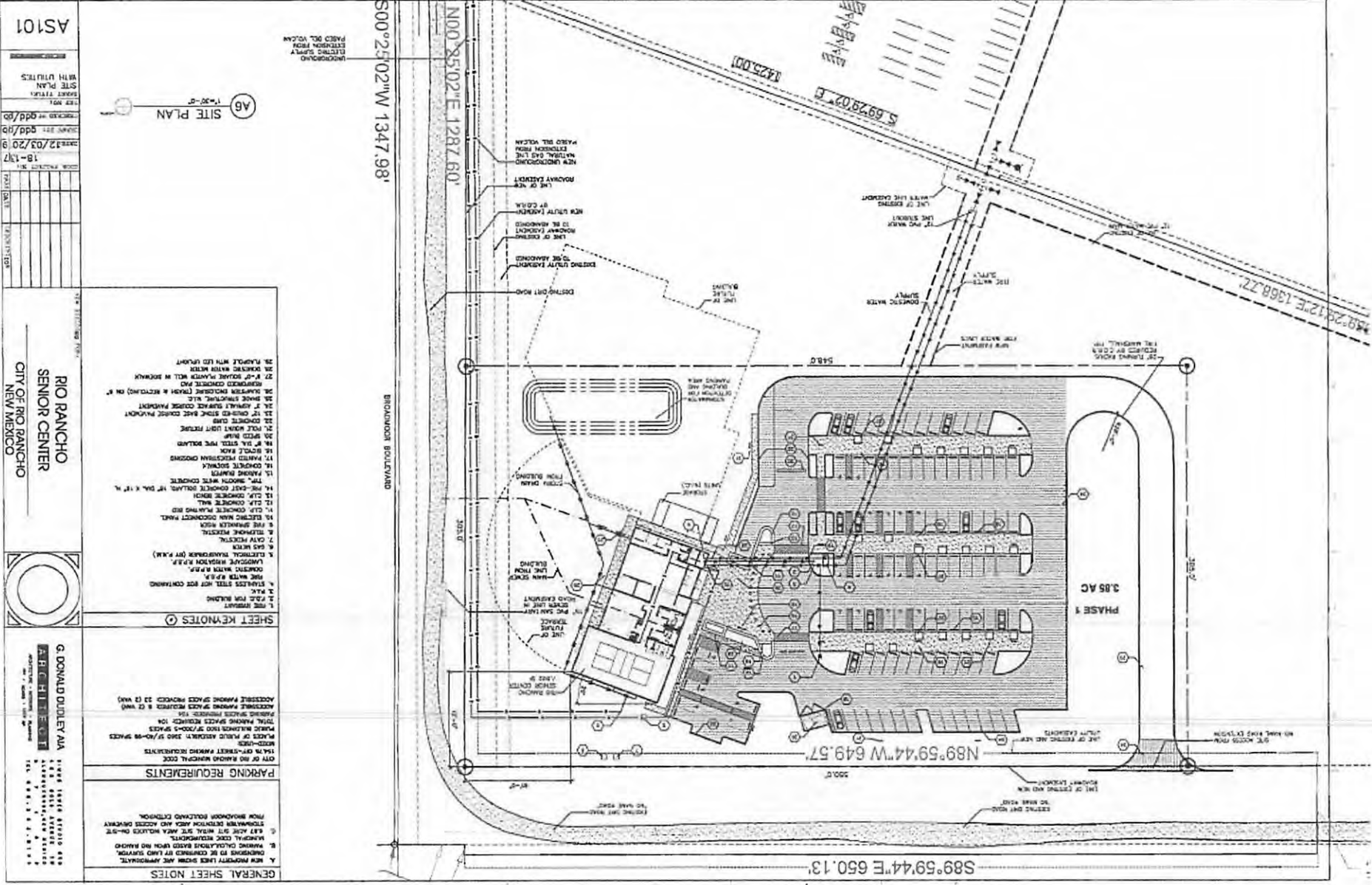


EXHIBIT 2





Academic – Teaching

~6,572 NSF

Proposed 10.5 providers:

- 6 adult reconstruction, 1.5 Physical Medicine & Rehabilitation, 1 General Orthopedist, 1 Spine specialist, and 6 Advanced Practice Providers
- Spine and Sports Medicine as growth permits
- Internal Medicine on site

Learner Spaces:

- Dictation
- Shared conference/education
- Large Conference/education
- Innovation Center/Virtual Reality
- Learner Lockers/Lounge

Clinical and Research Faculty/Provider Offices,
Staff, Reception

Summary of Learners Served in Proposed Facility:

Clinic: 5 Medical Assistants
8 Radiology Techs
5 Residents and Fellows

Research:
20 undergraduate, Masters, PhD, and
post-doctoral Bioengineering students
20-25/year medical students,
residents, and Fellows

Rehabilitation:
18 students in varying programs,
including Physical Therapy and
Occupational Therapy students,
Physical Therapy Techs and Physical
Therapy Assistants, Doctor of Physical
Therapy, and Speech and Language
students.

Academic – Research

~6,700 NSF

Orthopaedic Biomechanics & Biomaterials Laboratory (OBBL) and Orthopaedic Tissue Engineering with Additive Manufacturing (Ortho TEAM)

- Projects fall into the following five categories: computational finite element modeling, synthetic and cadaveric bone experimental testing, biomedical device development, materials characterization, and tissue engineering
- Research currently in multiple locations, with shared space and equipment
- Building infrastructure included in costs; Equipment supplied by research

Spaces:

- Wet Lab, Freezer, Prep, Storage
- Microvascular surgery, Gross Anatomy, Experimental Testing
- Machine Shop
- Break Area

Gait Lab to be used by research, education, as well as by the Rehab Center

Learners: 20 undergraduate, masters, PhD and post-doctoral Bioengineering students, and 20-25 per year of medical students, residents, and Fellows.

Academic Orthopaedic Clinic

~12,280 NSF

Multiple specialty orthopaedic providers from UNM School of Medicine manage patient care and provide teaching opportunities

Spaces:

- 40 exam rooms (5 pods of 8 exams) configured to accommodate patients, learners, as well as the providers
- Cast room
- Digital radiology with tech support area
- Procedure Rooms with accommodations for Ultrasound and C-arm use
- Waiting (Registration consolidated at the building entry)

Learners: 5 residents and Fellows, 5 medical Assistants, 8 Radiology Techs

Rehabilitation Center

6,614 NSF

Configured to accommodate pre-habilitation and rehabilitation in a teaching environment

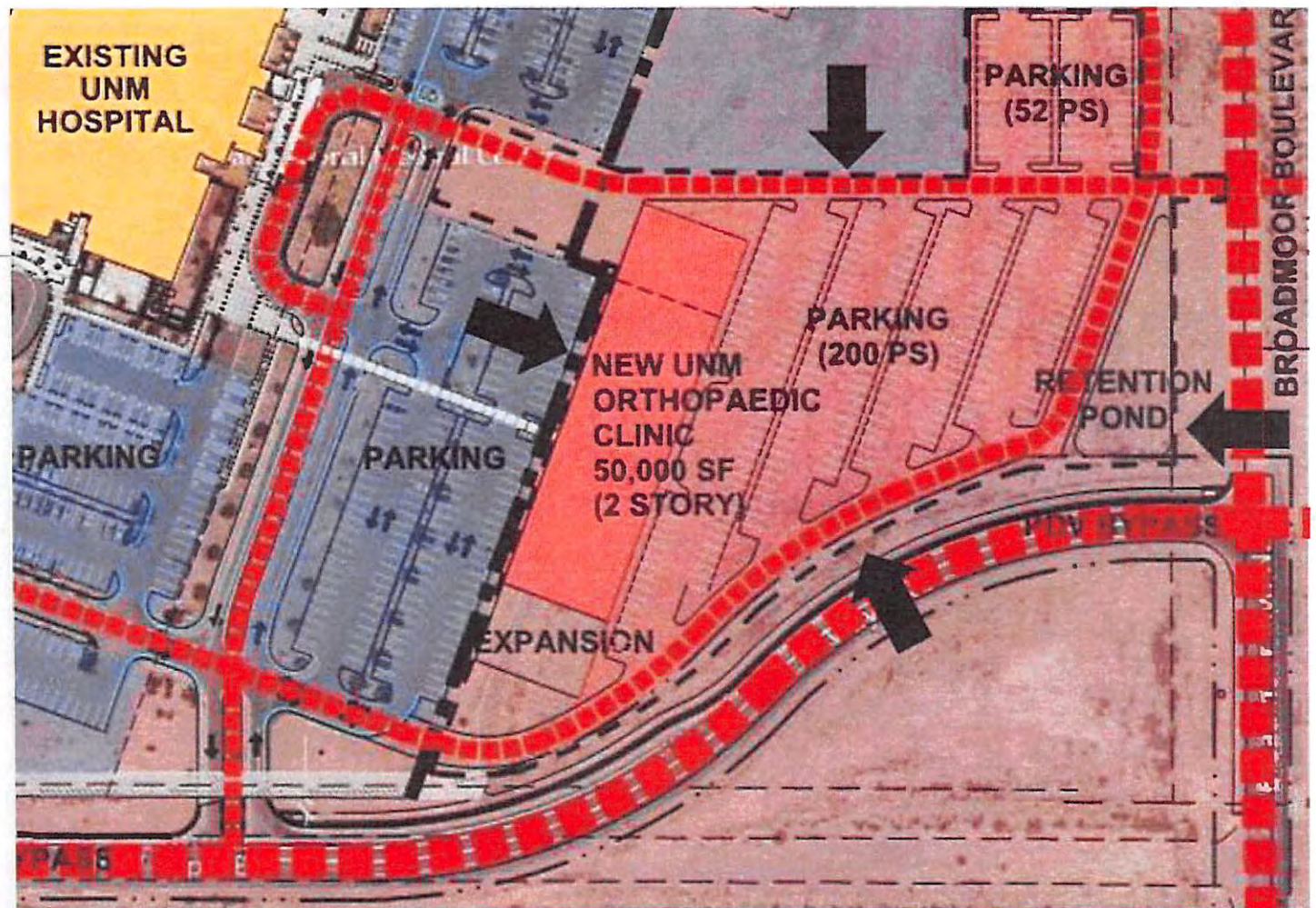
Spaces:

- Gym with track
- Therapy Pool with treadmill
- Patient Exam and Treatment Rooms
- Occupational Therapy with Activity of Daily Living accommodations
- Greeting/Waiting
- Workspace
- Break area
- Conference space shared with academic offices

Learners: 18 students in varying programs, including Physical Therapy and Occupational Therapy students, Physical Therapy Technician and Physical Therapy Assistant students, Doctor of Physical Therapy and Speech and Language Students

Project Site Plan

Extent of Current Orthopaedic Project



Campus Site Plan

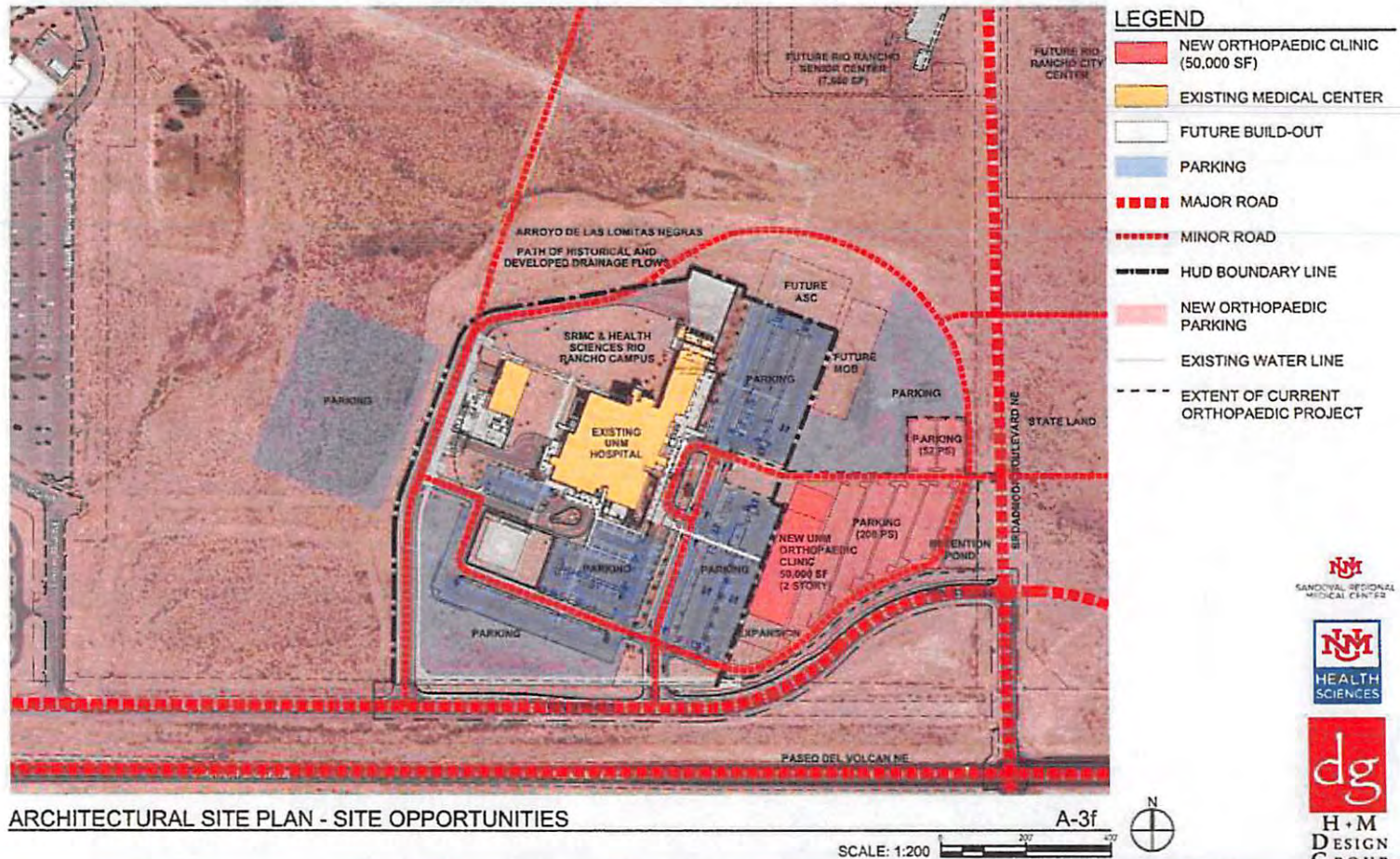


EXHIBIT 7

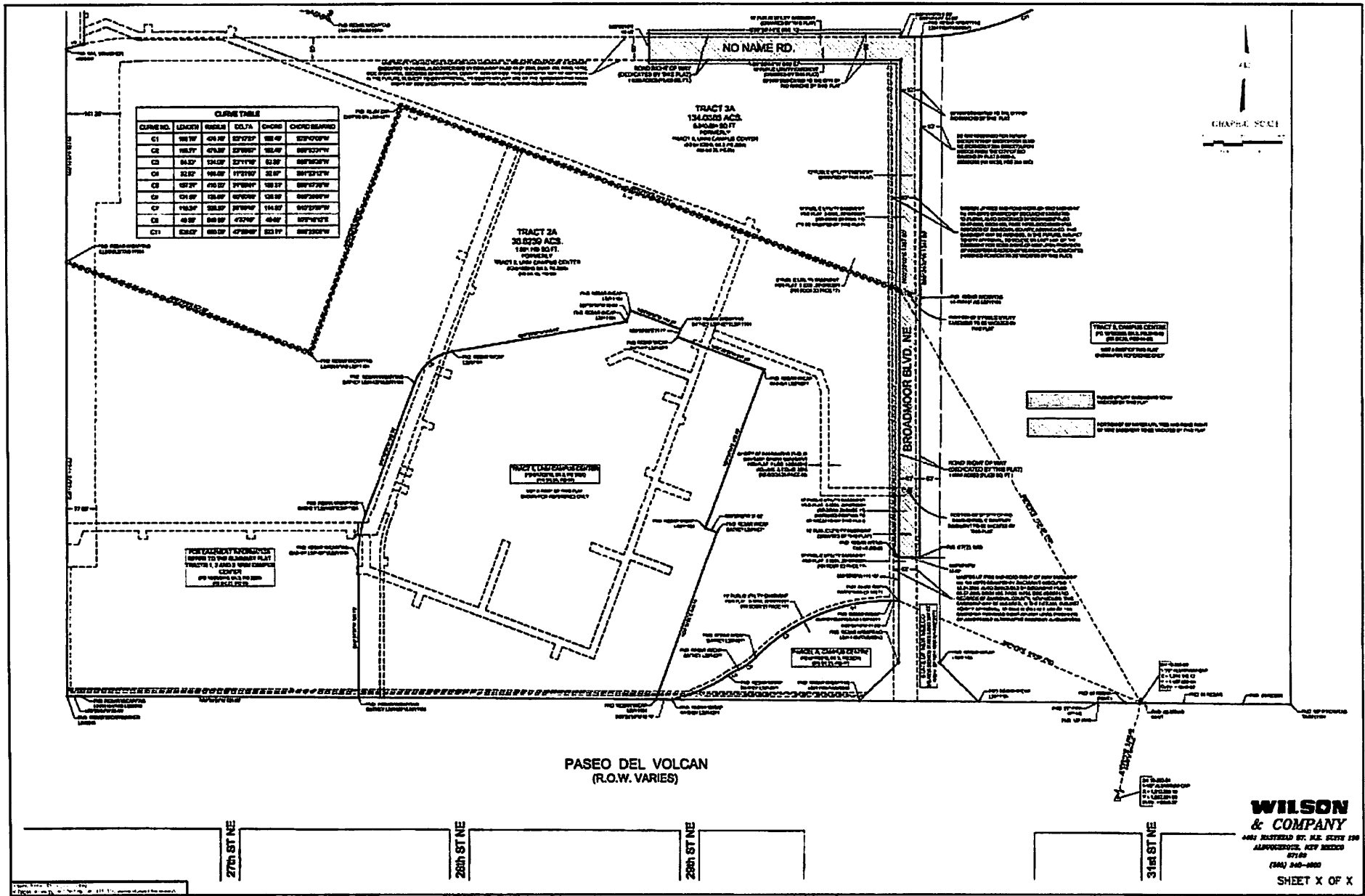


EXHIBIT 8

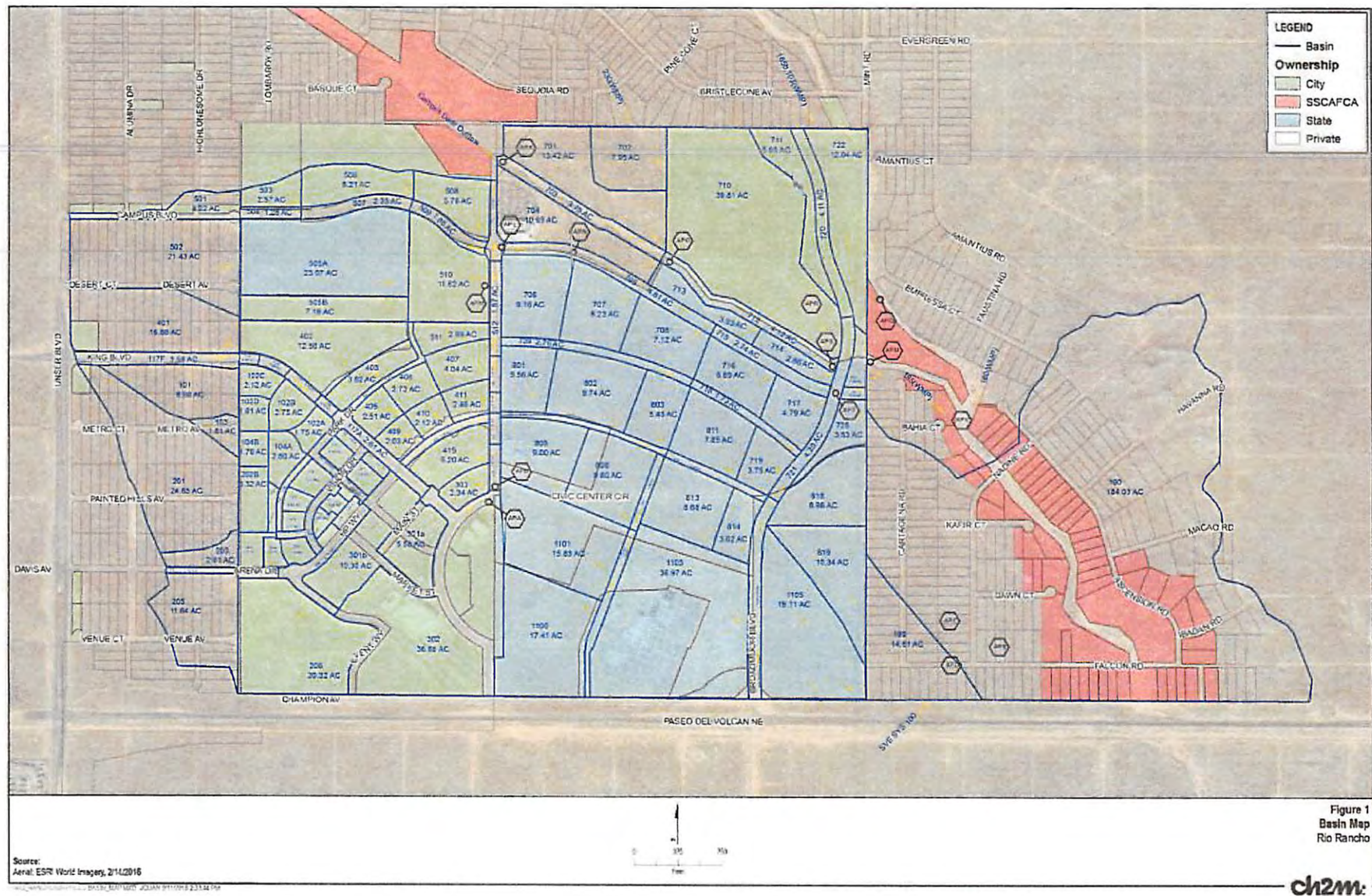


EXHIBIT 9

Upon closing of the Higher Education GRT bonds issued by the New Mexico Finance Authority, proceeds available for the Orthopedic Center (the "Project") will be on deposit at the Office of the Trustee, currently Bank of Albuquerque. The funds will be held and disbursed by the Trustee to ensure that proper record keeping is being maintained, that only authorized and allowable expenditures related to the Project are being paid, and that there is compliance with bond and tax requirements.

A signature(s) from an authorized officer(s) from UNM and the City of Rio Rancho shall be required for each funding request submitted. Funding requests shall be submitted to the Trustee, and will be processed as follows:

- 1) Payment by UNM. If Project costs/invoices are paid directly by UNM, a requisition request for reimbursement shall be submitted, with proof of payment(s) and supporting documentation for reimbursement; or
- 2) Payment by Trustee. A requisition request accompanied by invoices may be submitted to be paid per each vendor's payment instructions, and wherein the Trustee will pay each vendor directly through check or wire, as specified in the requisition request.

It is contemplated that fully completed and executed requisition requests will be paid by the Trustee within one to two business days of receipt. The approved requisition form, which shall be prepared in a user-friendly format, will be specified and included as one of the bond closing documents.



The President's Administrative Report

Garnett S. Stokes

President Stokes' report will be presented at the meeting.

CONSENT DOCKET

(Action items on Regent's Committee agendas may move to the Board of Regents' agenda as consent items; the below items are placed on the consent docket by the respective committee chairs; items on the consent docket received unanimous approval in committee; per Regents' Policy 1.2, "Any member of the Board of Regents shall have the right upon request to remove any item from the Board's consent agenda and place the item on the Board's regular agenda for discussion.")

Finance and Facilities Committee - Consent Items

1. Approval of 2nd Quarter Financial Actions Report and Certification through 12/31/19 and 2nd Quarter Informational Financial Report through 12/31/19
2. Approval of 2nd Quarter Athletics' Enhanced Fiscal Oversight Program Report and Certification through 12/31/19 and 2nd Quarter Information on Athletics' Report by Sport through 12/31/19
3. Approval of Requests for Project Construction:
 - a. Clark Hall #22: Reibsoner Wing Lab Waste System Replacement (Re-Approval)
 - b. Johnson Center: Fire Alarm Upgrade

Health Sciences Center Committee - Consent Items

4. Approval of Disposition of Assets
5. Approval of Perfusion and ECMO Services and Supplies – CCS Perfusion Services \$2.5M/yr
6. Repair, Renew, Replace New Hospital Tower and New Parking Structure – Project Commissioning Services \$1,662,000
7. Approval of the 5th Amended and Restated Bylaws of the UNM Medical Group, Inc.
8. Approval of Appointment of Karen Hawley, MD, to the UNM Medical Group, Inc., Board of Directors
9. Acceptance of the FY 2018-19 External Audit for the UNM Medical Group, Inc.
10. Approval of the 4th Amended and Restated Bylaws of SRMC, Inc.
11. Acceptance of the FY 2018-19 External Audit for the SRMC, Inc.
12. Approval to amend the current engagement letter with Huron Consulting - Sole Source Contract with projected contract cost of \$12,580,000




University Controller
Financial Services, Main Campus
Phone: (505) 277-5111
FAX: (505) 277-7662

MEMORANDUM

DATE: January 29, 2020

TO: Teresa Costantinidis
Senior Vice President for Finance and Administration

FROM: Elizabeth Metzger, CPA 
University Controller

RE: Two (2) Items: One (1) Action Item and One (1) Information Item for Board of Regents' Finance & Facilities Committee Meeting

Action Items.

The New Mexico Higher Education Department, Institutional Finance Division, Quarterly Financial Actions Report and Certification through December 31, 2019 needs to be approved at the February 11, 2020 Finance & Facilities Committee meeting.

Information Items.

The Monthly Consolidated Financial Reports for the month ended December 31, 2019 will be presented at the February 11, 2020 Finance & Facilities Committee meeting.

New Mexico Higher Education Department
Institutional Finance Division
Quarterly Financial Certification Report Template

Please complete and sign the following Financial Certification Report and submit with the Quarterly Financial Actions Report.

To the best of my knowledge, I certify that the information provided in the attached Financial Actions Report for the:

1st ____ 2nd X 3rd ____ 4th ____ Quarter, FY 2020

is correct as of the signature dates noted below, and that

The University of New Mexico

has a functioning financial accounting system that captures assets, liabilities, revenues, and expenditures on a timely basis, and the Governing Board receives timely notification of any significant actual or projected variances between budgeted and actual revenues and expenditures.

Sandra Begay, Chair, Board of Regents-F&F

Date

Garnett S. Stokes, President

Date

Teresa Costantinidis, Senior VP for Finance & Administration

Date

University of New Mexico

Quarterly Financial Actions Report

Fiscal year 2020

Date 1/29/2020

Period (check one)

Quarter 1 ☐ Quarter 2 ☒ Quarter 3 ☐ Quarter 4 ☐

During the period of time covered by this report; did your institution:

(1) Request an advance of state subsidy? Yes ☐ No ☒

(2) Fail to make its required payments, as scheduled, to appropriate retirement system(s)? Yes ☐ No ☒

(3) Fail to make its payroll payments, as scheduled? Yes ☐ No ☒

(4) Fail to make its scheduled debt service payments? Yes ☐ No ☒

(5) Fail to make payments to vendors, as scheduled, due to a cash deficiency or a substantial deficiency in the payment processing system? Yes ☐ No ☒

(6) Relative to the original fiscal year budget, experience any significant actual or anticipated financial changes that are not reflected in a submitted Budget Adjustment Request (BAR). Significant financial changes refers to fiscal activity that will result in a substantially reduced year-end fund balance or any increase in a fund balance deficit. Yes ☒ No ☐

If the answer to any of the above questions is "Yes," please describe in a separate document:

- (i) the reason for the occurrence,
- (ii) the actions taken by your institution to resolve this particular occurrence, and
- (iii) the actions taken by your institution to prevent events such as this from occurring again.

In addition, if the answer to number 6 is "Yes," please describe in a separate document the nature of the financial changes and describe and assess the impact that the changes will have on your institution's planned year-end financial position. (See attached.)

University of New Mexico
Quarterly Financial Actions Report
Fiscal Year 2020, End of Quarter 2

Updated Additional information for “Yes” answer to Question (6)

Nature of Financial Changes not yet reflected in a BAR:

The enrollment for Fall 2019 is down 7% in student credit hours and 6.56% in student headcount. Tuition and fees are expected to come under budget by approximately \$4.2m or 2.6%. The original budget included an adjustment for an enrollment fluctuation but current projections exceeded it.

The shortfall will be covered by central reserves.

The tuition and fee projections are preliminary. Tuition and fee projections will be finalized at the end of February after 21-day census for Spring Term and mid-year reviews. UNM's consolidated BAR, including Main Campus, HSC, Branches and UNMH, will be prepared and submitted in the spring, consistent with our historical practices.



Monthly Financial Report

Consolidated Total Operations Current Funds

Fiscal Year to Date as of December 31, 2019

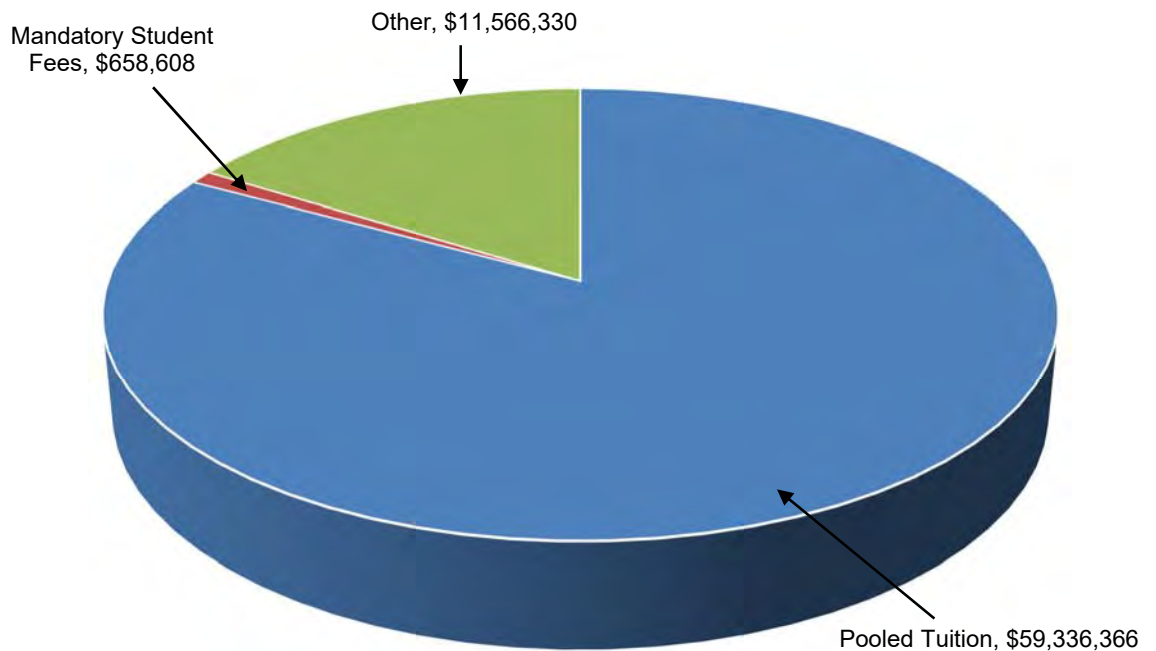
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Appropriations Schedules	
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Summary of Items in the Consolidated Financial Report As of December 31, 2019

- Instruction and General (Consolidated page 8, Main Campus page 14): Tuition and Fees - The graph below indicates the portion of Main Campuses I&G Tuition and Fee revenue that is pooled and allocated to the departments. The remainder of I&G Tuition and Fee revenue distributed directly to the units, EX: tuition differential, course fees.

**Main Campus Tuition and Fees
as of December 31, 2019**



Other includes tuition differential, off-campus extension tuition, ASM Executive and Professional Education Center (EPEC) tuition, and various fee classifications (application, course, extended education, other student, testing binding, and thesis).

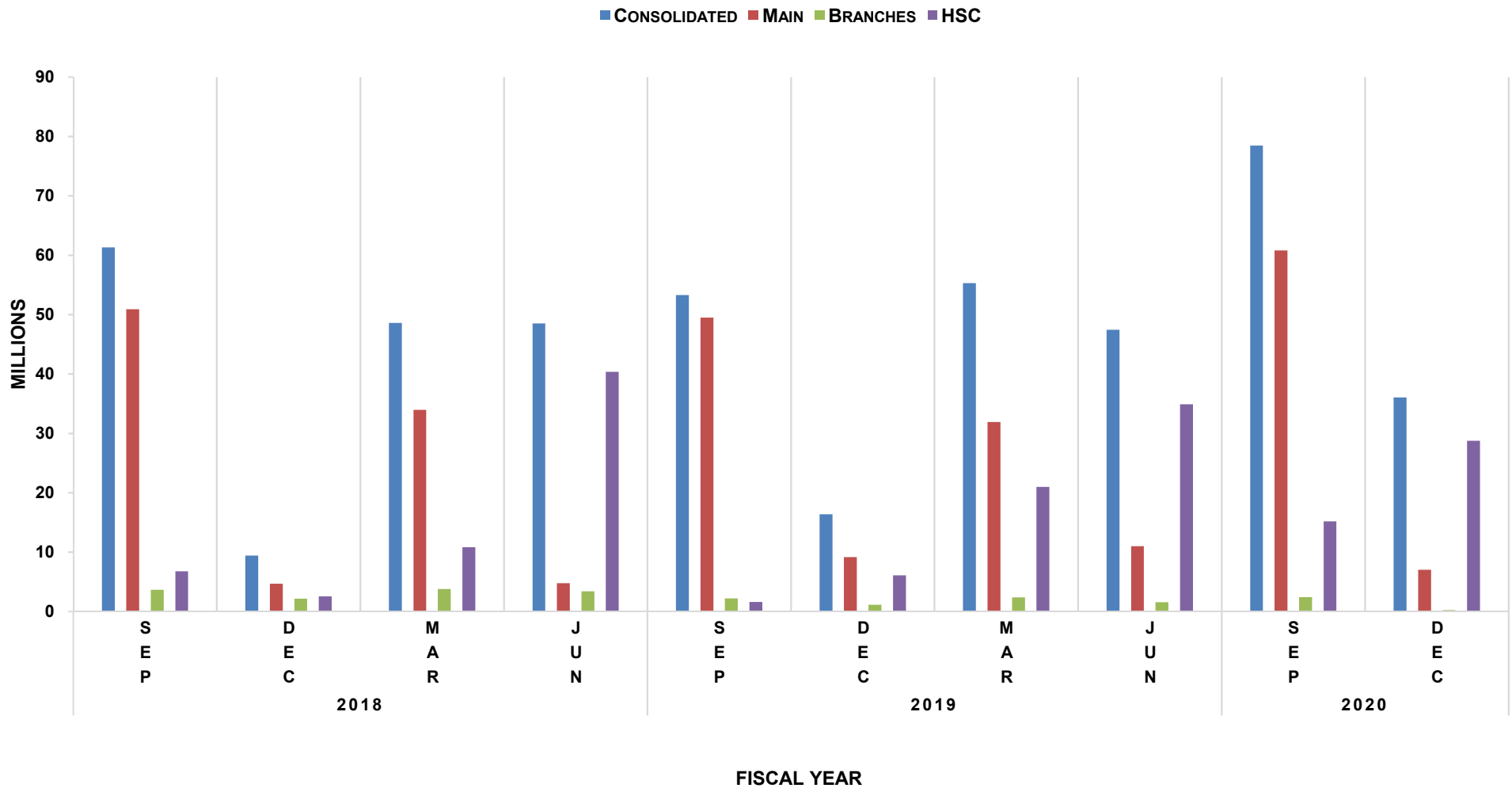
Budget	\$114,651,011
Difference	\$ (55,314,645)

- HSC Clinical and Academic Operations (Consolidated page 10): Effective FY20, HSC information will not be presented as a separate report in the Consolidated Financial Report. HSC is presented in the Clinical Operations section that also includes UNM Hospitals, UNM Medical Group, and SRMC. (These actuals do not include intercompany eliminations.) Actuals for the current year and prior year through December are as follows:

Clinical Operations		FY20 – as of 12/31/19		FY19 – as of 12/31/18		Variance between FY2020 and FY2019
UNM HSC Academic Enterprise	\$	10,465,517	\$	4,566,683	\$	5,898,834
UNM Hospitals Operations	\$	12,810,882	\$	2,287,044	\$	10,523,838
UNM Medical Group	\$	5,437,724	\$	1,793,878	\$	3,643,846
SRMC	\$	27,844	\$	20,111	\$	7,733
Total	\$	28,741,967	\$	8,667,716	\$	20,074,251



CONSOLIDATED TOTAL OPERATIONS - 3 YEAR NET REVENUE (EXPENSE) **FISCAL YEAR TO DATE AS OF DECEMBER 31, 2019**



Executive Budget Summary

University of New Mexico Consolidated Financial Report

Fiscal Year 2020 UNM Operating Budget

This report covers current fund operations for the University, including Main Campus, Branch Campuses, and Clinical Operations including the HSC Campus.

Instruction and General's operations projects a use of reserves of \$11.6M for the Fiscal Year 2020 UNM Operating Budget; \$10.9M use of reserves at the Main Campus and a \$731K use of reserves at the Branch Campuses. HSC's budget for I&G is now included in the Clinical Operations budget.

Unrestricted Research operations projects a use of reserves of \$2.7M for the Fiscal Year 2020 UNM Operating Budget-all at the Main Campus. HSC's budget for research is now included in the Clinical Operations budget.

Unrestricted Public Service operations projects a use of reserves of \$2.0M for the Fiscal Year 2020 UNM Operating Budget; \$2.0M use of reserves is at the Main Campus and a \$31K use of reserves is at the Branch Campuses. HSC's budget for Unrestricted Public Service is now included in the Clinical Operations budget.

Student Aid operations projects a use of reserves of \$4.9M for the Fiscal Year 2020 UNM Operating Budget; \$4.9M use of reserves is at the Main Campus and a \$25K use of reserves is at the Branch Campuses. HSC's budget for Student Aid is now included in the Clinical Operations budget.

Student Activities are the operations of Student Government and Student organizations. The FY 2020 UNM Operating Budget shows a use of reserves of \$231K. HSC's budget for Student Activities is now included in the Clinical Operations budget.

Auxiliaries and Athletics

The FY 2020 UNM Operating Budget for Auxiliaries and Athletics projects a use of reserves of \$506K.

Sponsored Programs operations are our contract and grant research and public service projects funded by outside agencies and companies. These operations will always record a zero net revenue over expense by the nature of their funding. The agency pays for a service or research project, and normally any unspent funds must be returned to the agency.

Clinical Operations now includes HSC (UNM HSC Academic Enterprises), UNM Hospital, UNM Medical Group, and SRMC. The FY 2020 UNM Operating Budget for Clinical Operations totals \$10,866,875 and is listed by unit below:

- UNM HSC Academic Enterprise as a budgeted net margin of \$1,547,512
- UNM Hospitals operations has a budgeted net margin of \$4,389,451
- UNM Medical Group operations has a budgeted net margin of \$4,901,522
- SRMC has a budgeted net margin of \$28,390

Statements of Revenues, Expenses and Changes in Net Position
For the six month ended December 31, 2019
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Instruction and General						
Tuition and Fees Revenues						
Main Campus	136,961,034	71,561,304	(65,399,730)	52%	80,147,012	(8,585,708)
Branch Campuses	7,115,164	3,520,965	(3,594,199)	49%	3,556,292	(35,327)
Total Tuition and Fees Revenues	144,076,198	75,082,269	(68,993,929)	52%	83,703,304	(8,621,035)
State/Local Appropriations	226,222,476	113,111,190	(113,111,286)	50%	105,954,913	7,156,277
F & A Revenues	20,400,000	10,463,327	(9,936,673)	51%	10,168,990	294,337
Transfers	(54,514,002)	(31,084,116)	23,429,886	57%	(31,943,187)	859,071
Other Revenues	17,949,863	8,166,543	(9,783,320)	45%	12,205,894	(4,039,351)
Total Instruction and General Revenues	354,134,535	175,739,213	(178,395,322)	50%	180,089,914	(4,350,701)
Salaries	219,872,819	105,925,646	113,947,173	48%	103,567,141	(2,358,505)
Benefits	75,648,487	36,180,428	39,468,059	48%	34,384,058	(1,796,370)
Other Expenses	70,220,090	31,015,882	39,204,208	44%	29,424,820	(1,591,062)
Total Instruction and General Expenses	365,741,396	173,121,956	192,619,440	47%	167,376,019	(5,745,937)
Net Instruction and General Revenue (Expense)	(11,606,861)	2,617,257	14,224,118		12,713,895	(10,096,638)
Research						
State/Local Appropriations	2,071,050	1,035,525	(1,035,525)	50%	965,725	69,800
Transfers	15,251,013	6,632,489	(8,618,524)	43%	5,448,118	1,184,371
Other Revenues	167,906	389,390	221,484	232%	381,796	7,594
Total Research Revenues	17,489,969	8,057,404	(9,432,565)	46%	6,795,639	1,261,765
Salaries and Benefits	9,191,232	5,356,335	3,834,897	58%	5,444,384	88,049
Other Expenses	11,055,715	3,806,217	7,249,498	34%	3,901,757	95,540
Total Research Expenses	20,246,947	9,162,552	11,084,395	45%	9,346,141	183,589
Net Research Revenue (Expense)	(2,756,978)	(1,105,148)	1,651,830		(2,550,502)	1,445,354
Public Service						
State/Local Appropriations	4,139,850	2,069,925	(2,069,925)	50%	1,614,175	455,750
Sales and Services Revenues	7,128,313	4,169,590	(2,958,723)	58%	2,717,587	1,452,003
Gifts	9,146,483	4,603,133	(4,543,350)	50%	4,341,416	261,717
Transfers	(1,580,367)	(1,225,202)	355,165	78%	(1,697,470)	472,268
Other Revenues	3,353,426	1,488,492	(1,864,934)	44%	3,272,876	(1,784,384)
Total Public Service Revenues	22,187,705	11,105,938	(11,081,767)	50%	10,248,584	857,354
Salaries and Benefits	10,916,737	5,764,058	5,152,679	53%	5,404,775	(359,283)
Other Expenses	13,327,013	5,327,014	7,999,999	40%	6,313,413	986,399
Total Public Service Expenses	24,243,750	11,091,072	13,152,678	46%	11,718,188	627,116
Net Public Service Revenue (Expense)	(2,056,045)	14,866	2,070,911		(1,469,604)	1,484,470

Statements of Revenues, Expenses and Changes in Net Position
For the six month ended December 31, 2019
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb)/ Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Student Aid						
Gifts	521,646	201,685	(319,961)	39%	194,209	7,476
State Lottery Scholarship	23,728,994	11,864,497	(11,864,497)	50%	9,100,000	2,764,497
Transfers	18,264,963	9,244,853	(9,020,110)	51%	9,258,591	(13,738)
Other Revenues	5,553,594	3,159,654	(2,393,940)	57%	3,137,917	21,737
Total Student Aid Revenues	48,069,197	24,470,689	(23,598,508)	51%	21,690,717	2,779,972
Salaries and Benefits	1,639,821	1,038,936	600,885	63%	1,184,628	145,692
Other Expenses	51,361,733	19,828,966	31,532,767	39%	21,057,831	1,228,865
Total Student Aid Expenses	53,001,554	20,867,902	32,133,652	39%	22,242,459	1,374,557
Net Student Aid Revenue (Expense)	(4,932,357)	3,602,787	8,535,144		(551,742)	4,154,529
Student Social & Cultural Programs						
Fee Revenues	7,611,875	4,223,102	(3,388,773)	55%	4,289,659	(66,557)
Sales and Services Revenues	891,941	477,445	(414,496)	54%	441,067	36,378
Transfers	618,585	439,137	(179,448)	71%	392,677	46,460
Other Revenues	112,300	41,870	(70,430)	37%	69,560	(27,690)
Total Student Social & Cultural Programs Revenues	9,234,701	5,181,554	(4,053,147)	56%	5,192,963	(11,409)
Salaries and Benefits	5,627,798	2,686,984	2,940,814	48%	2,555,223	(131,761)
Other Expenses	3,838,259	2,408,000	1,430,259	63%	1,831,630	(576,370)
Total Student Social & Cultural Programs Expenses	9,466,057	5,094,984	4,371,073	54%	4,386,853	(708,131)
Net Student Social & Cultural Programs Revenue (Expense)	(231,356)	86,570	317,926		806,110	(719,540)
Auxiliaries and Athletics						
Branch Campuses Auxiliary Revenues	1,841,085	850,620	(990,465)	46%	775,680	74,940
Main Campus Auxiliaries Revenues	46,203,727	22,895,735	(23,307,992)	50%	24,917,036	(2,021,301)
Athletics Revenues	32,286,155	16,841,402	(15,444,753)	52%	16,402,628	438,774
Total Auxiliaries and Athletics Revenues	80,330,967	40,587,757	(39,743,210)	51%	42,095,344	(1,507,587)
Branch Campuses Auxiliary Expenses	1,996,492	818,609	1,177,883	41%	900,051	81,442
Main Campus Auxiliaries Expenses	47,041,864	20,917,791	26,124,073	44%	23,057,587	2,139,796
Athletics Expenses	31,798,827	16,771,596	15,027,231	53%	16,801,521	29,925
Total Auxiliaries and Athletics Expenses	80,837,183	38,507,996	42,329,187	48%	40,759,159	2,251,163
Net Auxiliaries and Athletics Revenue (Expense)	(506,216)	2,079,761	2,585,977		1,336,185	743,576

Statements of Revenues, Expenses and Changes in Net Position
For the six month ended December 31, 2019
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Sponsored Programs						
Federal Grants and Contracts Revenues	153,282,567	66,448,363	(86,834,204)	43%	65,471,332	977,031
State and Local Grants and Contracts Revenues	19,131,144	8,377,651	(10,753,493)	44%	7,908,405	469,246
Non-Governmental Grants and Contracts Revenues	12,800,000	5,581,816	(7,218,184)	44%	5,964,840	(383,024)
Gifts	38,024	-	(38,024)	0%	-	-
Transfers	2,692,000	857,913	(1,834,087)	32%	1,438,302	(580,389)
Other Revenues	-	-	-	N/A	1,058	(1,058)
Total Sponsored Programs Revenues	187,943,735	81,265,743	(106,677,992)	43%	80,783,937	481,806
Salaries and Benefits	74,854,445	30,375,275	44,479,170	41%	29,094,094	(1,281,181)
Other Expenses	113,089,290	50,890,468	62,198,822	45%	51,689,843	799,375
Total Sponsored Programs Expenses	187,943,735	81,265,743	106,677,992	43%	80,783,937	(481,806)
Net Sponsored Programs Revenue (Expense)	-	-	-		-	-
HSC Clinical and Academic Operations*						
State/Local Appropriations	106,573,977	53,297,767	(53,276,210)	50%	49,036,155	4,261,612
Capital Appropriations	-	33,588,918	33,588,918	N/A	-	33,588,918
UNM Medical Group Revenues	404,178,392	210,981,846	(193,196,546)	52%	163,744,943	47,236,903
UNM Hospitals Revenues	1,205,944,288	635,084,688	(570,859,600)	53%	570,102,768	64,981,920
SRMC Revenues	106,105,706	47,686,929	(58,418,777)	45%	46,060,890	1,626,039
Tuition and Fees Revenue (Earned Only)	30,656,107	15,328,054	(15,328,053)	50%	15,421,161	(93,107)
F&A Revenues	25,500,000	12,459,682	(13,040,318)	49%	12,700,673	(240,991)
Mil Levy (Sandoval & Bernalillo Counties)	109,997,537	55,772,245	(54,225,292)	51%	50,166,287	5,605,958
Contract and Grant Revenues	178,543,740	75,927,799	(102,615,941)	43%	74,659,562	1,268,237
Transfers	6,410,559	2,273,878	(4,136,681)	35%	569,254	1,704,624
Other Revenues	104,214,280	49,619,574	(54,594,706)	48%	55,593,057	(5,973,483)
Total Clinical Operations Revenues	2,278,124,586	1,192,021,380	(1,086,103,206)	52%	1,038,054,750	153,966,630
Salaries and Benefits	1,093,074,912	534,172,163	558,902,749	49%	516,622,771	(17,549,392)
Contract and Grant Expenses	162,479,749	67,977,480	94,502,269	42%	67,115,731	(861,749)
Committed for Capital Projects	-	33,588,918	(33,588,918)	N/A	-	(33,588,918)
Other Expenses	1,011,703,050	527,540,852	484,162,198	52%	445,648,532	(81,892,320)
Total Clinical Operations Expenses	2,267,257,711	1,163,279,413	1,103,978,298	51%	1,029,387,034	(133,892,379)
Net Clinical Operations Revenue (Expense)	10,866,875	28,741,967	17,875,092		8,667,716	20,074,251
Net Current Revenue (Expense)	(11,222,938)	36,038,060	47,260,998		18,952,058	17,086,002

* Does not include intercompany eliminations

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the six month ended December 31, 2019
Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Results of Athletics Operations:						
Athletics Revenues	31,380,903	16,936,382	(14,444,521)	54%	15,376,219	1,560,163
Athletics Transfers	905,252	(94,980)	(1,000,232)	-10%	1,026,409	(1,121,389)
Total Athletics Revenues	32,286,155	16,841,402	(15,444,753)	52%	16,402,628	438,774
Athletics Expenses						
Salaries and Benefits	13,062,092	6,586,802	6,475,290	50%	6,753,170	166,368
Grant-in-Aid	4,200,000	1,994,859	2,205,141	47%	2,360,714	365,855
Other Expenses	14,536,735	8,189,935	6,346,800	56%	7,687,637	(502,298)
Total Athletics Expenses	31,798,827	16,771,596	15,027,231	53%	16,801,521	29,925
Total Net Athletics Revenue (Expense)	487,328	69,806	(417,522)		(398,893)	468,699
Results of Auxiliary Operations:						
VP for Institutional Support Services						
Bookstore Revenues	10,502,804	5,165,373	(5,337,431)	49%	5,868,214	(702,841)
Bookstore Transfers	(86,389)	(175,000)	(88,611)	203%	(175,000)	-
Total Bookstore Revenues	10,416,415	4,990,373	(5,426,042)	48%	5,693,214	(702,841)
Total Bookstore Expenses	10,416,415	5,142,658	5,273,757	49%	5,756,789	614,131
Net Bookstore Revenue (Expense)	-	(152,285)	(152,285)		(63,575)	(88,710)
University Club Revenues	64,500	22,891	(41,609)	35%	22,294	597
University Club Expenses	64,500	32,174	32,326	50%	3,960	(28,214)
Net Faculty & Staff Club Revenue (Expense)	-	(9,283)	(9,283)		18,334	(27,617)
Food Service/Dining Revenues	2,406,719	1,424,466	(982,253)	59%	1,331,310	93,156
Food Service/Dining Transfers	(885,477)	(25,000)	860,477	3%	(23,000)	(2,000)
Total Food Service/Dining Revenues	1,521,242	1,399,466	(121,776)	92%	1,308,310	91,156
Total Food Service/Dining Expenses	1,521,242	586,748	934,494	39%	721,339	134,591
Net Food Service/Dining Revenue (Expense)	-	812,718	812,718		586,971	225,747
Golf Courses Revenues	2,475,610	1,023,241	(1,452,369)	41%	1,023,143	98
Golf Courses Transfers	(39,252)	(19,626)	19,626	50%	(9,737)	(9,889)
Total Golf Courses Revenues	2,436,358	1,003,615	(1,432,743)	41%	1,013,406	(9,791)
Total Golf Courses Expenses	2,436,358	1,174,221	1,262,137	48%	1,175,453	1,232
Net Golf Courses Revenue (Expense)	-	(170,606)	(170,606)		(162,047)	(8,559)
Housing Revenues	10,592,340	5,000,794	(5,591,546)	47%	5,164,118	(163,324)
Housing Transfers	(2,390,946)	(1,252,176)	1,138,770	52%	(1,399,136)	146,960
Total Housing Revenues	8,201,394	3,748,618	(4,452,776)	46%	3,764,982	(16,364)
Total Housing Expense	8,201,394	3,412,110	4,789,284	42%	3,988,758	576,648
Net Housing Revenue (Expense)	-	336,508	336,508		(223,776)	560,284

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
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Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Lobo Cash Revenues	79,500	48,887	(30,613)	61%	50,542	(1,655)
Lobo Cash Expenses	79,500	20,586	(58,914)	26%	51,971	31,385
Net Lobo Cash Revenue (Expense)	-	28,301	28,301		(1,429)	29,730
Other Revenues	1,975,000	688,667	(1,286,333)	35%	435,750	252,917
Other Transfers	(2,166,000)	(915,000)	1,251,000	42%	(920,000)	5,000
Total Other Revenues	(191,000)	(226,333)	(35,333)	118%	(484,250)	257,917
Total Other Expense	150	-	150	0%	-	-
Net Other Revenue (Expense)	(191,150)	(226,333)	(35,183)		(484,250)	257,917
Parking and Transportation Revenues	7,756,654	4,768,857	(2,987,797)	61%	4,911,059	(142,202)
Parking and Trans Transfers	(1,712,319)	(925,160)	787,159	54%	(911,911)	(13,249)
Total Parking and Trans Revenues	6,044,335	3,843,697	(2,200,638)	64%	3,999,148	(155,451)
Total Parking and Trans Expenses	6,591,322	2,681,206	3,910,116	41%	2,399,611	(281,595)
Net Parking and Trans Revenue (Expense)	(546,987)	1,162,491	1,709,478		1,599,537	(437,046)
Popejoy Events Revenues	6,005,254	2,227,593	(3,777,661)	37%	3,444,861	(1,217,268)
Popejoy Events Transfers	-	-	-	N/A	-	-
Total Popejoy Events Revenues	6,005,254	2,227,593	(3,777,661)	37%	3,444,861	(1,217,268)
Total Popejoy Events Expenses	6,005,254	2,677,140	3,328,114	45%	3,591,798	914,658
Net Popejoy Events Revenue (Expense)	-	(449,547)	(449,547)		(146,937)	(302,610)
Taos & Lawrence Ranch Revenues	55,000	55,000	-	100%	55,000	-
Taos & Lawrence Ranch Expenses	55,000	20,957	34,043	38%	21,987	1,030
Net Taos & Lawrence Ranch Revenue (Expense)	-	34,043	34,043		33,013	1,030
Ticketing Services Revenues	769,058	279,394	(489,664)	36%	439,098	(159,704)
Ticketing Services Transfers	-	-	-	N/A	-	-
Total Ticketing Services Revenues	769,058	279,394	(489,664)	36%	439,098	(159,704)
Total Ticketing Services Expenses	869,058	251,324	617,734	29%	201,139	(50,185)
Net Ticketing Services Revenue (Expense)	(100,000)	28,070	128,070		237,959	(209,889)
Total VP for Institutional Support Services Revenues	35,402,056	17,393,201	(18,008,855)	49%	19,306,605	(1,913,404)
Total VP for Institutional Support Services Expenses	36,240,193	15,999,124	20,241,069	44%	17,912,805	1,913,681
Net VP for Institutional Support Services Revenue (Expense)	(838,137)	1,394,077	2,232,214		1,393,800	277

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University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
VP for Student Affairs						
Student Health Center Revenues	7,692,107	4,220,177	(3,471,930)	55%	3,866,836	353,341
Student Health Center Expenses	7,692,107	3,690,377	4,001,730	48%	3,706,355	15,978
Net Student Health Center Revenue (Expense)	-	529,800	529,800		160,481	369,319
Student Union Revenues	2,723,737	1,172,588	(1,551,149)	43%	1,463,892	(291,304)
Student Union Expenses	2,723,737	1,095,005	1,628,732	40%	1,332,927	237,922
Net Student Union Revenue (Expense)	-	77,583	77,583		130,965	(53,382)
Total VP for Student Affairs Revenues	10,415,844	5,392,765	(5,023,079)	52%	5,330,728	62,037
Total VP for Student Affairs Expenses	10,415,844	4,785,382	5,630,462	46%	5,039,282	253,900
Net VP for Student Affairs Revenue (Expense)	-	607,383	607,383		291,446	315,937
Provost and Other Units						
Art Museum Revenues	300	211	(89)	70%	-	211
Art Museum Expenses	300	1,912	(1,612)	637%	-	(1,912)
Net Art Museum Revenue (Expense)	-	(1,701)	(1,701)		-	(1,701)
CE Conference Ctr Revenues	160,000	70,042	(89,958)	44%	110,816	(40,774)
CE Conference Ctr Transfers	(66,218)	(90,592)	(24,374)	137%	29,249	(119,841)
Total CE Conference Ctr Revenues	93,782	(20,550)	(114,332)	-22%	140,065	(160,615)
Total CE Conference Ctr Expenses	93,782	59,009	34,773	63%	14,198	(44,811)
Net CE Conference Ctr Revenue (Expense)	-	(79,559)	(79,559)		125,867	(205,426)
Maxwell Museum Revenues	40,261	23,501	(16,760)	58%	23,638	(137)
Maxwell Museum Expenses	40,261	3,405	36,856	8%	7,095	3,690
Net Maxwell Museum Revenue (Expense)	-	20,096	20,096		16,543	3,553
Other Revenues	251,484	106,607	(144,877)	42%	116,000	(9,393)
Other Expenses	251,484	68,959	182,525	27%	84,207	15,248
Net Other Revenue (Expense)	-	37,648	37,648		31,793	5,855
Total Provost and Other Units Revenues	385,827	109,769	(276,058)	28%	279,703	(169,934)
Total Provost and Other Units Expenses	385,827	133,285	252,542	35%	105,500	(27,785)
Net Provost and Other Units Revenue (Expense)	-	(23,516)	(23,516)		174,203	(197,719)
Auxiliary Totals						
Total Auxiliary Revenues	46,203,727	22,895,735	(23,307,992)	50%	24,917,036	(2,021,301)
Total Auxiliary Expenses	47,041,864	20,917,791	26,124,073	44%	23,057,587	2,139,796
Net Auxiliary Revenue (Expense)	(838,137)	1,977,944	2,816,081		1,859,449	118,495
Net Athletics Revenue (Expense)	487,328	69,806	(417,522)		(398,893)	468,699
Net Auxiliary and Athletics Revenue (Expense)	(350,809)	2,047,750	2,398,559		1,460,556	587,194
Net Branch Campuses Aux Revenue (Expense)	(155,407)	32,011	187,418		(124,371)	156,382
Net All Auxiliary and Athletics Revenue (Expense)	(506,216)	2,079,761	2,585,977		1,336,185	743,576

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Main Campus - Total Operations Current Funds

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Instruction and General						
Tuition and Fees Revenues	136,961,034	71,561,304	(65,399,730)	52%	80,147,012	(8,585,708)
State/Local Appropriations	196,138,300	98,069,100	(98,069,200)	50%	91,718,100	6,351,000
F & A Revenues	20,400,000	10,463,327	(9,936,673)	51%	10,168,990	294,337
Transfers	(53,361,485)	(28,921,673)	24,439,812	54%	(30,970,352)	2,048,679
Other Revenues	17,229,112	7,626,249	(9,602,863)	44%	11,736,391	(4,110,142)
Total Instruction and General Revenues	317,366,961	158,798,307	(158,568,654)	50%	162,800,141	(4,001,834)
Salaries	198,188,510	95,617,835	102,570,675	48%	93,829,262	(1,788,573)
Benefits	68,523,011	32,873,347	35,649,664	48%	31,212,130	(1,661,217)
Other Expenses	61,530,561	27,766,213	33,764,348	45%	26,125,837	(1,640,376)
Total Instruction and General Expenses	328,242,082	156,257,395	171,984,687	48%	151,167,229	(5,090,166)
Net Instruction and General Revenue (Expense)	(10,875,121)	2,540,912	13,416,033		11,632,912	(9,092,000)
Research						
State/Local Appropriations	2,071,050	1,035,525	(1,035,525)	50%	965,725	69,800
Transfers	15,251,013	6,632,489	(8,618,524)	43%	5,448,118	1,184,371
Other Revenues	167,906	389,390	221,484	232%	381,796	7,594
Total Research Revenues	17,489,969	8,057,404	(9,432,565)	46%	6,795,639	1,261,765
Salaries and Benefits	9,191,232	5,356,335	3,834,897	58%	5,444,384	88,049
Other Expenses	11,055,715	3,806,217	7,249,498	34%	3,901,757	95,540
Total Research Expenses	20,246,947	9,162,552	11,084,395	45%	9,346,141	183,589
Net Research Revenue (Expense)	(2,756,978)	(1,105,148)	1,651,830		(2,550,502)	1,445,354
Public Service						
State/Local Appropriations	4,139,850	2,069,925	(2,069,925)	50%	1,614,175	455,750
Sales and Services Revenues	6,736,536	3,948,143	(2,788,393)	59%	2,487,212	1,460,931
Gifts	9,021,675	4,426,908	(4,594,767)	49%	4,171,827	255,081
Transfers	(1,580,367)	(1,225,202)	355,165	78%	(1,696,470)	471,268
Other Revenues	3,343,426	1,399,799	(1,943,627)	42%	3,205,129	(1,805,330)
Total Public Service Revenues	21,661,120	10,619,573	(11,041,547)	49%	9,781,873	837,700
Salaries and Benefits	10,569,905	5,528,400	5,041,505	52%	5,193,442	(334,958)
Other Expenses	13,116,320	5,154,156	7,962,164	39%	6,228,844	1,074,688
Total Public Service Expenses	23,686,225	10,682,556	13,003,669	45%	11,422,286	739,730
Net Public Service Revenue (Expense)	(2,025,105)	(62,983)	1,962,122		(1,640,413)	1,577,430

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Main Campus - Total Operations Current Funds

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Student Aid						
Private Grants/Gifts	426,996	140,400	(286,596)	33%	145,948	(5,548)
State Lottery Scholarships	23,728,994	11,864,497	(11,864,497)	50%	9,100,000	2,764,497
Transfers	17,863,853	8,952,311	(8,911,542)	50%	9,070,546	(118,235)
Other Revenues	5,536,594	3,152,184	(2,384,410)	57%	3,130,115	22,069
Total Student Aid Revenues	47,556,437	24,109,392	(23,447,045)	51%	21,446,609	2,662,783
Salaries and Benefits	1,639,821	1,038,936	600,885	63%	1,184,628	145,692
Other Expenses	50,823,823	19,550,296	31,273,527	38%	20,788,783	1,238,487
Total Student Aid Expenses	52,463,644	20,589,232	31,874,412	39%	21,973,411	1,384,179
Net Student Aid Revenue (Expense)	(4,907,207)	3,520,160	8,427,367		(526,802)	4,046,962
Student Social & Cultural Programs						
Fee Revenues	7,392,800	4,121,854	(3,270,946)	56%	4,186,824	(64,970)
Sales and Services Revenues	884,241	471,575	(412,666)	53%	437,480	34,095
Transfers	658,585	479,637	(178,948)	73%	432,677	46,960
Other Revenues	112,300	41,870	(70,430)	37%	69,560	(27,690)
Total Student Social & Cultural Programs Revenues	9,047,926	5,114,936	(3,932,990)	57%	5,126,541	(11,605)
Salaries and Benefits	5,619,958	2,685,336	2,934,622	48%	2,555,115	(130,221)
Other Expenses	3,659,324	2,341,557	1,317,767	64%	1,792,718	(548,839)
Total Student Social & Cultural Programs Expenses	9,279,282	5,026,893	4,252,389	54%	4,347,833	(679,060)
Net Student Social & Cultural Programs Revenue (Expense)	(231,356)	88,043	319,399		778,708	(690,665)
Auxiliaries						
Auxiliaries Revenues	46,203,727	22,895,735	(23,307,992)	50%	24,917,036	(2,021,301)
Athletics Revenues	32,286,155	16,841,402	(15,444,753)	52%	16,402,628	438,774
Total Auxiliaries Revenues	78,489,882	39,737,137	(38,752,745)	51%	41,319,664	(1,582,527)
Auxiliaries Expenses	47,041,864	20,917,791	26,124,073	44%	23,057,587	2,139,796
Athletics Expenses	31,798,827	16,771,596	15,027,231	53%	16,801,521	29,925
Total Auxiliaries Expenses	78,840,691	37,689,387	41,151,304	48%	39,859,108	2,169,721
Net Auxiliaries and Athletics Revenue (Expense)	(350,809)	2,047,750	2,398,559		1,460,556	587,194

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Main Campus - Total Operations Current Funds

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Sponsored Programs						
Federal Grants and Contracts Revenues	144,466,888	63,212,414	(81,254,474)	44%	61,930,901	1,281,513
State and Local Grants and Contracts Revenues	17,087,338	7,880,205	(9,207,133)	46%	7,520,206	359,999
Non-Governmental Grants and Contracts Revenues	12,600,000	5,386,139	(7,213,861)	43%	5,774,742	(388,603)
Gifts	-	-	-	N/A	-	-
Transfers	2,692,000	857,913	(1,834,087)	32%	1,438,302	(580,389)
Other Revenues	-	-	-	N/A	-	-
Total Sponsored Programs Revenues	176,846,226	77,336,671	(99,509,555)	44%	76,664,151	672,520
Salaries and Benefits	67,960,226	27,836,893	40,123,333	41%	26,617,943	(1,218,950)
Other Expenses	108,886,000	49,499,778	59,386,222	45%	50,046,208	546,430
Total Sponsored Programs Expenses	176,846,226	77,336,671	99,509,555	44%	76,664,151	(672,520)
Net Sponsored Programs Revenue (Expense)	-	-	-		-	-
Net Current Revenue (Expense)	(21,146,576)	7,028,734	28,175,310		9,154,459	(2,125,725)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the six month ended December 31, 2019
Preliminary and Unaudited

Branch Campuses - Total Operations Current Funds

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Instruction and General						
Tuition and Fees Revenues	7,115,164	3,520,965	(3,594,199)	49%	3,556,292	(35,327)
State/Local Appropriations	30,084,176	15,042,090	(15,042,086)	50%	14,236,813	805,277
Transfers	(1,152,517)	(2,162,443)	(1,009,926)	188%	(972,835)	(1,189,608)
Other Revenues	720,751	540,294	(180,457)	75%	469,503	70,791
Total Instruction and General Revenues	36,767,574	16,940,906	(19,826,668)	46%	17,289,773	(348,867)
Salaries	21,684,309	10,307,811	11,376,498	48%	9,737,879	(569,932)
Benefits	7,125,476	3,307,081	3,818,395	46%	3,171,928	(135,153)
Other Expenses	8,689,529	3,249,669	5,439,860	37%	3,298,983	49,314
Total Instruction and General Expenses	37,499,314	16,864,561	20,634,753	45%	16,208,790	(655,771)
Net Instruction and General Revenue (Expense)	(731,740)	76,345	808,085		1,080,983	(1,004,638)
Public Service						
State/Local Appropriations	-	-	-	N/A	-	-
Sales and Services Revenues	391,777	221,447	(170,330)	57%	230,375	(8,928)
Gifts	124,808	176,225	51,417	141%	169,589	6,636
Transfers	-	-	-	N/A	(1,000)	1,000
Other Revenues	10,000	88,693	78,693	887%	67,747	20,946
Total Public Service Revenues	526,585	486,365	(40,220)	92%	466,711	19,654
Salaries and Benefits	346,832	235,658	111,174	68%	211,333	(24,325)
Other Expenses	210,693	172,858	37,835	82%	84,569	(88,289)
Total Public Service Expenses	557,525	408,516	149,009	73%	295,902	(112,614)
Net Public Service Revenue (Expense)	(30,940)	77,849	108,789		170,809	(92,960)
Student Aid						
Private Grants/Gifts	94,650	61,285	(33,365)	65%	48,261	13,024
Transfers	401,110	292,542	(108,568)	73%	188,045	104,497
Other Revenues	17,000	7,470	(9,530)	44%	7,802	(332)
Total Student Aid Revenues	512,760	361,297	(151,463)	70%	244,108	117,189
Salaries and Benefits	-	-	-	N/A	-	-
Other Expenses	537,910	278,670	259,240	52%	269,048	(9,622)
Total Student Aid Expenses	537,910	278,670	259,240	52%	269,048	(9,622)
Net Student Aid Revenue (Expense)	(25,150)	82,627	107,777		(24,940)	107,567

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format
For the six month ended December 31, 2019
Preliminary and Unaudited

Branch Campuses - Total Operations Current Funds

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%	FY 2019 Year-to-Date Actual	FY 2020 YTD Actual Change From FY 2019 YTD Actual
Student Social & Cultural Programs						
Fee Revenues	219,075	101,248	(117,827)	46%	102,835	(1,587)
Sales and Services Revenues	7,700	5,870	(1,830)	76%	3,587	2,283
Transfers	(40,000)	(40,500)	(500)	101%	(40,000)	(500)
Other Revenues	-	-	-	N/A	-	-
Total Student Social & Cultural Programs Revenues	186,775	66,618	(120,157)	36%	66,422	196
Salaries and Benefits	7,840	1,648	6,192	21%	108	(1,540)
Other Expenses	178,935	66,443	112,492	37%	38,912	(27,531)
Total Student Social & Cultural Programs Expenses	186,775	68,091	118,684	36%	39,020	(29,071)
Net Student Social & Cultural Programs Revenue (Expense)	-	(1,473)	(1,473)		27,402	(28,875)
Auxiliaries						
Bookstore Revenues	1,729,990	787,586	(942,404)	46%	726,544	61,042
Housing and Food Service Revenues	137,794	57,828	(79,966)	42%	65,314	(7,486)
Transfers	(40,000)	-	40,000	0%	(20,414)	20,414
Other Auxiliaries Revenues	13,301	5,206	(8,095)	39%	4,236	970
Total Auxiliaries Revenues	1,841,085	850,620	(990,465)	46%	775,680	74,940
Bookstore Expenses	1,695,397	747,161	948,236	44%	836,076	88,915
Housing and Food Service Expenses	287,794	54,167	233,627	19%	59,854	5,687
Other Auxiliaries Expenses	13,301	17,281	(3,980)	130%	4,121	(13,160)
Total Auxiliaries Expenses	1,996,492	818,609	1,177,883	41%	900,051	81,442
Net Auxiliaries Revenue (Expense)	(155,407)	32,011	187,418		(124,371)	156,382
Sponsored Programs						
Federal Grants and Contracts Revenues	8,815,679	3,235,949	(5,579,730)	37%	3,540,431	(304,482)
State and Local Grants and Contracts Revenues	2,043,806	497,446	(1,546,360)	24%	388,199	109,247
Non-Governmental Grants and Contracts Revenues	200,000	195,677	(4,323)	98%	190,098	5,579
Gifts	38,024	-	(38,024)	0%	-	-
Transfers	-	-	-	N/A	-	-
Other Revenues	-	-	-	N/A	1,058	(1,058)
Total Sponsored Programs Revenues	11,097,509	3,929,072	(7,168,437)	35%	4,119,786	(190,714)
Salaries and Benefits	6,894,219	2,538,382	4,355,837	37%	2,476,151	(62,231)
Other Expenses	4,203,290	1,390,690	2,812,600	33%	1,643,635	252,945
Total Sponsored Programs Expenses	11,097,509	3,929,072	7,168,437	35%	4,119,786	190,714
Net Sponsored Programs Revenue (Expense)	-	-	-		-	-
Net Current Revenue (Expense)	(943,237)	267,359	1,210,596		1,129,883	(862,524)

Statements of Revenues, Expenses and Changes in Net Assets
For the six month period ended December 31 , 2019
Preliminary and Unaudited

Detail of State/Local Appropriations
Consolidated - Total Operations Current Funds

	FY 2020 Full Year Operating Budget	FY 2020 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 50%
Instruction and General				
Instruction & General Appropriations	215,495,415	107,747,708	(107,747,707)	50%
State Special Project Appropriations	1,742,100	871,050	(871,050)	50%
Mill Levy	8,984,861	4,492,432	(4,492,429)	50%
Total Instruction and General Appropriations	<u>226,222,376</u>	<u>113,111,190</u>	<u>(113,111,186)</u>	<u>50%</u>
Research				
State Special Project Appropriations	2,071,050	1,035,525	(1,035,525)	50%
Total Research Appropriations	<u>2,071,050</u>	<u>1,035,525</u>	<u>(1,035,525)</u>	<u>50%</u>
Public Service				
State Special Project Appropriations	4,139,850	2,069,925	(2,069,925)	50%
Total Public Service Appropriations	<u>4,139,850</u>	<u>2,069,925</u>	<u>(2,069,925)</u>	<u>50%</u>
Clinical Operations				
Instruction & General Appropriations	65,137,000	32,568,756	(32,568,244)	50%
Research Appropriations	1,705,315	587,379	(1,117,936)	34%
Public Service Appropriations	261,000	133,500	(127,500)	51%
State Special Project Appropriations	35,438,400	18,156,000	(17,282,400)	51%
Tobacco Settlement Appropriations	840,200	420,104	(420,096)	50%
Cigarette Tax Revenues	3,192,062	1,432,028	(1,760,034)	45%
Total Clinical Operations Appropriations	<u>106,573,977</u>	<u>53,297,767</u>	<u>(53,276,210)</u>	<u>50%</u>
Total - All Appropriations	<u>339,007,253</u>	<u>169,514,407</u>	<u>(169,492,846)</u>	<u>50%</u>



To: Members of the Board of Regents

From: Eddie Nunez, Director of Athletics

Nicole Dopson, Director of Financial Operations for Academic Affairs

Date: February 11, 2020

Re: Approval of the FY20 Second Quarter Submission to Higher Education Department for the Enhanced Fiscal Oversight Program (EFOP)

In order to respond to concerns brought by the New Mexico Higher Education Department (NMHED), the University has agreed to provide the attached Enhanced Fiscal Oversight Program (EFOP) Report. This report will be provided in addition to the Quarterly Financial Actions Report and Certification that are already required for all higher education institutions.

The report will provide Athletics financial status through reporting templates provided by the Higher Education Department for the Athletics budget exhibits as well as a template for the plan associated with resolving the overall deficit within Athletics budget.

The EFOP report will accompany the report submitted by the Controller's Office until NMHED is satisfied with the University's progress on these issues.

Thank you for your consideration.

New Mexico Higher Education Department
Institutional Finance Division
University of New Mexico Athletics Department
Quarterly Enhanced Fiscal Oversight Program (EFOP) Report

Please certify the following EFOP report and submit with the Quarterly Financial Certification and Financial Action Reports.

To the best of my knowledge, I certify that the information provided in the attached EFOP report for the:

1st ____ 2nd __X__ 3rd ____ 4th ____ Quarter, FY 2020

is correct as of the signature dates noted below:

The University of New Mexico

Sandra Begay, Chair, Board of Regents – Finance and Facilities Committee	Date
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Garnett S. Stokes, President	Date
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Teresa Costantinidis, SVP for Administration	Date
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Exhibit 21 - UNM MAIN Campus
Summary of Intercollegiate Athletics

		Original Approved Budget 2020				Actuals Quarter 1 - FY20				Actuals Quarter 2 - FY20				Actuals Quarter 3 - FY20				Actuals Quarter 4 - FY20				Increase / Decrease YTD			
		FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted	FTE	Unrestricted	FTE	Restricted
Revenues	Tuition and Fees		3,571,257		0		1,969,952		0		0		0		0		0						1,601,305		0
	State Appropriations		3,793,000		0		986,800		0		935,400		0										1,870,800		0
	Federal Grants and Contracts		0		30,601		0		0		0		0		0		0						0		30,601
	State Grants and Contracts		0		25,500		0		0		0		0		0		0						0		25,500
	Private Gifts Grants and Contracts		0																						
	Sales and Services		700,000		0		175,000		0		179,204		0										345,796		0
	Other Sources		9,900,279		0		3,730,365		0		2,465,352		0										3,704,562		0
			13,923,546		0		3,224,720		0		3,270,000		0										7,428,826		0
Total Revenues			31,888,082		56,101		10,086,837		0		6,849,956		0		0		0		0		0		14,951,289		56,101
Beginning Balance			(4,492,379)				(4,375,832)				(3,515,556)				(4,305,615)				(4,305,615)				(116,547)		0
Total Available																							14,834,742		56,101
Expenditures	Administrative Professional	91.00	8,948,579		0		2,318,875		0		2,281,607		0				0					91.00	4,348,097	0.00	0
	Faculty Salaries		0		0		1,000		0		(1,000)		0				0					0.00	0	0.00	0
	Federal Workstudy Salaries		0	2.00	30,601		265		0		1,546		0				0					0.00	(1,811)	2.00	30,601
	GA TA RA PA Salary	8.00	236,954		0		66,933		0		87,133		0				0					8.00	82,888	0.00	0
	Other Salaries	28.00	808,600		0		65,325		0		120,380		0				0					28.00	622,895	0.00	0
	State Workstudy Salaries		0	1.00	25,500		488		0		2,594		0				0					0.00	(3,083)	1.00	25,500
	Student Salaries	5.00	86,800		0		16,608		0		43,960		0				0					5.00	26,233	0.00	0
	Support Staff Salary	1.00	36,943		0		10,780		0		24,046		0				0					1.00	2,117	0.00	0
	Technician Salary	7.00	250,033		0		57,989		0		75,029		0				0					7.00	117,016	0.00	0
	Accrued Annual Leave		0		0		0		0		0		0				0						0		0
	Fica		648,924		0		142,340		0		128,721		0				0						377,863		0
	Group Insurance		347,258		0		170,909		0		186,324		0				0						(9,975)		0
	Other Staff Benefits		429,413		0		93,362		0		95,944		0				0						240,107		0
	Retirement		1,179,061		0		275,726		0		265,936		0				0						637,399		0
	Tuition Waivers		78,500		0		46,016		0		0		0				0						32,484		0
	Unemployment Compensation		5,939		0		1,714		0		1,745		0				0						2,481		0
	Workers Compensation		5,088		0		2,207		0		2,302		0				0						579		0
	Contract Services		1,175,119		0		124,311		0		260,573		0				0						790,235		0
	Cost of Good Sold		550		0		0		0		0		0				0						550		0
	Electricity		312,264		0		55,549		0		77,785		0				0						178,930		0
	Equipment		134,835		0		63,561		0		58,568		0				0						12,706		0
	Fuel Heat Cool		60,000		0		1,468		0		13,625		0				0						44,907		0
	Officials Expense 63T3		535,050		0		1,420		0		15,090		0				0						518,540		0
	Sewer Other		184,000		0		58,234		0		57,368		0				0						68,398		0
	Student Awards and Aid		4,623,500		0		2,127,459		0		230,645		0				0						2,265,396		0
	Supplies Expense		8,342,014		0		2,210,391		0		2,025,827		0				0						4,105,796		0
	Travel		151,950		0		158,338		0		32,300		0				0						(38,688)		0
	Travel-Group		2,936,303		0		979,790		0		1,357,139		0				0						599,374		0
	Travel-Recruiting		562,150		0		160,481		0		119,487		0				0						282,182		0
	Internal Service Ctr																								
	Internal Sales		226,179		0		0		0		(4,615)		0				0						230,794		0
Total Expenditures		140.00	32,306,006	3.00	56,101	0.00	9,211,539	0.00		0.00	7,560,057	0.00		0.00	0	0.00		0.00	0	0.00		140.00	15,534,410	3.00	56,101
Transfers (IN) or OUT			(905,252)				15,022				79,959												(1,000,232)		
Ending Balance			(4,005,051)				(3,515,556)				(4,305,615)				(4,305,615)				(4,305,615)				300,564		

Exhibit 21a - UNM MAIN
Campus - Detail of
Budget Unit 350 - Administration

		Original Budget 2020		Actuals Quarter 1 - FY20		Actuals Quarter 2 - FY20		Actuals Quarter 3 - FY20		Actuals Quarter 4 - FY20		Increase / Decrease YTD	
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues	Tuition and Fees		3,571,257		1,969,952		-						1,601,305
	State Appropriations		3,793,000		986,800		935,400						1,870,800
	Private Gifts Grants and Contracts		700,000										345,796
					175,000		179,204						
	Sales and Services		4,080,479		566,921		509,377						3,004,181
	Other Sources		4,200,446		(6,498,380)		967,252						9,731,574
Total Revenues		-	16,345,182	-	(2,799,707)	-	2,591,233	-	-	-	-		16,553,656
Beginning Balance			(4,492,379)		(4,380,974)		(166,836)						55,431
Total Available			11,852,803		(7,180,681)		2,424,397		-	-	-		16,609,087
Expenditures	Administrative Professional	34.00	2,319,537		661,406		655,383					34.00	1,002,748
	Faculty Salaries		-		1,000		(1,000)					-	-
	Federal Workstudy Salaries		-		265		1,546					-	(1,811)
	GA TA RA PA Salary	5.80	177,821		31,464		37,946					5.80	108,411
	Other Salaries	18.44	633,600		54,652		102,119					18.44	476,829
	State Workstudy Salaries		-		488		2,595					-	(3,083)
	Student Salaries	4.18	79,800		16,608		43,959					4.18	19,233
	Support Staff Salary		-		1,662		363					-	(2,025)
	Technician Salary	6.75	250,033		57,258		72,892					6.75	119,883
	Accrued Annual Leave		-		-		-					-	-
	Fica		208,063		50,280		50,252					-	107,531
	Group Insurance		113,287		69,036		76,973					-	(32,722)
	Other Staff Benefits		-		-		60,275					-	(60,275)
	Retirement		183,915		29,662		158,742					-	(4,489)
	Tuition Waivers		378,049		97,678		(74,058)					-	354,429
	Unemployment Compensation		58,500		23,620		(22,497)					-	57,377
	Workers Compensation		1,906		542		1,112					-	252
	Charge Inst. Support		1,631		711		(711)					-	1,631
	Contract Services		-		-		260,924					-	(260,924)
	Cost of Good Sold		823,753		99,021		(99,021)					-	823,753
	Electricity		550		-		-					-	550
	Equipment		-		-		23,038					-	(23,038)
	Fuel_Heat_Cool		25,300		8,667		(8,667)					-	25,300
	Medicare		-		-		-					-	-
	Officials Expense 63T3		-		-		250					-	(250)
	Services		152,500		-		-					-	152,500
	Sewer_Other		1,200		724		370					-	106
	Student Awards and Aid		4,585,500		2,112,459		(1,881,858)					-	4,354,899
	Supplies_Expense		5,993,460		1,412,701		1,095,819					-	3,484,940
	Travel		64,500		4,747		5,535					-	54,218
	Travel-Group		219,022		77,369		84,644					-	57,009
	Travel-Recruiting		-		-		-					-	-
	Internal Service Ctr Internal Sales		491,179		-		-					-	494,804
			-		-		(3,625)					-	-
Total Expenditures		69.17	16,763,106	-	4,812,020	-	643,300	-	-	-	-	69.17	11,307,786

Transfers (IN) or OUT	Trsfr From Athletics				-					-	-
	Trsfr From Auxiliaries	(250,000)			-					-	-
	Trsfr From Endowments				-					-	-
	Trsfr From I G			(9,020)	-					-	9,020
	Trsfr From Plant Fund Minor	(120,750)			(320,750)					-	200,000
	Trsfr From Public Service	(733,000)			-					-	(733,000)
	Trsfr To Athletics				-					-	-
	Trsfr To Auxiliaries				-					-	-
	Trsfr To Debt Service	60,086		15,022	15,021					-	30,043
	Trsfr To I G	41,000		9,020	41,000					-	(9,020)
	Trsfr To Plant Fund Minor				-					-	-
	Trsfr To Public Service				247,275					-	(247,275)
	Trsfr To Student Aid				-					-	-
	Trsfr To Student Social Cultural	97,412			97,412					-	-
Total Transfers (IN) or OUT		-	(905,252)	-	15,022	-	79,958	-	-	-	(750,232)
Ending Balance			(4,005,051)		(12,007,723)		1,701,139		-	-	6,051,533
Budget Unit 351 - Basketball											
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues											
	Sales and Services		3,426,000		2,219,943		689,231				516,826
	Other Sources		(566,963)		(566,963)		224,125				(224,125)
Total Revenues			2,859,037		1,652,980		913,356		-	-	292,701
Beginning Balance			-		(100,356)		155,134		-	-	(54,778)
Total Available			2,859,037		1,552,624		1,068,490		-	-	237,923
Expenditures	Administrative Professional	8.00	1,465,594		378,507		359,667			8.00	727,420
	Other Salaries	0.78	15,000		1,204		45			0.78	13,751
	Student Salaries	0.37	7,000		-		-			0.37	7,000
	Support Staff Salary		-		-		-			-	-
	Technician Salary		-		246		261			-	(507)
	Accrued Annual Leave		-		-		-			-	-
	Fica		79,605		17,412		12,093			-	50,100
	Group Insurance		42,248		16,126		13,874			-	12,248
	Other Staff Benefits		44,329		11,946		11,590			-	20,793
	Retirement		144,643		26,214		25,474			-	92,955
	Unemployment Compensation		728		265		252			-	211
	Workers Compensation		624		245		234			-	145
	Contract Services		50,000		70		5,406			-	44,524
	Equipment		2,650		1,239		1,664			-	(253)
	Officials Expense 63T3		-		-		2,000			-	(2,000)
	Sewer_Other		-		-		-			-	-
	Student Awards and Aid		13,000		-		133,475			-	(120,475)
	Supplies_Expense		687,116		74,491		379,307			-	233,318
	Travel		26,500		1,756		544			-	24,200
	Travel-Group		360,000		142		321,311			-	38,547
	Travel-Recruiting		120,000		38,700		55,859			-	25,441
	Internal Service Ctr Internal Sales		(200,000)		-		-			-	(200,000)
Total Expenditures		9.15	2,859,037	-	568,563	-	1,323,056	-	-	-	9.15 967,418
Transfers (IN) or OUT	Trsfr From I G						-				-
	Trsfr From Plant Fund Minor						-				-
Ending Balance			-		984,061		(254,566)		-	-	(729,495)

Budget Unit 352 - Football											
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues	Sales and Services		1,965,000		694,313		1,171,960				98,727
	Other Sources		4,092,235		4,092,235		949,752				(949,752)
Total Revenues			6,057,235		4,786,548		2,121,712		-		(851,025)
Beginning Balance			-		(11,107)		11,107		-		-
Total Available			6,057,235		4,775,441		2,132,819		-		(851,025)
Expenditures	Administrative Professional	14.00	2,529,815		627,165		640,840			14.00	1,261,810
	GA TA RA PA Salary	1.38	42,133		18,950		22,310			1.38	873
	Other Salaries	3.67	70,000		7,679		14,203			3.67	48,118
	Support Staff Salary		-		-		-			-	-
	Technician Salary		-		389		859			-	(1,248)
	Accrued Annual Leave		-		-		-			-	-
	Fica		162,931		32,612		25,941			-	104,378
	Group Insurance		86,470		32,630		36,295			-	17,545
	Other Staff Benefits		90,730		23,966		24,829			-	41,935
	Retirement		296,044		59,111		61,853			-	175,080
	Tuition Waivers		20,000		10,650		-			-	9,350
	Unemployment Compensation		1,491		443		455			-	593
	Workers Compensation		1,278		764		636			-	(122)
	Contract Services		179,400		22,771		66,623			-	90,006
	Cost of Good Sold		-		-		-			-	-
	Equipment		25,600		9,015		4,988			-	11,597
	Officials Expense 63T3		162,000		870		4,450			-	156,680
	Sewer_Other		7,800		-		17,980			-	(10,180)
	Student Awards and Aid		15,000		15,000		950,157			-	(950,157)
	Supplies_Expense		1,130,993		667,033		313,345			-	150,615
	Travel		40,550		323		7,101			-	33,126
	Travel-Group		1,000,000		728,038		422,147			-	(150,185)
	Travel-Recruiting		235,000		85		1,131			-	233,784
	Internal Service Ctr Internal Sales		(40,000)		-		(990)			-	(39,010)
Total Expenditures		19.05	6,057,235	-	2,257,494	-	2,615,153	-	-	19.05	1,184,588
Transfers (IN) or OUT	Trsfir From Plant Fund Minor		-		-		-		-		-
	Trsfir To Plant Fund Major		-		-		-		-		-
Ending Balance			-		2,517,947		(482,334)		-		(2,035,613)

Budget Unit 353 - Other Mens Sports											
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues	Sales and Services		21,500		6,075		(4,425)				19,850
	Other Sources		1,299,445		1,299,445		117,151				(117,151)
Total Revenues			1,320,945		1,305,520		112,726		-		(97,301)
Beginning Balance			-		(42,995)		42,995		-		-
Total Available			1,320,945		1,262,525		155,721		-		(97,301)
Expenditures	Administrative Professional	6.94	635,082		152,839		138,917			6.94	343,326
	GA TA RA PA Salary		-		10,400		15,600			-	(26,000)
	Other Salaries	1.36	26,000		-		-			1.36	26,000
	Support Staff Salary		-		-		-			-	-
	Technician Salary		-		-		-			-	-
	Accrued Annual Leave		-		-		-			-	-
	Fica		44,522		8,460		6,884			-	29,178
	Group Insurance		23,628		9,296		10,762			-	3,570
	Medicare		-		-		-			-	-
	Other Staff Benefits		24,792		5,947		5,767			-	13,078
	Retirement		80,896		21,627		19,656			-	39,613
	Tuition Waivers		-		4,724		-			-	(4,724)
	Unemployment Compensation		407		107		97			-	203
	Workers Compensation		349		109		104			-	136
	Contract Services		13,000		-		70			-	12,930
	Equipment		32,500		19,196		9,932			-	3,372
	Fuel_Heat_Cool		-		-		67			-	(67)
	Officials Expense 63T3		41,500		-		-			-	41,500
	Sewer_Other		-		-		1,136				(1,136)
	Student Awards and Aid		-		-		117,151				(117,151)
	Supplies_Expense		94,326		(31,253)		106,983			-	18,596
	Travel		-		418		1,206			-	(1,624)
	Travel-Group		278,068		11,839		47,482			-	218,747
	Travel-Recruiting		25,875		16,346		14,021			-	(4,492)
Total Expenditures		8.30	1,320,945	-	230,055	-	495,835	-	-	8.30	595,055
Transfers (IN) or OUT	Trsrfr To Plant Fund Minor		-		-		-		-		-
Ending Balance			-		1,032,470		(340,114)		-		(692,356)
Budget Unit 354 - Other Womens Sports											
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted
Revenues	Sales and Services		407,300		243,113		99,209				64,978
	Other Sources		4,348,383		4,348,383		1,011,720				(1,011,720)
Total Revenues			4,755,683		4,591,496		1,110,929		-		(946,742)
Beginning Balance			-		137,977		(20,777)		-		(117,200)
Total Available			4,755,683		4,729,473		1,090,152		-		(1,063,942)
Expenditures	Administrative Professional	28.00	1,998,551		498,960		486,798			28.00	1,012,793
	GA TA RA PA Salary	0.89	17,000		6,118		11,278			0.89	(396)
	Other Salaries	3.36	64,000		1,791		4,012			3.36	58,197
	Support Staff Salary	1.00	36,943		9,118		23,683			1.00	4,142
	Technician Salary		-		96		1,016			-	(1,112)
	Accrued Annual Leave		-		-		-			-	-
	Fica		153,803		33,576		33,552			-	86,675
	Group Insurance		81,625		43,821		48,419			-	(10,615)
	Other Staff Benefits		85,647		21,841		23,144			-	40,662
	Retirement		279,429		71,096		68,226			-	140,107
	Tuition Waivers		-		7,023		-			-	(7,023)
	Unemployment Compensation		1,407		357		359			-	691
	Workers Compensation		1,206		378		384			-	444
	Contract Services		108,966		2,449		26,571			-	79,946
	Equipment		48,785		25,444		27,613			-	(4,272)
	Fuel_Heat_Cool		-		-		67			-	(67)
	Officials Expense 63T3		179,050		550		8,390			-	170,110
	Sewer_Other		-		-		-			-	-
	Student Awards and Aid		10,000		-		911,720			-	(901,720)
	Supplies_Expense		433,383		86,846		129,727			-	216,810
	Travel		20,400		151,094		17,914			-	(148,608)
	Travel-Group		1,079,213		162,401		481,556			-	435,256
	Travel-Recruiting		181,275		105,351		48,475			-	27,449
	Internal Service Ctr Internal Sales		(25,000)		-		-			-	(25,000)

Total Expenditures		33.25	4,755,683	-	1,228,310	-	2,352,904	-	-	-	33.25	1,174,469
Transfers (IN) or OUT	Trsfr From I G											-
	Trsfr From Plant Fund Minor											-
	Trsfr To Plant Fund Minor											-
Ending Balance		-		3,501,163		(1,262,752)		-		-		(2,238,411)
Budget Unit 409 - Utilities												
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	
Revenues	Other Sources		550,000		550,000		-					-
Total Revenues			550,000		550,000		-					-
Beginning Balance					21,623		(21,623)		-		-	-
Total Available			1,100,000		571,623		(21,623)		-		-	-
Expenditures	Electricity		312,264		55,549		77,785				-	178,930
	Fuel_Heat_Cool		60,000		1,468		13,491				-	45,041
	Sewer_Other		175,000		57,510		37,882				-	79,608
	Supplies_Expense		2,736		573		645				-	1,518
Total Expenditures			550,000		115,100		129,803		-	-		305,097
Transfers (IN) or OUT			-		-		-		-		-	-
Ending Balance			550,000		456,523		(151,426)		-	-		(305,097)
Budget Unit 437 - Miscellaneous												
		FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	FTE	Unrestricted	
Revenues	Federal Grants and Contracts										-	-
	State Grants and Contracts										-	-
	Sales and Services										-	-
Total Revenues			-		-		-		-		-	-
Beginning Balance			-		-		-		-		-	-
Total Available			-		-		-		-		-	-
Expenditures	Administrative Professional										-	-
	Federal Workstudy Salaries										-	-
	Other Salaries										-	-
	State Workstudy Salaries										-	-
	Fica										-	-
	Group Insurance										-	-
	Other Staff Benefits										-	-
	Retirement										-	-
	Unemployment Compensation										-	-
	Workers Compensation										-	-
	Contract Services										-	-
	Equipment										-	-
	Supplies_Expense										-	-
Total Expenditures		-	-	-	-	-	-	-	-	-	-	-
Transfers (IN) or OUT												-
Ending Balance			-		-		-		-		-	-

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029 (1)
Beginning Fund Balance (Deficit)	(4,713,999)	(4,492,380)	(4,375,833)	(3,888,505)	(3,401,177)	(2,913,849)	(2,426,521)	(1,939,193)	(1,451,865)	(964,537)	(477,209)	10,119
Recurring Fund Balance (Deficit)												
Net Balance (Deficit)	(4,713,999)	(4,492,380)	(4,375,833)	(3,888,505)	(3,401,177)	(2,913,849)	(2,426,521)	(1,939,193)	(1,451,865)	(964,537)	(477,209)	10,119
Revenues	32,944,217	31,669,259	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155
Other Sources	814,207	789,039										
Subtotal Revenues	33,758,424	32,458,298	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155	32,567,155
Expenses	33,541,301	33,829,147	35,551,294	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827
Cost containment (reduction in expenses)	(4,496)	(737,396)	(2,496,467)									
Grant-aid subsidies (reduction in expenses)		(750,000)	(975,000)									
Subtotal Expenses	33,536,805	32,341,751	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827	32,079,827
Transfers	0	0	0	0	0	0	0	0	0	0	0	0
Net Annual Balance (2)	221,619	116,547	487,328	487,328	487,328	487,328	487,328	487,328	487,328	487,328	487,328	487,328
Ending Fund Balance (Deficit)	(4,492,380)	(4,375,833)	(3,888,505)	(3,401,177)	(2,913,849)	(2,426,521)	(1,939,193)	(1,451,865)	(964,537)	(477,209)	10,119	497,447

(1) 10 year deficit reduction plan beginning in FY20 to FY29

(2) Annual contribution to the accumulated deficit per deficit reduction plan

(3) The deficit reduction plan was approved by the Board of Regents at their April 17th, 2018 meeting. The plan calls for an infusion of dollars in FY18 and FY19 along with cost containment in those years. Additional significant reductions in spending in FY20 will occur, which will be applied forward through the term of the plan.



THE UNIVERSITY OF
NEW MEXICO



Athletics' FY20 Budget and Actuals (Exhibit P21)

Updated through December 31, 2019 (YTD)

Schedule A: (FY20 Budget and Actuals)- This schedule details out pooled revenues and directed revenues by sport for FY20 budget and actuals year-to-date through December 31, 2019. Please note that a majority of revenues are pooled centrally into Athletics and are not distributed by sport, however ticket sales and game guarantees are distributed by sport.

This report also compares FY20 budget to quarterly actuals, and FY20 year-to-date actuals to prior year-to-date actuals. Major variances are due to timing on when revenue accruals and expenses were posted in the prior year and differences in institutional transfers.

Schedule B: (Expenses by Sports)- This schedule details out the FY20 expense budget and year-to-date expense actuals through December 31, 2019. Please note grant-in-aid expenses have been budgeted based on prior year actuals, FY20 year-to-date actuals have been allocated to individual sports as expenses post throughout the fiscal year.



Schedule A

FY20 Budget and Actuals by Exhibit P21

Revenue/Expense Description (2)	FY20 Original Budget	FY20 Revised Budget	Fiscal Year 2019-20 (FY20)				FY20 YTD	FY20 Budget to Projected Actuals Variance	Actuals% of Revised Budget	FY19 YTD Actuals	FY20 YTD vs. FY19 YTD Actuals
			Quarter 1 (7/1-9/30/19)	Quarter 2 (10/1-12/31/19)	Quarter 3 (1/1-3/31/20)	Quarter 4 (4/1-6/30/20)					
Pooled Revenues											
NCAA/Mountain West Conference	4,823,546	4,823,546	1,205,886	1,205,886			2,411,773	(2,411,773)	50.0%	2,375,000	36,773
Media Rights/Sponsorship/Licensing	4,000,000	4,000,000	1,000,002	1,000,002			2,000,004	(1,999,996)	50.0%	2,478,252	(478,248)
Commissions	680,000	680,000	203,333	219,999			423,332	(256,668)	62.3%	439,998	(16,666)
Naming Rights	700,000	700,000	175,000	175,000			350,000	(350,000)	50.0%	-	350,000
Student Fees	3,571,257	3,571,257	1,969,952	-			1,969,952	(1,601,305)	55.2%	1,936,355	33,597
Fundraising	2,400,000	2,400,000	549,999	549,999			1,099,998	(1,300,002)	45.8%	1,200,000	(100,002)
State Appropriation	3,793,000	3,793,000	986,800	935,400			1,922,200	(1,870,800)	50.7%	1,320,800	601,400
Facility Rental/Merchandise/GIK	2,076,900	1,784,080	473,070	501,592			974,662	(809,418)	54.6%	1,146,267	(171,605)
Special Events and Other Revenues	3,538,900	3,560,100	360,231	326,395			686,626	(2,873,474)	19.3%	644,545	42,081
Transfers to/from Campus	905,252	857,977	(15,022)	(79,959)			(94,980)	(952,957)	-11.1%	1,026,409	(1,121,389)
Budgeted Use of Reserves	(487,328)	(315,350)	-	-			-	315,350	0.0%	-	-
Sub-total	26,001,527	25,854,610	6,909,251	4,834,315	-	-	11,743,567	(14,111,043)	45.4%	12,567,626	(824,059)
Directed Revenues (by Sports)											
Men's Basketball Tickets	3,626,000	3,626,000	2,219,523	689,111			2,908,634	(717,366)	80.2%	1,809,243	1,099,391
Football Tickets	955,000	955,000	694,175	123,088			817,263	(137,737)	85.6%	923,371	(106,108)
Women's Basketball Tickets	400,000	400,000	236,360	67,763			304,123	(95,877)	76.0%	209,250	94,873
Other Sports Tickets (1)	47,300	47,300	12,506	5,721			18,227	(29,073)	38.5%	58,623	(40,396)
Football Game Guarantees	1,050,000	1,050,000	-	1,050,000			1,050,000	-	100.0%	1,100,000	(50,000)
Sub-total	6,078,300	6,078,300	3,162,565	1,935,682	-	-	5,098,247	(980,053)	83.9%	4,100,487	997,761
Total	32,079,827	31,932,910	10,071,816	6,769,998	-	-	16,841,814	(15,091,096)	52.7%	16,668,112	173,702
Expenses											
Salaries	10,367,909	10,319,689	2,538,263	2,635,293			5,173,556	(5,146,133)	50.1%	5,347,257	(173,701)
Payroll Benefits	2,694,183	2,660,308	732,274	680,971			1,413,246	(1,247,062)	53.1%	1,405,913	7,333
Communication Charges	86,482	91,408	19,114	20,941			40,055	(51,353)	43.8%	35,573	4,482
Other Expense (3)	2,988,209	2,677,450	696,258	757,783			1,454,041	(1,223,409)	54.3%	1,470,824	(16,783)
Patient Care Costs	173,911	173,911	54,768	12,517			67,285	(106,626)	38.7%	75,852	(8,567)
Plant Maintenance	258,716	258,716	71,923	63,626			135,549	(123,167)	52.4%	107,864	27,685
Services	4,390,029	4,260,029	669,696	803,283			1,472,979	(2,787,050)	34.6%	1,585,499	(112,521)
Student Costs (includes Grant-in-Aid)	5,250,123	5,265,123	2,428,752	470,471			2,899,224	(2,365,899)	55.1%	3,359,992	(460,768)
Supplies	1,663,598	1,686,098	586,647	465,026			1,051,673	(634,425)	62.4%	1,137,725	(86,052)
Travel	3,650,403	3,983,914	1,298,592	1,505,982			2,804,574	(1,179,340)	70.4%	2,317,543	487,031
Utilities	556,264	556,264	115,251	148,778			264,029	(292,235)	47.5%	222,964	41,066
Total	32,079,827	31,932,910	9,211,539	7,564,672	-	-	16,776,211	(15,156,699)	52.5%	17,067,006	(290,795)
Net	-	-	860,277	(794,674)	-	-	65,603	65,603	0.2%	(398,894)	464,497

(1) Other sports tickets include men's and women's soccer and track, baseball, softball, and volleyball

(2) Actuals through December 31, 2019

(3) Other Expense includes gift-in-kind. Gift-in-kind in FY19 was not accounted for until the 2nd quarter for the first half of the year; FY20 forward gift-in-kind will be accounted for on a quarterly basis.


Schedule B
FY20 Budgeted Expenses and Actuals by Sport Exhibit P21 (1)

Football			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	2,641,948	1,332,395	1,309,553
Payroll Benefits	658,944	310,186	348,758
Communication Charges	28,550	14,776	13,774
Other Expense	82,586	63,028	19,558
Patient Care Costs	18,000	3,544	14,456
Plant Maintenance	83,407	68,618	14,789
Services	780,100	502,983	277,117
Student Costs/Grant-in-Aid (2)	1,164,752	1,253,324	(88,572)
Supplies	305,350	150,924	154,426
Travel	1,275,550	1,155,881	119,669
Utilities	7,800	17,980	(10,180)
Total	7,046,987	4,873,639	2,173,348

Men's Baseball			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	394,672	184,335	210,337
Payroll Benefits	94,671	49,207	45,464
Communication Charges	-	270	(270)
Other Expense	7,920	3,856	4,064
Patient Care Costs	-	-	-
Plant Maintenance	3,900	500	3,400
Services	51,200	493	50,707
Student Costs/Grant-in-Aid (2)	90,908	86,813	4,095
Supplies	75,155	77,189	(2,034)
Travel	185,675	22,036	163,639
Utilities	-	-	-
Total	904,101	424,697	479,404

Women's Softball			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	178,400	89,545	88,855
Payroll Benefits	51,120	33,936	17,184
Communication Charges	540	405	135
Other Expense	4,218	1,739	2,479
Patient Care Costs	-	-	-
Plant Maintenance	2,422	-	2,422
Services	29,360	7,519	21,841
Student Costs/Grant-in-Aid (2)	100,248	101,154	(906)
Supplies	23,516	15,865	7,652
Travel	146,900	17,333	129,567
Utilities	-	-	-
Total	536,724	267,495	269,229

Men's Basketball			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	1,532,594	739,930	792,664
Payroll Benefits	312,177	135,725	176,452
Communication Charges	15,560	2,616	12,944
Other Expense	57,176	17,825	39,351
Patient Care Costs	7,500	2,015	5,485
Plant Maintenance	43,800	17,840	25,960
Services	783,740	338,833	444,907
Student Costs/Grant-in-Aid (2)	207,125	204,290	2,835
Supplies	103,850	59,743	44,107
Travel	601,611	418,312	183,299
Utilities	-	-	-
Total	3,665,133	1,937,129	1,728,004

Women's Basketball			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	810,179	366,587	443,592
Payroll Benefits	220,524	108,017	112,507
Communication Charges	1,550	765	785
Other Expense	17,519	11,937	5,582
Patient Care Costs	-	-	-
Plant Maintenance	15,700	11,235	4,465
Services	291,559	72,185	219,374
Student Costs/Grant-in-Aid (2)	163,695	142,400	21,295
Supplies	71,101	31,294	39,807
Travel	619,575	478,892	140,683
Utilities	-	-	-
Total	2,211,402	1,223,312	988,090

Women's Soccer			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	196,900	113,176	83,724
Payroll Benefits	57,271	38,479	18,792
Communication Charges	1,060	278	783
Other Expense	3,654	3,763	(109)
Patient Care Costs	-	1,049	(1,049)
Plant Maintenance	-	-	-
Services	9,600	1,900	7,700
Student Costs/Grant-in-Aid (2)	153,742	153,659	83
Supplies	14,650	18,921	(4,271)
Travel	137,100	121,917	15,183
Utilities	-	-	-
Total	573,977	453,142	120,835

Men's Golf			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	163,410	80,321	83,089
Payroll Benefits	49,022	28,868	20,154
Communication Charges	-	135	(135)
Other Expense	2,121	1,884	237
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	1,080	4,150	(3,070)
Student Costs/Grant-in-Aid (2)	23,613	23,613	0
Supplies	-	2,212	(2,212)
Travel	69,568	40,150	29,418
Utilities	-	67	(67)
Total	308,814	181,400	127,414

Women's Golf			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	145,305	75,262	70,043
Payroll Benefits	43,591	30,310	13,281
Communication Charges	-	0	(0)
Other Expense	2,004	1,417	587
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	12,080	4,025	8,055
Student Costs/Grant-in-Aid (2)	47,410	47,795	(385)
Supplies	6,150	11,250	(5,100)
Travel	51,850	27,263	24,587
Utilities	-	67	(67)
Total	308,390	197,390	111,000

Men's Tennis			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	103,000	53,100	49,900
Payroll Benefits	30,901	15,467	15,434
Communication Charges	290	135	155
Other Expense	3,005	1,001	2,004
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	3,810	1,621	2,189
Student Costs/Grant-in-Aid (2)	10,630	7,725	2,905
Supplies	15,300	10,457	4,843
Travel	48,700	29,127	19,573
Utilities	-	-	-
Total	215,636	118,633	97,003

Women's Tennis			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	105,000	39,850	65,150
Payroll Benefits	31,499	11,525	19,975
Communication Charges	610	270	341
Other Expense	1,877	1,019	858
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	12,910	300	12,610
Student Costs/Grant-in-Aid (2)	45,057	43,152	1,905
Supplies	13,615	16,318	(2,703)
Travel	50,500	19,599	30,901
Utilities	-	-	-
Total	261,068	132,032	129,036

Cross Country (M/W) (3)			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	108,825	61,912	46,913
Payroll Benefits	32,647	20,100	12,547
Communication Charges	-	-	-
Other Expense	1,621	1,930	(309)
Patient Care Costs	111	-	111
Plant Maintenance	487	234	253
Services	3,314	1,000	2,314
Student Costs/Grant-in-Aid (2)	83,410	83,355	55
Supplies	1,855	179	1,676
Travel	55,060	69,436	(14,376)
Utilities	-	-	-
Total	287,330	238,148	49,182

Track (M/W) (3)			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	204,675	105,735	98,940
Payroll Benefits	55,823	40,870	14,953
Communication Charges	560	218	343
Other Expense	4,630	2,255	2,375
Patient Care Costs	-	170	(170)
Plant Maintenance	3,000	-	3,000
Services	2,750	2,263	487
Student Costs/Grant-in-Aid (2)	168,699	164,839	3,860
Supplies	17,813	4,780	13,033
Travel	227,950	38,744	189,206
Utilities	-	1,136	(1,136)
Total	685,900	361,009	324,891

Women's Volleyball (4)			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	222,000	117,790	104,210
Payroll Benefits	66,599	42,660	23,939
Communication Charges	330	477	(147)
Other Expense	4,869	4,954	(85)
Patient Care Costs	-	-	-
Plant Maintenance	23,300	-	23,300
Services	38,100	6,762	31,338
Student Costs/Grant-in-Aid (2)	109,370	100,289	9,081
Supplies	42,900	13,370	29,531
Travel	121,253	107,819	13,434
Utilities	-	-	-
Total	628,721	394,121	234,600

Swimming/Diving			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	146,810	73,288	73,522
Payroll Benefits	44,043	26,311	17,732
Communication Charges	350	152	198
Other Expense	3,284	2,530	754
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	300	202	98
Student Costs/Grant-in-Aid (2)	113,712	118,046	(4,334)
Supplies	26,400	10,005	16,395
Travel	109,100	85,787	23,313
Utilities	-	-	-
Total	443,999	316,320	127,679

Spirit			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	-	-	-
Payroll Benefits	-	-	-
Communication Charges	-	-	-
Other Expense	576	525	51
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	-	-	-
Student Costs/Grant-in-Aid (2)	17,550	17,550	-
Supplies	38,400	2,925	35,475
Travel	-	26,238	(26,238)
Utilities	-	-	-
Total	56,526	47,239	9,287

Administration/Events/Other Operating (5)			
Expense Description	FY20 Revised Budget	FY20 YTD Actuals	FY20 Budget to Actuals Variance
Salaries	3,365,971	1,740,329	1,625,642
Payroll Benefits	911,476	521,586	389,890
Communication Charges	42,008	19,560	22,448
Other Expense	2,480,390	1,334,377	1,146,013
Patient Care Costs	148,300	60,508	87,792
Plant Maintenance	82,700	37,122	45,578
Services	2,240,126	528,744	1,711,382
Student Costs/Grant-in-Aid (2)	2,765,202	351,220	2,413,982
Supplies	930,043	626,241	303,802
Travel	283,522	146,040	137,482
Utilities	548,464	244,779	303,685
Total	13,798,202	5,610,506	8,187,696

Total 31,932,910 16,776,211 15,156,699

(1) Does not include special events and bowl games

(2) Grant-in-Aid was budgeted based on FY19 actuals, FY20 actuals will be allocated to individual sports as expenses post

(3) MW track and cross-country coaches salaries split 50/50 between sports.

(4) Women's volleyball and sand volleyball's coaches salaries split 50/50 between sports.

(5) Includes Events Management, Special Events, Bowl Games, Championships, Gifts-in-Kind, Parking, Concessions, Ticket Office, Administration, Business Office, Leagues and Clubs, Compliance, Advisement, Facility Rentals, Sports Camps, Utilities, Student Assistance Funds, Life skills, Pre Season Training, Athletic Vans, Insurance, Marketing and Media Relations

**MEMORANDUM TO ADVANCE
COMMITTEE AGENDA ITEM TO
THE BOARD OF REGENTS
THE UNIVERSITY OF NEW MEXICO**

DATE: January 29, 2020

TO: Teresa Costantinidis, Sr. VP Finance & Administration

FROM: Chris Vallejos, AVP Institutional Support Services
Lisa Marbury, Executive Director, Institutional Support Services

RE: Requested Approval

RECOMMENDED ACTION:

Recommend to the Board of Regents Finance and Facilities Committee the following requests for Project Construction Approval:

1. Clark Hall #22: Reibsoner Wing Lab Waste System Replacement Re-approval
2. Johnson Center: Fire Alarm Upgrade

cc: A. Sena, R. Notary, D. Penasa, J. Hart, R. Garcia, R. Sobieski – FM

**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for
CLARK HALL # 22: Riebsomer Wing Lab Waste System Replacement Re-Approval
UNIVERSITY OF NEW MEXICO
February 18, 2019**

REQUESTED ACTION:

In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project approval is requested for **Clark Hall Riebsomer Wing Lab Waste System Replacement on Main Campus.**

PROJECT DESCRIPTION:

Clark Hall is an 81,353 gross square foot (GSF) multi-story building built in 1952 with an expansion in 1969. The Riebsomer wing was renovated in 2016. It is a mixed use building comprised of offices, classrooms, teaching and research laboratories. Clark Hall houses the Department of Chemistry and Chemical Biology. The Riebsomer wing is comprised of research labs and support spaces. The project will replace the entire lab drainage system piping in the Riebsomer wing. The replacement will consist of all of the drainage system piping from every lab sink to the main drain exiting the building. Approximately 41 labs and 160 sinks will receive new drain piping.

PROJECT RATIONALE:

The Riebsomer wing received a new lab drainage piping system during the 2016 renovation project. Within a year the piping system began to exhibit failures. The system had minor repairs performed over the years to address the failures. It was recently discovered that the failures have progressed across the entire drainage system. A replacement drainage system is required to allow ongoing and future research to continue.

If the project does not receive approval, the existing drainage system will continue to fail and jeopardize millions of dollars of research equipment to potential damage as well as hinder ongoing and future research.

The project budget has been revised to reflect a scope reduction. It has been determined that abatement and hazardous waste disposal of the existing piping is not necessary via a testing report initiated and contracted by UNM Safety and Risk Management. DC Environmental, of Albuquerque, New Mexico, completed the report. Originally the University had an estimate of abatement costs at \$250,000 premised on potential affected piping quantities that could have been required to be abated. This estimate was provided in order to meet the timetables associated for approval prior to the pipe testing activity for abatement could be completed. Consequently these costs have been removed from the project.

Original construction estimates, not including the abatement, placed the project need at approximately \$720,000 which was compared with original construction plumbing core infrastructure at \$600,000. FM had included an inflation factor along with the material change in

pipng specification. This estimate was also based on recent prices of similar work, at other installations at the University and market conditions assumptions for plumbing construction.

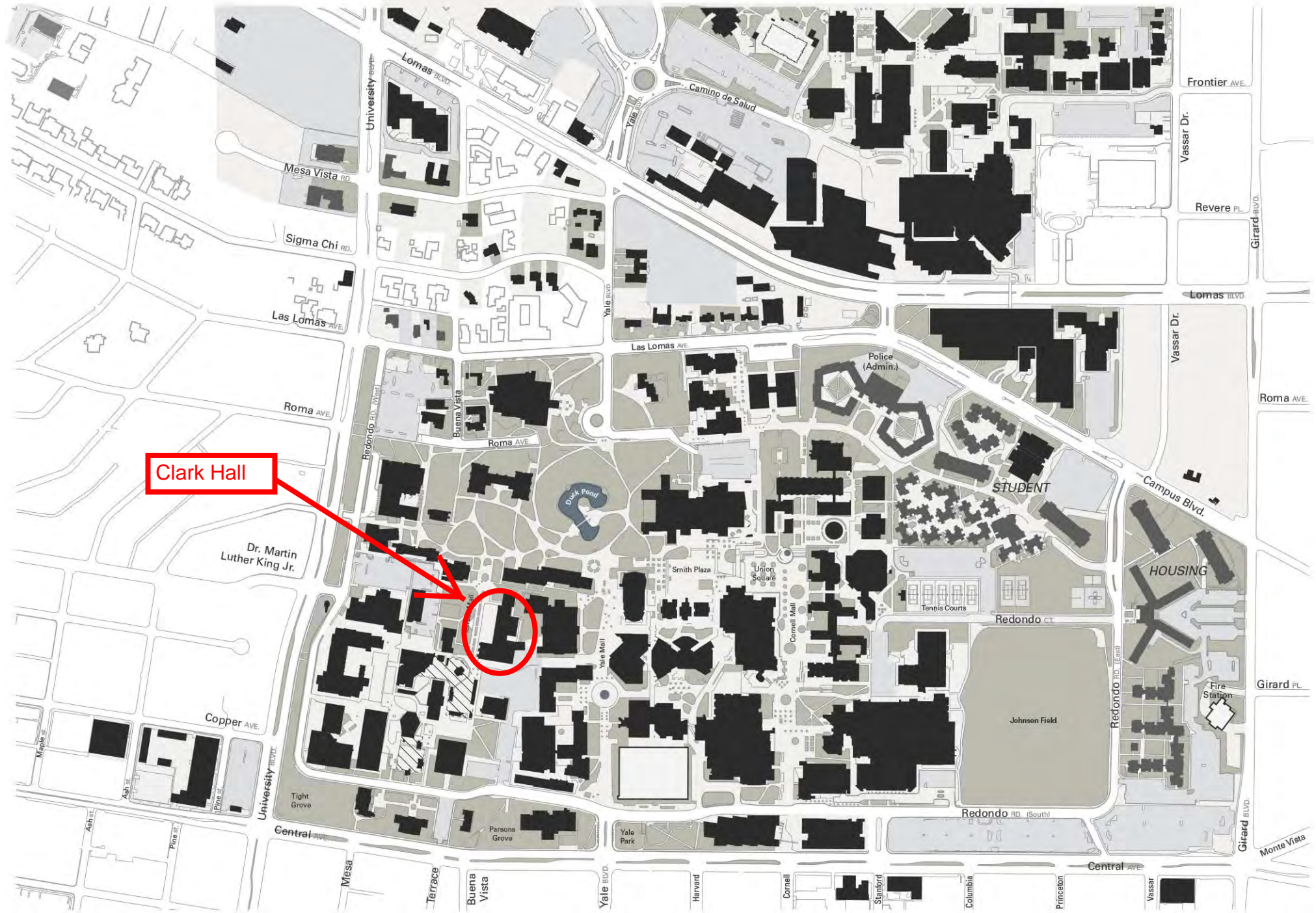
The project was bid competitively and the bid evaluation demonstrated that the contractor (apparent low) bid does address the full scope of work as described in the bid documents. The University contacted the contractor to verify and confirmed their bid. Additionally a schedule has also been provided which benefits the institution's building operations and occupant use.

FUNDING:

The total revised estimated Project Budget is \$475,000:

- \$350,000 is funded from Facilities Management Reserves
- \$125,000 is funded from Minor Capital Reserves

The University of New Mexico - Albuquerque: Central Campus



BASEMENT



PLANNING & CAMPUS DEVELOPMENT
OFFICE OF SPACE MANAGEMENT

1ST FLOOR	2 FLOOR	3 FLOOR
TOTAL GROSS SQUARE FEET: <u>\$1,256</u>	GROSS SQUARE FEET: _____	NET SQUARE FEET: _____
 MAIN ENTRANCE	 SECONDARY ENTRANCE	

CLARK HALL

BASEMENT
300 TERRACE ST NE



#022

1 OF 5

FIRST FLOOR



PLANNING & CAMPUS DEVELOPMENT
OFFICE OF SPACE MANAGEMENT

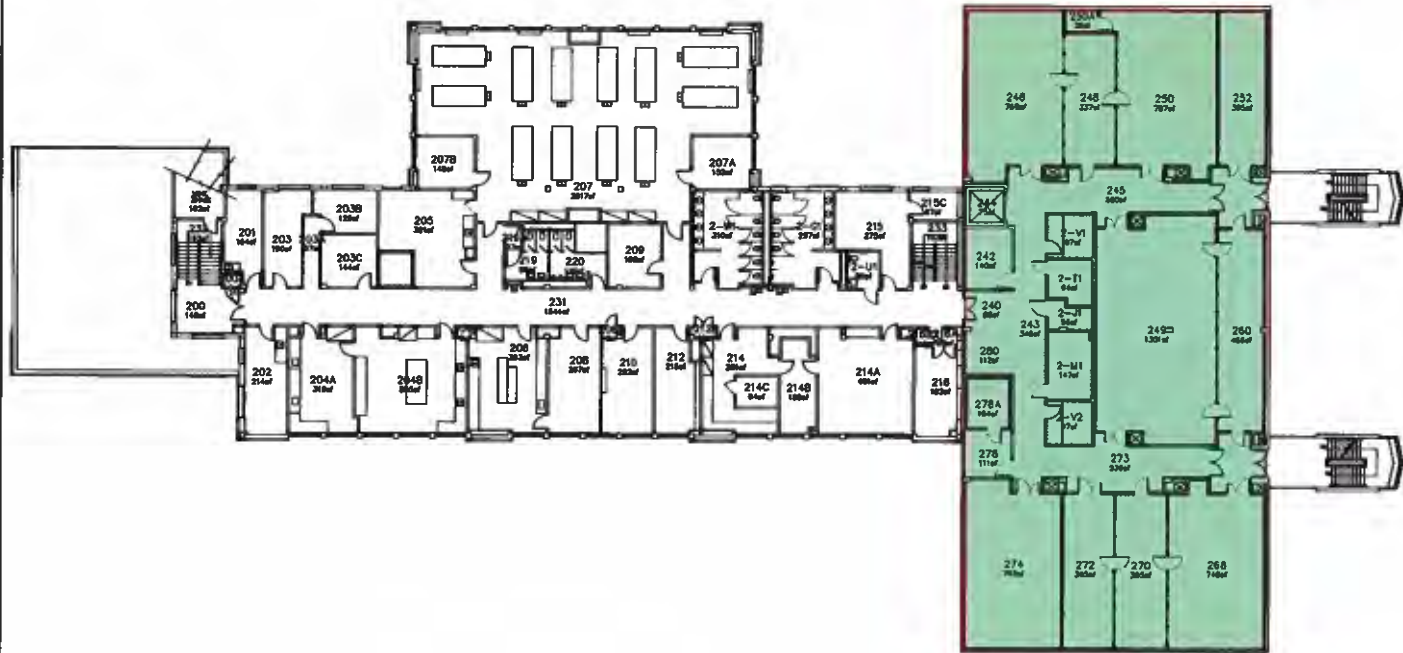
1ST FLOOR	FLOOR	FLOOR
TOT. GROSS SQUARE FEET	SQ. FT.	GROSS SQUARE FEET
		
MAIN ENTRANCE		SECONDARY ENTRANCE

CLARK HALL

FIRST FLOOR
300 TERRACE ST NE

#022

2 OF 5
022-00-01



SECOND FLOOR

SCALE: NOT TO SCALE



PLANNING & CAMPUS DEVELOPMENT
OFFICE OF SPACE MANAGEMENT

TOTAL FLOORS	1	FLOOR	SECOND
TOTAL GROSS SQUARE FEET	47,326	SQUARE SQUARE FEET	33,373
MAIN ENTRANCE		SECONDARY ENTRANCE	

CLARK HALL

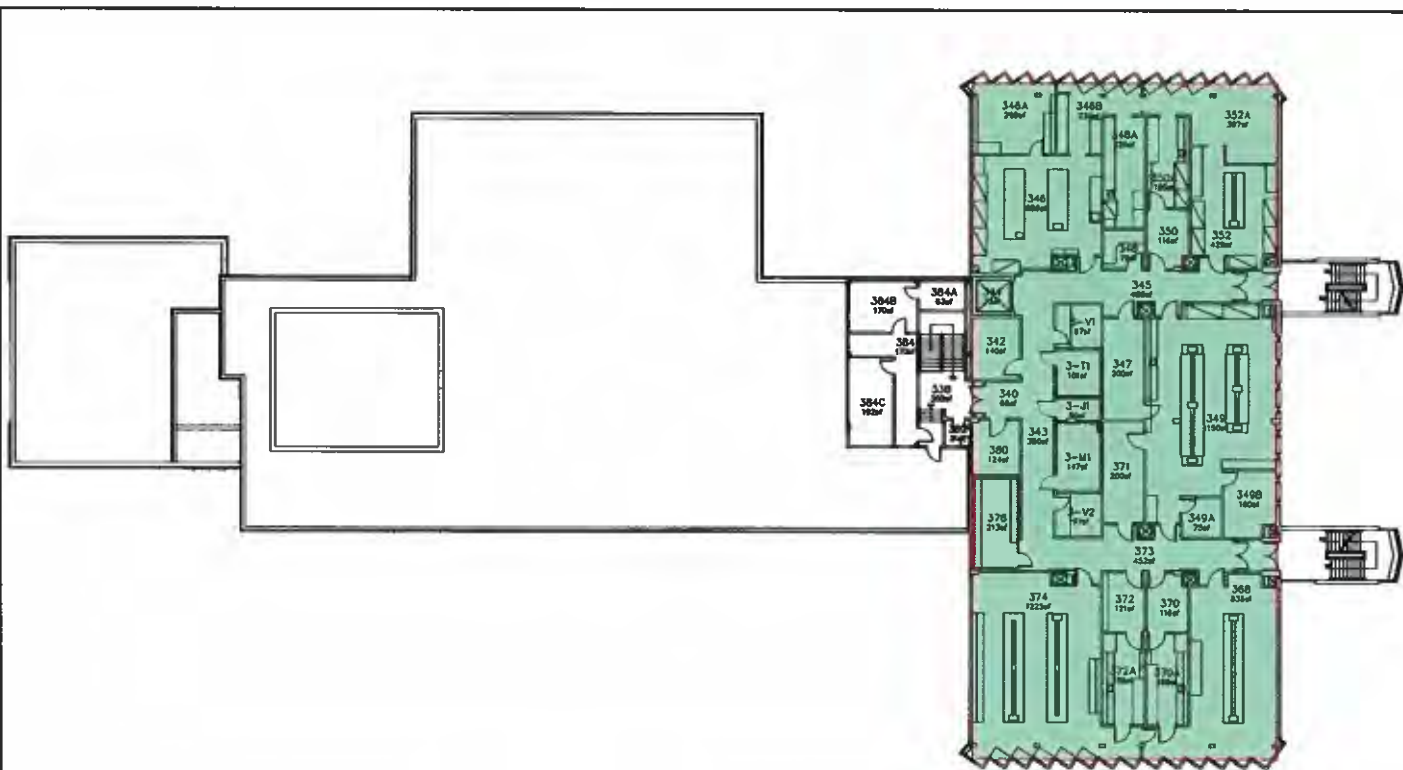
SECOND FLOOR

300 TERRACE ST NE

#022

3 OF 5

072-00-02



THIRD FLOOR

SCALE: NOT TO SCALE



PLANNING & CAMPUS DEVELOPMENT
OFFICE OF SPACE MANAGEMENT

TOTAL FLOORS	1	FLOOR	THIRD
TOTAL GROSS SQUARE FEET	47,326	SQUARE SQUARE FEET	11,295
MAIN ENTRANCE		SECONDARY ENTRANCE	

CLARK HALL

THIRD FLOOR

300 TERRACE ST NE

#022

4 OF 5

072-00-03

**REQUEST FOR CAPITAL PROJECT CONSTRUCTION APPROVAL for
JOHNSON CENTER: Fire Alarm Upgrade
UNIVERSITY OF NEW MEXICO
February 18, 2020**

REQUESTED ACTION:

In accordance with Section 7.12 of the Board of Regents Policy Manual and as required by the New Mexico Higher Education Department and New Mexico State Board of Finance, project construction approval is requested for the **Johnson Center: Fire Alarm Upgrade on Main campus.**

PROJECT DESCRIPTION:

Johnson Center is devoted to providing a wide variety of opportunities to enhance the educational, recreational, and cultural experiences for the entire University community. The approximate 336,526 gross square feet (GSF) facility is comprised of five (5) separate levels: the Sub-Basement, the Basement, and Levels 1-3. The facility contains the Central campus main sports arena, auxiliary gymnasiums, locker rooms, faculty and staff offices, classroom spaces, sports science laboratory areas, a bike shop, a computer lab, indoor swimming pools, weight and cardio rooms, and various exercise and teaching areas. .

The proposed project will complete the fire alarm system upgrade for the entire facility. This final phase will entail fire alarm upgrades to the remaining 93,000 GSF of the facility. New fire alarm appliances and devices will be connected to new and existing circuits and to existing control panels which were installed through the previous phases. The final installed system will be a new addressable fire voice evacuation emergency communication system that will integrate all portions of the facility to meet current University and International Fire Code standards.

PROJECT RATIONALE:

There are many institutional groups under the recreational services banner, such as the outdoor and bike shop services, recreational sports program and summer youth recreation camp, aquatics program, personal training and group exercise programs, and health education and sports science programs which utilize the building on an almost continuous basis. Additionally, the facility hosts NCAA Division 1 sporting events.

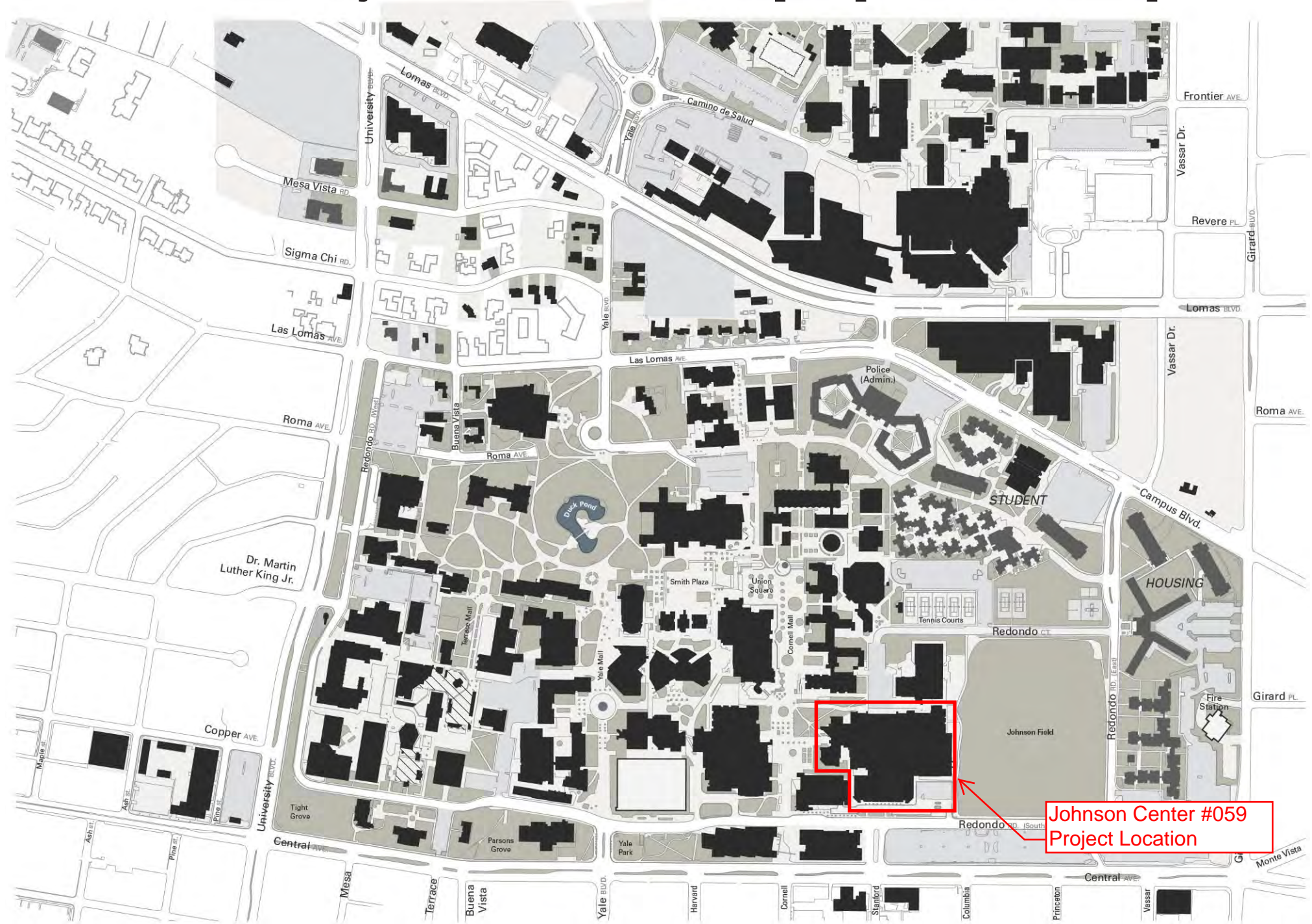
A total building fire alarm system was not included in the recent Johnson Center expansion, as the remaining occupied non-renovated spaces had a functional system that needed to remain intact during the construction and budget was not available. As a result of further evaluation it was determined without this final phase the full facility will not meet current fire alarm requirements for an assembly occupancy. This project will complete the upgrades to the existing fire alarm system providing a code compliant system throughout all portions of the facility.

FUNDING:

The total estimated Project Budget is \$420,000.00:

- \$420,000.00 is funded from FY20 Building Renewal & Replacement

The University of New Mexico - Albuquerque: Central Campus







PERSONAL FINANCIAL			
DATE	DESCRIPTION	AMOUNT	BALANCE
1/1/01	OPENING BALANCE		\$100.00
1/15/01	DEPOSIT	\$50.00	\$150.00
2/1/01	WITHDRAWAL	\$20.00	\$130.00
2/15/01	DEPOSIT	\$75.00	\$205.00
3/1/01	WITHDRAWAL	\$30.00	\$175.00
3/15/01	DEPOSIT	\$60.00	\$235.00
4/1/01	WITHDRAWAL	\$40.00	\$195.00
4/15/01	DEPOSIT	\$80.00	\$275.00
5/1/01	WITHDRAWAL	\$50.00	\$225.00
5/15/01	DEPOSIT	\$90.00	\$315.00
6/1/01	WITHDRAWAL	\$60.00	\$255.00
6/15/01	DEPOSIT	\$100.00	\$355.00
7/1/01	WITHDRAWAL	\$70.00	\$285.00
7/15/01	DEPOSIT	\$110.00	\$395.00
8/1/01	WITHDRAWAL	\$80.00	\$315.00
8/15/01	DEPOSIT	\$120.00	\$435.00
9/1/01	WITHDRAWAL	\$90.00	\$345.00
9/15/01	DEPOSIT	\$130.00	\$475.00
10/1/01	WITHDRAWAL	\$100.00	\$375.00
10/15/01	DEPOSIT	\$140.00	\$515.00
11/1/01	WITHDRAWAL	\$110.00	\$405.00
11/15/01	DEPOSIT	\$150.00	\$555.00
12/1/01	WITHDRAWAL	\$120.00	\$435.00
12/15/01	DEPOSIT	\$160.00	\$595.00
1/1/02	WITHDRAWAL	\$130.00	\$465.00
1/15/02	DEPOSIT	\$170.00	\$635.00
2/1/02	WITHDRAWAL	\$140.00	\$495.00
2/15/02	DEPOSIT	\$180.00	\$675.00
3/1/02	WITHDRAWAL	\$150.00	\$525.00
3/15/02	DEPOSIT	\$190.00	\$715.00
4/1/02	WITHDRAWAL	\$160.00	\$555.00
4/15/02	DEPOSIT	\$200.00	\$755.00
5/1/02	WITHDRAWAL	\$170.00	\$585.00
5/15/02	DEPOSIT	\$210.00	\$795.00
6/1/02	WITHDRAWAL	\$180.00	\$615.00
6/15/02	DEPOSIT	\$220.00	\$835.00
7/1/02	WITHDRAWAL	\$190.00	\$645.00
7/15/02	DEPOSIT	\$230.00	\$875.00
8/1/02	WITHDRAWAL	\$200.00	\$675.00
8/15/02	DEPOSIT	\$240.00	\$915.00
9/1/02	WITHDRAWAL	\$210.00	\$705.00
9/15/02	DEPOSIT	\$250.00	\$955.00
10/1/02	WITHDRAWAL	\$220.00	\$735.00
10/15/02	DEPOSIT	\$260.00	\$995.00
11/1/02	WITHDRAWAL	\$230.00	\$765.00
11/15/02	DEPOSIT	\$270.00	\$1,035.00
12/1/02	WITHDRAWAL	\$240.00	\$795.00
12/15/02	DEPOSIT	\$280.00	\$1,075.00
1/1/03	WITHDRAWAL	\$250.00	\$825.00
1/15/03	DEPOSIT	\$290.00	\$1,115.00
2/1/03	WITHDRAWAL	\$260.00	\$855.00
2/15/03	DEPOSIT	\$300.00	\$1,155.00
3/1/03	WITHDRAWAL	\$270.00	\$885.00
3/15/03	DEPOSIT	\$310.00	\$1,195.00
4/1/03	WITHDRAWAL	\$280.00	\$915.00
4/15/03	DEPOSIT	\$320.00	\$1,235.00
5/1/03	WITHDRAWAL	\$290.00	\$945.00
5/15/03	DEPOSIT	\$330.00	\$1,275.00
6/1/03	WITHDRAWAL	\$300.00	\$975.00
6/15/03	DEPOSIT	\$340.00	\$1,315.00
7/1/03	WITHDRAWAL	\$310.00	\$1,005.00
7/15/03	DEPOSIT	\$350.00	\$1,355.00
8/1/03	WITHDRAWAL	\$320.00	\$1,035.00
8/15/03	DEPOSIT	\$360.00	\$1,395.00
9/1/03	WITHDRAWAL	\$330.00	\$1,065.00
9/15/03	DEPOSIT	\$370.00	\$1,435.00
10/1/03	WITHDRAWAL	\$340.00	\$1,095.00
10/15/03	DEPOSIT	\$380.00	\$1,475.00
11/1/03	WITHDRAWAL	\$350.00	\$1,125.00
11/15/03	DEPOSIT	\$390.00	\$1,515.00
12/1/03	WITHDRAWAL	\$360.00	\$1,155.00
12/15/03	DEPOSIT	\$400.00	\$1,555.00
1/1/04	WITHDRAWAL	\$370.00	\$1,185.00
1/15/04	DEPOSIT	\$410.00	\$1,595.00
2/1/04	WITHDRAWAL	\$380.00	\$1,215.00
2/15/04	DEPOSIT	\$420.00	\$1,635.00
3/1/04	WITHDRAWAL		

- FIRE ALARM KEY NOTES**

FA-07

[illegible]

- FIRE ALARM KEY NOTES** 

FA-08



Date: January 22, 2020

To: Bruce Cherrin
Chief Procurement Officer, UNM Purchasing Department

From: Bonnie White
Chief Financial Officer, UNM Hospitals

Subject: Property Disposition – January 2020

Attached for your review and submission to the Board of Regents is the Property Disposition Detail list for the month of January 2020.

Consistent with UNM Board of Regents Policy 7.9 Property Management and the Disposition of Surplus Property Act, 13-6-1, NMSA 1978, and based upon documentation submitted by the UNM Hospitals' departments responsible for the equipment, I certify that the equipment identified on the list is worn-out, unusable/unlocated or beyond useful life to the extent that the items are no longer economical or safe for continued use by UNM Hospitals. I recommend that the items be deleted from UNM Hospitals inventory and disposed of in accordance with the above noted Regents Policy and Surplus Property Act.



Property Disposition Request
January 2020

Description Summary				
Description	Count of Assets	Sum of Acquisition Cost	Sum of Book Value	Average of Age in Years
Electronics	2	\$ 12,973.55	\$ -	8.00
Food & Nutrition	1	\$ 6,645.52	\$ -	12.00
Medical Equipment	27	\$ 765,994.35	\$ 41,654.48	10.35
Patient Monitor	297	\$ 3,868,821.48	\$ 11,691.24	10.19
Vehicle	2	\$ 54,669.00	\$ -	20.50
Grand Total	329	\$ 4,709,103.90	\$ 53,345.72	12.21

Disposal Summary				
Disposal Method	Count of Assets	Sum of Acquisition Cost	Sum of Book Value	Average of Age in Years
Auction	318	\$4,334,086.89	\$14,989.94	10.24
CNM Donation	2	\$81,119.00	\$0.00	12.50
Electronics Recycling	2	\$12,973.55	\$0.00	8.00
To Be Transferred to UNMMG	4	\$220,424.25	\$35,245.79	8.00
UNM Automotive	2	\$54,669.00	\$0.00	20.50
Used for Parts by CE	1	\$5,831.21	\$3,109.99	4.00
Grand Total	329	\$4,709,103.90	\$53,345.72	10.54

Lawson Number	Asset Control Number	Description	Accounting Unit	Division Description	Model	Serial Number	Acquisition Date	Acquisition Cost	Book Value	Proposed Method of Disposal	Reason for Disposal	Generalized Description	Comments
30561	93667	Insight FD Mini C-Arm	34540	Sports Medicine	INSIGHT 2	20-0515-28	02/01/2016	\$ 67,175.00	\$ -	To Be Transferred to UNMMG	Clinic Moved to UNM	Medical Equipment	
9456	None	Proteus XR/a Elevating Table	34540	Sports Medicine	Proteus	66553HL9	08/01/2010	\$ 12,857.00	\$ 4,857.09	To Be Transferred to UNMMG	Clinic Moved to UNM	Medical Equipment	
31120	98330	Barkey Plasmatherm	74070	Lab - Blood Bank	DTMV201	110705	09/01/2016	\$ 6,297.50	\$ 3,298.70	Auction	Not Repairable	Medical Equipment	
29355	89353	MedSystem III Infusion Pump	70060	Fixed Wing Transport	2865	14181773	05/01/2015	\$ 5,831.21	\$ 3,109.99	Used for Parts by CE	Not Repairable	Medical Equipment	
30532	95278	Dash 5000 Monitor	21015	ED	DASH 5000	SHQ16124708SA	04/01/2016	\$ 10,509.37	\$ 2,802.49	Auction	Monitor Project	Patient Monitor	
31436	98642	Dash 5000 Monitor	12000	Labor and Delivery	DASH 5000	SBG06098307GA	01/01/2017	\$ 5,007.50	\$ 2,086.45	Auction	Monitor Project	Patient Monitor	
30284	93686	Dash 5000 Monitor	15510	OSIS PACU	DASH 5000	SHQ153739015SA	10/01/2015	\$ 10,749.26	\$ 1,791.54	Auction	Monitor Project	Patient Monitor	
30260	93044	CIC V5.X ATO Model	12320	General Medicine (S-W)	CIC PRO	SDY15174616GA	07/01/2015	\$ 14,385.00	\$ 1,678.25	Auction	Monitor Project	Patient Monitor	
29497	91851	Dash 5000	71520	Pulmonary Diagnostics	DASH 5000	SHQ15193437A	06/01/2015	\$ 16,701.52	\$ 1,670.15	Auction	Monitor Project	Patient Monitor	
30134	93482	Dash 5000 ATO Model	15040	PACU (Recovery Room 1)	DASH 5000	SHQ153037405A	08/01/2015	\$ 12,467.80	\$ 1,662.36	Auction	Monitor Project	Patient Monitor	
25341	83310	Tee Ultrasound	15055	Anesthesia	IE33	B0G4M2	08/01/2012	\$ 160,543.57	\$ -	Auction	Not Repairable	Medical Equipment	Due to many years of service and use, equipment is unable to be repaired and has been replaced.
9455	None	Proteus XR/a Radiographic Syst	34540	Sports Medicine	Proteus	20-0515-28	08/01/2010	\$ 75,944.75	\$ -	To Be Transferred to UNMMG	Clinic Moved to UNM	Medical Equipment	
6802	98813	Carbon-XL with Flash Lite IIP	34540	Sports Medicine	CARBON-XL	67222750	02/01/2008	\$ 64,447.50	\$ -	To Be Transferred to UNMMG	Clinic Moved to UNM	Medical Equipment	
5804	55919	Stockert III Heart Lung Perfus	70050	ECMO	STOCKERT III	4352909	01/01/2007	\$ 52,404.24	\$ -	Auction	Not Repairable	Medical Equipment	
20525	VEH #1295	2006 Ford Startrans Bus Plate	60365	Case Management	SENATOR II	1FDXE45S06HA20675	02/01/2006	\$ 45,749.00	\$ -	UNM Automotive	Not Repairable	Vehicle	
18580	52028	SIII ECMOPump System	70050	ECMO	43-30-00	435182	11/01/2000	\$ 45,268.00	\$ -	Auction	Not Repairable	Medical Equipment	
3084	46910	Cascade 16 Ch IOM - Evoked Pot	78010	Neurodiagnostics Lab	CASCADE	0312CA000351	02/01/2004	\$ 42,310.00	\$ -	CNM Donation-Educational Use	Replaced	Medical Equipment	
24488	83303	CICV5+	12340	Surgical Speciality Unit 5	CIC PRO	SDY11118273GA	07/01/2012	\$ 41,549.27	\$ -	Auction	Monitor Project	Patient Monitor	
21081	80577	CIC Pro	12360	Neuroscience	CIC PRO	SDY11118272GA	07/01/2011	\$ 40,392.37	\$ -	Auction	Monitor Project	Patient Monitor	
21082	80578	CIC Pro	12360	Neuroscience	CIC PRO	SDY11118270GA	07/01/2011	\$ 40,392.37	\$ -	Auction	Monitor Project	Patient Monitor	
26562	83840	CIC Pro	12320	General Medicine (S-W)	CIC PRO	SDY12534165GA	02/01/2013	\$ 38,810.47	\$ -	Auction	Monitor Project	Patient Monitor	
26563	84030	CIC Pro	12320	General Medicine (S-W)	CIC PRO	SDY13084575GA	02/01/2013	\$ 38,810.47	\$ -	Auction	Monitor Project	Patient Monitor	
8676	73228	Cadwell Cascade Base Unit Syst	78010	Neurodiagnostics Lab	0902WG17-03-003	0904CA001259	09/01/2009	\$ 38,809.00	\$ -	CNM Donation-Educational Use	Replaced	Medical Equipment	
24489	83304	CICV5	12340	Surgical Speciality Unit 5	CIC PRO	SDY11118271GA	07/01/2012	\$ 37,524.28	\$ -	Auction	Monitor Project	Patient Monitor	
7785	62701	CIC Pro	12230	Gen Med/SAC (4-W)	CIC PRO	SCH07361909GA	01/01/2008	\$ 34,219.44	\$ -	Auction	Monitor Project	Patient Monitor	
7786	62702	CIC Pro	12230	Gen Med/SAC (4-W)	CIC PRO	SCH07382309GA	01/01/2008	\$ 34,219.44	\$ -	Auction	Monitor Project	Patient Monitor	
4920	52158	Visula Laser 5325	34610	Ophthalmology On Site Clinic	5325	909646	08/01/2005	\$ 31,400.00	\$ -	Auction	Replaced	Medical Equipment	
21091	82557	CIC Pro	12350	CRC/CTC (S-E)	CIC PRO	SDY11118274GA	02/01/2012	\$ 29,841.23	\$ -	Auction	Monitor Project	Patient Monitor	
6143	58266	CIC 4.1	12360	Neuroscience	CIC 4.1	JA106074174GA	04/06/2007	\$ 24,162.00	\$ -	Auction	Monitor Project	Patient Monitor	
6142	58267	CIC 4.1	15000	Operating Room	CIC 4.1	JA106074154GA	04/06/2007	\$ 24,162.00	\$ -	Auction	Monitor Project	Patient Monitor	
6999	58323	Central Information Center Cap	12120	Medical/Cardiac ICU	CIC	JA106064144GA	07/01/2007	\$ 24,142.74	\$ -	Auction	Monitor Project	Patient Monitor	
20017	68429	CIC Pro (Central Station Monit	71040	Cardiac Cath Lab	CIC PRO	SDY09100987GA	06/01/2009	\$ 23,168.08	\$ -	Auction	Monitor Project	Patient Monitor	
2860	46222	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2841G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2863	46223	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2845G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2861	46224	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2836G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2872	46226	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2951G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2868	46227	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2870G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2866	46228	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2868G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2865	46229	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2847G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2877	46230	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2988G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2867	46270	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2869G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2878	46272	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2991G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2864	46273	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2846G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2862	46274	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2844G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2871	46275	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2950G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2874	46615	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2953G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2875	46616	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2954G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2876	46617	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2955G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2873	46618	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2952G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2870	46619	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2945G	09/01/2003	\$ 19,263.72	\$ -	Auction	Monitor Project	Patient Monitor	
2857	46225	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2548G	09/01/2003	\$ 19,263.71	\$ -	Auction	Monitor Project	Patient Monitor	
2859	46271	Dash 4000 Base Monitor w/softw	12240	General Surgery (6-S)	DASH 4000	G3EH2798G	09/01/2003	\$ 19,263.71	\$ -	Auction	Monitor Project	Patient Monitor	
7063	67483	GSI Audera 2-Ch Port W/O NTBK	76025	Audiology	GSI AUDERA	AT080417	03/01/2008	\$ 19,075.00	\$ -	Auction	Not Repairable	Medical Equipment	
4975	52251	Dash 4000 Monitor	34025	Cardiology Clinic	DASH 4000	DSH05201022GA	08/01/2005	\$ 15,882.00	\$ -	Auction	Monitor Project	Patient Monitor	
5700	52246	Dash 4000	12360	Neuroscience	DASH 4000	DSH05193084GA	11/01/2005	\$ 15,624.50	\$ -	Auction	Monitor Project	Patient Monitor	
5701	52247	Dash 4000	12360	Neuroscience	DASH 4000	DSH05196233GA	11/01/2005	\$ 15,624.50	\$ -	Auction	Monitor Project	Patient Monitor	
5702	52248	Dash 4000	12360	Neuroscience	DASH 4000	DSH05196230GA	11/01/2005	\$ 15,624.50	\$ -	Auction	Monitor Project	Patient Monitor	

5704	52249	Dash 4000	12360	Neuroscience	DASH 4000	DSH05196234GA	11/01/2005	\$	15,624.50	\$	-	Auction	Monitor Project	Patient Monitor
2778	46907	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	F3EH2167G	08/01/2003	\$	15,396.61	\$	-	Auction	Monitor Project	Patient Monitor
2785	46799	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	G3EH2757G	08/01/2003	\$	15,396.60	\$	-	Auction	Monitor Project	Patient Monitor
2782	46800	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	G3EH2619G	08/01/2003	\$	15,396.60	\$	-	Auction	Monitor Project	Patient Monitor
2783	46908	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	G3EH2628G	08/01/2003	\$	15,396.60	\$	-	Auction	Monitor Project	Patient Monitor
2784	46909	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	G3EH2696G	08/01/2003	\$	15,396.60	\$	-	Auction	Monitor Project	Patient Monitor
7588	62704	CIC	12320	General Medicine (5-W)	CIC PRO	SCH07503350GA	01/01/2008	\$	15,321.60	\$	-	Auction	Monitor Project	Patient Monitor
7589	62705	CIC	12320	General Medicine (5-W)	CIC PRO	SCH07503351GA	01/01/2008	\$	15,321.60	\$	-	Auction	Monitor Project	Patient Monitor
2949	46787	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2691G	10/01/2003	\$	14,834.65	\$	-	Auction	Monitor Project	Patient Monitor
2948	46788	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2626G	10/01/2003	\$	14,834.65	\$	-	Auction	Monitor Project	Patient Monitor
2941	46789	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2629G	10/01/2003	\$	14,834.65	\$	-	Auction	Monitor Project	Patient Monitor
2943	46790	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2624G	10/01/2003	\$	14,834.65	\$	-	Auction	Monitor Project	Patient Monitor
2942	46791	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2695G	10/01/2003	\$	14,834.65	\$	-	Auction	Monitor Project	Patient Monitor
2944	46795	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2687G	10/01/2003	\$	14,834.65	\$	-	Auction	Monitor Project	Patient Monitor
2945	46796	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2625G	10/01/2003	\$	14,834.65	\$	-	Auction	Monitor Project	Patient Monitor
2946	46797	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2688G	10/01/2003	\$	14,834.65	\$	-	Auction	Monitor Project	Patient Monitor
2937	46792	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2507G	10/01/2003	\$	14,834.64	\$	-	Auction	Monitor Project	Patient Monitor
2940	46793	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2623G	10/01/2003	\$	14,834.64	\$	-	Auction	Monitor Project	Patient Monitor
2938	46794	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2627G	10/01/2003	\$	14,834.64	\$	-	Auction	Monitor Project	Patient Monitor
2939	46798	Dash 4000 Monitor	12220	Med/Surg Subacute (4-E)	DASH 4000	G3EH2694G	10/01/2003	\$	14,834.64	\$	-	Auction	Monitor Project	Patient Monitor
6249	62018	Infant Warmer System	21020	Pediatric Emergency Department	4400	HCCU00774D1U	08/01/2007	\$	14,432.80	\$	-	Replaced	Medical Equipment	
21104	73297	Dash 4000	15500	OSIS Operating Room	DASH 4000	SHQ115052455A	12/01/2011	\$	13,726.80	\$	-	Auction	Monitor Project	Patient Monitor
21105	73298	Dash 4000	15500	OSIS Operating Room	DASH 4000	SHQ114539875A	12/01/2011	\$	13,726.80	\$	-	Auction	Monitor Project	Patient Monitor
21106	73299	Dash 4000	15500	OSIS Operating Room	DASH 4000	SHQ115052555A	12/01/2011	\$	13,726.80	\$	-	Auction	Monitor Project	Patient Monitor
21107	73300	Dash 4000	15500	OSIS Operating Room	DASH 4000	SHQ114951115A	12/01/2011	\$	13,726.80	\$	-	Auction	Monitor Project	Patient Monitor
21108	73301	Dash 4000	15500	OSIS Operating Room	DASH 4000	SHQ115052425A	12/01/2011	\$	13,726.80	\$	-	Auction	Monitor Project	Patient Monitor
24534	83408	Dash 4000	34340	Pain Clinic	DASH 4000	SHQ12238905A	08/01/2012	\$	13,466.55	\$	-	Auction	Monitor Project	Patient Monitor
24533	83407	Dash 4000	34340	Pain Clinic	DASH 4000	SHQ12238925A	08/01/2012	\$	13,418.45	\$	-	Auction	Monitor Project	Patient Monitor
2856	46406	Dash 4000 Base Monitor & Softw	12360	Neuroscience	DASH 4000	G3EH2753G	09/01/2003	\$	13,356.43	\$	-	Auction	Monitor Project	Patient Monitor
6108	58727	Dash 4000	12410	Pediatric Specialty Care	4000	S8G06233543GA	06/10/2007	\$	13,287.55	\$	-	Auction	Monitor Project	Patient Monitor
7754	58733	Dash 4000	12230	Gen Med/SAC (4-W)	DASH 4000	S8G06233565GA	01/01/2008	\$	13,287.54	\$	-	Auction	Monitor Project	Patient Monitor
7755	58735	Dash 4000	12230	Gen Med/SAC (4-W)	DASH 4000	S8G06233542GA	01/01/2008	\$	13,287.54	\$	-	Auction	Monitor Project	Patient Monitor
9199	70825	Dash 4000	70020	Endoscopy Center	DASH 4000	SD010261900GA	07/01/2010	\$	13,210.17	\$	-	Auction	Monitor Project	Patient Monitor
9212	70827	Dash 4000	34430	Digestive Disease Health Ctr	DASH 4000	SD010261790GA	07/01/2010	\$	13,167.40	\$	-	Auction	Monitor Project	Patient Monitor
9214	70828	Dash 4000	34430	Digestive Disease Health Ctr	DASH 4000	SD010261823GA	07/01/2010	\$	13,167.40	\$	-	Auction	Monitor Project	Patient Monitor
9215	70829	Dash 4000	34430	Digestive Disease Health Ctr	DASH 4000	SD010261810GA	07/01/2010	\$	13,167.40	\$	-	Auction	Monitor Project	Patient Monitor
9216	70830	Dash 4000	34430	Digestive Disease Health Ctr	DASH 4000	SD010209937GA	07/01/2010	\$	13,167.39	\$	-	Auction	Monitor Project	Patient Monitor
8526	73036	BladderScan BVI 3000	79510	Kidney Transplant Svcs	BVI 3000	09181901	06/01/2009	\$	13,160.88	\$	-	Obsolete	Medical Equipment	
21252	82907	Dash 4000	12330	Family Practice (3-N)	DASH 4000	SD011133572SA	05/01/2012	\$	13,110.86	\$	-	Auction	Monitor Project	Patient Monitor
21053	82287	Dash 4000	71520	Pulmonary Diagnostics	DASH 4000	SHQ113011455A	10/01/2011	\$	13,010.20	\$	-	Auction	Monitor Project	Patient Monitor
20009	68421	Dash 4000 Monitor	71040	Cardiac Cath Lab	DASH4	SD009068179GA	06/01/2009	\$	12,791.26	\$	-	Auction	Monitor Project	Patient Monitor
20010	68422	Dash 4000 Monitor	71040	Cardiac Cath Lab	DASH4	SD009068499GA	06/01/2009	\$	12,791.26	\$	-	Auction	Monitor Project	Patient Monitor
20011	68423	Dash 4000 Monitor	71040	Cardiac Cath Lab	DASH4	SD008526684GA	06/01/2009	\$	12,791.26	\$	-	Auction	Monitor Project	Patient Monitor
20012	68424	Dash 4000 Monitor	71040	Cardiac Cath Lab	DASH4	SD009119817GA	06/01/2009	\$	12,791.26	\$	-	Auction	Monitor Project	Patient Monitor
20013	68425	Dash 4000 Monitor	71040	Cardiac Cath Lab	DASH4	SD00119815GA	06/01/2009	\$	12,791.26	\$	-	Auction	Monitor Project	Patient Monitor
20014	68426	Dash 4000 Monitor	71040	Cardiac Cath Lab	DASH4	SD009047676GA	06/01/2009	\$	12,791.26	\$	-	Auction	Monitor Project	Patient Monitor
20015	68427	Dash 4000 Monitor	71040	Cardiac Cath Lab	DASH4	SD009047627GA	06/01/2009	\$	12,791.26	\$	-	Auction	Monitor Project	Patient Monitor
20016	68428	Dash 4000 Monitor	71040	Cardiac Cath Lab	DASH4	SD00119785GA	06/01/2009	\$	12,791.26	\$	-	Auction	Monitor Project	Patient Monitor
26600	82965	System 1E Sterilization System	15005	Operating Room - BBRP	1E	405363	07/01/2012	\$	12,627.59	\$	-	Obsolete	Medical Equipment	
26601	82966	System 1E Sterilization System	15005	Operating Room - BBRP	1E	405346	07/01/2012	\$	12,627.59	\$	-	Obsolete	Medical Equipment	
25683	82397	CIC	12240	General Surgery (6-S)	CIC PRO	SDY11148693GA	09/01/2012	\$	12,622.03	\$	-	Auction	Monitor Project	Patient Monitor
25684	82398	CIC	12240	General Surgery (6-S)	CIC PRO	SDY11148691GA	09/01/2012	\$	12,622.02	\$	-	Auction	Monitor Project	Patient Monitor
9226	70770	Dash 4000	12360	Neuroscience	DASH 4000	SD010261795GA	07/01/2010	\$	12,552.94	\$	-	Auction	Monitor Project	Patient Monitor
9227	70771	Dash 4000	12360	Neuroscience	DASH 4000	SD010261796GA	07/01/2010	\$	12,552.94	\$	-	Auction	Monitor Project	Patient Monitor
9217	70762	Dash 4000	12360	Neuroscience	DASH 4000	SD010261819GA	07/01/2010	\$	12,552.93	\$	-	Auction	Monitor Project	Patient Monitor
9218	70763	Dash 4000	12360	Neuroscience	DASH 4000	SD010261793GA	07/01/2010	\$	12,552.93	\$	-	Auction	Monitor Project	Patient Monitor
9219	70764	Dash 4000	12360	Neuroscience	DASH 4000	SD010261801GA	07/01/2010	\$	12,552.93	\$	-	Auction	Monitor Project	Patient Monitor
9220	70766	Dash 4000	12360	Neuroscience	DASH 4000	SD010261800GA	07/01/2010	\$	12,552.93	\$	-	Auction	Monitor Project	Patient Monitor
9221	70767	Dash 4000	12360	Neuroscience	DASH 4000	SD010261818GA	07/01/2010	\$	12,552.93	\$	-	Auction	Monitor Project	Patient Monitor
9222	70768	Dash 4000	12360	Neuroscience	DASH 4000	SD010261792GA	07/01/2010	\$	12,552.93	\$	-	Auction	Monitor Project	Patient Monitor
9223	70769	Dash 4000	12360	Neuroscience	DASH 4000	SD010261797GA	07/01/2010	\$	12,552.93	\$	-	Auction	Monitor Project	Patient Monitor
4297	50989	Table, Sonesta, Urodynamic Pro	34250	Urology	6206	12-30025	10/01/2004	\$	12,490.00	\$	-	Auction	Not Repairable	Medical Equipment
7788	73461	Image 1 CCU	15500	OSIS Operating Room	IMAGE 1	AB646914-P	03/01/2008	\$	12,456.42	\$	-	Replaced	Medical Equipment	
1827	38237	Dash 4000 1w-rm6	75025	Radiology - Interventional Rad	DASH 4000	C1DJ88586	05/01/2002	\$	12,259.39	\$	-	Auction	Monitor Project	Patient Monitor
8795	73848	Solar 8000I	12120	Medical/Cardiac ICU	SOLAR 8000I	SE409351536GA	10/01/2009	\$	12,193.30	\$	-	Auction	Monitor Project	Patient Monitor
21063	80558	Dash 4000	12360	Neuroscience	DASH 4000	SD011133501SA	07/01/2011	\$	12,134.77	\$	-	Auction	Monitor Project	Patient Monitor
21064	80559	Dash 4000	12360	Neuroscience	DASH 4000	SD011133443SA	07/01/2011	\$	12,134.77	\$	-	Auction	Monitor Project	Patient Monitor
21065	80560	Dash 4000	12360	Neuroscience	DASH 4000	SD011132485SA	07/01/2011	\$	12,134.77	\$	-	Auction	Monitor Project	Patient Monitor
21067	80562	Dash 4000	12360	Neuroscience	DASH 4000	SD011133484SA	07/01/2011	\$	12,134.77	\$	-	Auction	Monitor Project	Patient Monitor
21068	80563	Dash 4000	12360	Neuroscience	DASH 4000	SD011133454SA	07/01/2011	\$	12,134.77	\$	-	Auction	Monitor Project	Patient Monitor
21069	80564	Dash 4000	12360	Neuroscience	DASH 4000	SD011133619SA	07/01/2011	\$	12,134.77	\$	-	Auction	Monitor Project	Patient Monitor
21070	80565	Dash 4000	12360	Neuroscience	DASH 4000	SD011133618SA	07/01/2011	\$	12,134.77	\$	-	Auction	Monitor Project	Patient Monitor
21071	80566	Dash 4000	12360	Neuroscience	DASH 4000	SD011133397SA	07/01/2011	\$	12,134.77	\$	-	Auction	Monitor Project	Patient Monitor
21066	80861	Dash 4000	12360	Neuroscience	DASH 4000	SD011133381SA	07/01/2011	\$	12,134.77	\$	-	Auction	Monitor Project	Patient Monitor
21072	80567	Dash 4000	12360	Neuroscience	DASH 4000	SD011133599SA	07/01/2011	\$	12,134.76	\$	-	Auction	Monitor Project	Patient Monitor
21073	80568	Dash 4000	12360	Neuroscience	DASH 4000	SD011133526SA	07/01/2011	\$	12,134.76	\$	-	Auction	Monitor Project	Patient Monitor
21074	80569	Dash 4000	12360	Neuroscience	DASH 4000	SD011133556SA	07/01/2011	\$	12,134.76	\$	-	Auction	Monitor Project	Patient Monitor
21075	80570	Dash 4000	12360	Neuroscience	DASH 4000	SD011133561SA	07/01/2011	\$	12,134.76	\$	-	Auction	Monitor Project	Patient Monitor
21076	80571	Dash 4000	12360	Neuroscience	DASH 4000	SD011133580SA	07/01/2011	\$	12,134.76	\$	-	Auction	Monitor Project	Patient Monitor
21077	80572	Dash 4000	12360	Neuroscience	DASH 4000	SD011133532SA	07/01/2011	\$	12,134.76	\$	-	Auction	Monitor Project	Patient Monitor
21078	80573	Dash 4000	12360	Neuroscience	DASH 4000	SD011133469SA	07/01/2011	\$	12,134.76	\$	-	Auction	Monitor Project	Patient Monitor
21079	80574	Dash 4000	12360	Neuroscience	DASH 4000	SD011133592SA	07/01/2011	\$	12,134.76	\$	-	Auction	Monitor Project	Patient Monitor
21080	80575	Dash 4000	12360	Neuroscience	DASH 4000	SD011133601SA	07/01/2011	\$	12,134.76	\$	-	Auction	Monitor Project	Patient Monitor

[illegible]

7309	58945	Dash 4000 Capitalize CIP 1630	21015	ED	DASH 4000	S8G06462120GA	07/01/2007	\$	11,764.74	\$	-	Auction	Monitor Project	Patient Monitor
10422	60085	Dash 4000 Capitalize CIP 1630	12230	Gen Med/SAC (4-W)	DASH 4000	S8G06462734GA	07/01/2007	\$	11,743.61	\$	-	Auction	Monitor Project	Patient Monitor
26564	83842	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150525A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26565	83843	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ125046215A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26566	83844	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150765A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26567	83845	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150555A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26568	83846	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150485A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26569	83847	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150825A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26570	83848	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150615A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26571	83849	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150645A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26572	83850	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150755A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26573	83851	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150655A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26574	83852	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130151625A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26575	83853	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130151615A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26576	83854	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150575A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26577	83855	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150685A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26578	83856	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150815A	02/01/2013	\$	11,562.24	\$	-	Auction	Monitor Project	Patient Monitor
26579	83857	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150855A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26580	83858	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ124122675A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26581	83859	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ125045855A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26582	83860	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ124122775A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26583	83861	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150775A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26584	83862	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150585A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26585	83863	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150725A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26586	83864	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150795A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26587	83865	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150665A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26588	83866	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150635A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26589	83867	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150505A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
26590	83868	Dash 4000	12320	General Medicine (5-W)	DASH 4000	SHQ130150895A	02/01/2013	\$	11,562.23	\$	-	Auction	Monitor Project	Patient Monitor
19522	58883	Dash 4000	21015	ED	DASH 4000	S8G06451662GA	07/01/2007	\$	11,340.56	\$	-	Auction	Monitor Project	Patient Monitor
6126	58441	Solar 8000I	12110	Neuroscience ICU	8000I	S8L06163875GA	06/09/2007	\$	11,027.24	\$	-	Auction	Monitor Project	Patient Monitor
28816	83310	IE33 Upgrade - CO 20 Asset 253	15060	Anesthesia - BBRP	IE33	B0G436	09/01/2014	\$	10,998.30	\$	-	Auction	Replaced	Medical Equipment
8087	64383	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008252700GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8088	64390	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008253073GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8089	64391	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008219974GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8090	64392	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008252704GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8092	64393	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008253074GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8093	64394	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008252707GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7433	64395	Dash 4000	12220	Med/Surg Subacute (4-E)	DASH 4000	SD008199201GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7434	64396	Dash 4000	12220	Med/Surg Subacute (4-E)	DASH 4000	SD008199198GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7436	64397	Dash 4000	12220	Med/Surg Subacute (4-E)	DASH 4000	SD008199189GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7437	64398	Dash 4000	12220	Med/Surg Subacute (4-E)	DASH 4000	SD008199191GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7438	64399	Dash 4000	12220	Med/Surg Subacute (4-E)	DASH 4000	SD008199200GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7442	64400	Dash 4000	12210	Coronary Care Subacute	DASH 4000	SD00824101GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7443	64401	Dash 4000	12210	Coronary Care Subacute	DASH 4000	SD008231891GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8094	68566	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008253076GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8095	68567	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008252703GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8097	68569	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008252699GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8098	68570	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008231786GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
8099	68571	Dash 4000 Monitor	12210	Coronary Care Subacute	DASH 4000	SD008252702GA	12/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7439	68572	Dash 4000	12220	Med/Surg Subacute (4-E)	DASH 4000	SD008199184GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7440	68573	Dash 4000	12220	Med/Surg Subacute (4-E)	DASH 4000	SD008199386GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
7441	68574	Dash 4000	12220	Med/Surg Subacute (4-E)	DASH 4000	SD008199199GA	06/01/2008	\$	10,906.70	\$	-	Auction	Monitor Project	Patient Monitor
19567	60067	Dash 4000	12015	Pediatric Infusion Unit PIU	DASH 4000	S8G06419196GA	07/01/2007	\$	10,774.42	\$	-	Auction	Monitor Project	Patient Monitor
19573	67480	Dash 4000 (w/Div 01 Asset #276	72040	I/P Hemodialysis	DASH 4000	S8G06419185GA	07/01/2007	\$	10,738.26	\$	-	Auction	Monitor Project	Patient Monitor
7271	58707	Dash 4000 Capitalize CIP 1630	15045	PACU - BBRP	DASH 4000	S8G06462880GA	07/01/2007	\$	10,134.87	\$	-	Auction	Monitor Project	Patient Monitor
7283	58718	Dash 4000 Capitalize CIP 1630	15045	PACU - BBRP	DASH 4000	S8G06462465GA	07/01/2007	\$	10,134.86	\$	-	Auction	Monitor Project	Patient Monitor
20083	82234	Dash 5000 Monitor	95700	Clinical Engineering	DASH 5000	SD009182612GR	04/01/2011	\$	9,734.33	\$	-	Auction	Monitor Project	Patient Monitor
4348	51342	Physiological Monitoring Syste	70020	Endoscopy Center	DASH 4000	AAB04469750GA	12/01/2004	\$	9,503.25	\$	-	Auction	Monitor Project	Patient Monitor
4344	51343	Physiological Monitoring Syste	70020	Endoscopy Center	DASH 4000	AAB04336402GA	12/01/2004	\$	9,503.25	\$	-	Auction	Monitor Project	Patient Monitor
4345	51344	Physiological Monitoring Syste	70020	Endoscopy Center	DASH 4000	AAB04469746GA	12/01/2004	\$	9,503.25	\$	-	Auction	Monitor Project	Patient Monitor
19262	43849	Pneupac Baby Pac Ventilator	71510	Pulmonary Services	BABYPAC	202356	10/01/2002	\$	9,478.00	\$	-	Auction	Not Repairable	Medical Equipment
24494	83302	Dash 3000	12340	Surgical Specialty Unit 5	DASH 3000	SHQ113216695A	08/01/2012	\$	9,336.50	\$	-	Auction	Monitor Project	Patient Monitor
7087	64642	Dash 3000	95700	Clinical Engineering	DASH 3000	SD008087352GA	04/01/2008	\$	9,061.44	\$	-	Auction	Monitor Project	Patient Monitor
7089	64644	Dash 3000	71030	Heart Station	DASH 3000	SD008015026GA	04/01/2008	\$	9,061.43	\$	-	Auction	Monitor Project	Patient Monitor
20141	Veh #374	1991 Chevy S-10 Plate G-08076	60365	Case Management	S-10	1GCCS14A3M826534	07/01/1991	\$	8,920.00	\$	-	UNM Automotive	Not Repairable	Vehicle
1568	43101	SLR 8M BSIC/HI-Res CRG Eng 100	12455	Newborn ICU	SOLAR 8000M	K1RF7953G	12/01/2001	\$	8,865.37	\$	-	Auction	Monitor Project	Patient Monitor
8941	70626	H-1200 Blood Warmer	12130	Trauma/Surgical ICU	H-1200	S10001957	06/01/2010	\$	8,500.00	\$	-	Auction	Obsolete	Medical Equipment
8942	70627	H-1200 Blood Warmer	12130	Trauma/Surgical ICU	H-1200	S10001956	06/01/2010	\$	8,500.00	\$	-	Auction	Obsolete	Medical Equipment
7065	64549	115V Domestic Flow Fluid Warmer	21015	ED	H-1200	S10000745	03/01/2008	\$	8,500.00	\$	-	Auction	Obsolete	Medical Equipment
3904	46060	Solar 8000M Cardiac Monitor Ca	15510	OSIS PACU	Solar 8000	H2G41281G	05/01/2003	\$	8,124.80	\$	-	Auction	Monitor Project	Patient Monitor
3902	46061	Solar 8000M Cardiac Monitor Ca	15510	OSIS PACU	Solar 8000	H2G41280G	05/01/2003	\$	8,124.80	\$	-	Auction	Monitor Project	Patient Monitor
3901	46063	Solar 8000M Cardiac Monitor Ca	15510	OSIS PACU	Solar 8000	H2G41279G	05/01/2003	\$	8,124.80	\$	-	Auction	Monitor Project	Patient Monitor
3906	46064	Solar 8000M Cardiac Monitor Ca	15510	OSIS PACU	Solar 8000	H2G41283G	05/01/2003	\$	8,124.80	\$	-	Auction	Monitor Project	Patient Monitor
3905	46065	Solar 8000M Cardiac Monitor Ca	15510	OSIS PACU	Solar 8000	H2G41282G	05/01/2003	\$	8,124.80	\$	-	Auction	Monitor Project	Patient Monitor
26916	IT EQUIP	PowerEdge R710 Server	96250	IT - Evolve3	R710	9VT1FQ1	07/01/2012	\$	7,415.91	\$	-	Electronics Recycling	Replaced	Electronics
4482	48798	Jewett Blood Bank Refrigerator	74065	Lab - Tissue Bank	N18P-108648-NP		02/01/2005	\$	7,114.00	\$	-	Auction	Not Repairable	Medical Equipment
4889	48797	Freezer, Blood Plasma with Cha	74070	Lab - Blood Bank	LTU-21837		07/01/2005	\$	7,056.00	\$	-	Auction	Not Repairable	Medical Equipment
2933	45340	Dash 2000 Portable Monitor	12460	Pediatric ICU	DASH 2000	70002164	10/01/2003	\$	6,675.22	\$	-	Auction	Monitor Project	Patient Monitor
6106	55699	Transport Pro V2	71040	Cardiac Cath Lab	PRO V2	AAD06231791GA	07/24/2006	\$	6,650.00	\$	-	Auction	Monitor Project	Patient Monitor
6959	88640	Espresso Machine - F&N Emporiu	90231	Espresso Cafes	SAE/3-N	435923	07/01/2007	\$	6,645.52	\$	-	Auction	Replaced	Food & Nutrition
26359	80241	CIC	95700	Clinical Engineering	CIC PRO	SDY11077889GA	03/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
21430	82395	CIC	12240	General Surgery (6-S)	CIC PRO	SDY11077882GA	11/01/2011	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor

26358	83306	CIC	12340	Surgical Specialty Unit 5	CIC PRO	SDY11108098GA	02/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
26366	83480	CIC	12340	Surgical Specialty Unit 5	CIC PRO	SDY11077881GA	09/01/2012	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
26365	83870	CIC	12220	Med/Surg Subacute (4-E)	CIC PRO	SDY11118283GA	02/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
26364	83871	CIC	12220	Med/Surg Subacute (4-E)	CIC PRO	SDY11148728GA	02/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
26357	83872	CIC	12220	Med/Surg Subacute (4-E)	CIC PRO	SDY11128435GA	02/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
26356	83873	CIC	12220	Med/Surg Subacute (4-E)	CIC PRO	SDY11108109GA	02/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
26362	83874	CIC	12210	Coronary Care Subacute	CIC PRO	SDY11077880GA	02/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
26363	83875	CIC	12210	Coronary Care Subacute	CIC PRO	SDY11077878GA	02/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
26361	83897	CIC	12210	Coronary Care Subacute	CIC PRO	SDY11077845GA	02/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
26360	83899	CIC	12210	Coronary Care Subacute	CIC PRO	SDY11077831GA	02/01/2013	\$	6,212.50	\$	-	Auction	Monitor Project	Patient Monitor
5644	52402	Transport Pro V2	12130	Trauma/Surgical ICU	PRO V2	AAD05240245GA	11/01/2005	\$	6,105.00	\$	-	Auction	Monitor Project	Patient Monitor
3325	50942	Dash 2000 Monitor	34340	Pain Clinic	DASH 2000	70004751	05/01/2004	\$	6,074.25	\$	-	Auction	Monitor Project	Patient Monitor
3326	50943	Dash 2000 Monitor	12240	General Surgery (6-S)	DASH 2000	70004750	05/01/2004	\$	6,074.25	\$	-	Auction	Monitor Project	Patient Monitor
19548	60470	Transport Pro	21015	ED	TRANSPORT PRO	SCS06440446GA	07/01/2007	\$	5,775.00	\$	-	Auction	Monitor Project	Patient Monitor
4921	52158	LIO Zeiss Laset Indirect Optha	34610	Ophthalmology On Site Clinic	LIO 5325	909646	08/01/2005	\$	5,690.00	\$	-	Auction	Replaced	Medical Equipment
1334	41714	Dash 2000 Portable Monitor	71520	Pulmonary Diagnostics	DASH 2000	KIDR3505N	11/01/2001	\$	5,629.87	\$	-	Auction	Monitor Project	Patient Monitor
9050	42989	PE R710 Server	96140	IT - Customer Service	PE R710	91N3QM1	06/01/2010	\$	5,557.64	\$	-	Electronics Recycling	Replaced	Electronics
19551	60469	Dash 3000	21015	ED	DASH 3000	SBG06472817GA	07/01/2007	\$	5,268.12	\$	-	Auction	Monitor Project	Patient Monitor
19551	60469	Dash 3000	21015	ED	DASH 3000	SBG06472817GA	07/01/2007	\$	5,268.12	\$	-	Auction	Monitor Project	Patient Monitor
7870	55968	Dash 3000	12025	PICC/Conscious Sedation	DASH 3000	SBG06493555GA	07/01/2007	\$	5,172.76	\$	-	Auction	Monitor Project	Patient Monitor
7874	58034	Dash 3000	12240	General Surgery (6-S)	DASH 3000	SBG06504492GA	07/01/2007	\$	5,172.76	\$	-	Auction	Monitor Project	Patient Monitor
21651	73759	Physiological Monitor	15525	OSIS Satellite	DASH 3000	SD009348012GA	01/01/2012	\$	5,171.00	\$	-	Auction	Monitor Project	Patient Monitor
21652	73760	Physiological Monitor	15525	OSIS Satellite	DASH 3000	SC009348005GA	01/01/2012	\$	5,171.00	\$	-	Auction	Monitor Project	Patient Monitor

**UNM Hospital Board of Trustees
Recommendation to HSC Committee
January 2020**

Approval

Ownership

Comprehensive Care
31330 Schoolcraft Rd
Livonia, MI 48150

Officers Information:

Chet Czaplicka, CEO & President

Source of Funds: UNM Hospital Operating Budget

Requested action: As required by Section 7 of the Board or Regents Policy Manual, consent item approval is requested. For the project described below, UNM Hospitals requests the following actions, with action requested upon requisite sequential approval and recommendation by any and all committees and bodies:

- Board of Trustee Finance Committee approval of and recommendations of approval to the UNMH Board of Trustees.
- UNMH Board of Trustees approval of and recommendation of approval to the UNM Board of Regents HSC Committee.
- UNM Board of Regents HSC Committee approval and recommendations of approval to the UNM Board of Regents.
- UNM Board of Regents approval.

Description: Request approval to amend the current contract with Comprehensive Care Services to extend the contract period for up to 3 years for Perfusion and ECMO services to our patients. The contract consists of providing two separate services; ECMO and Perfusion. ECMO (Extracorporeal Membrane Oxygenation) and is used to provide pulmonary and/or cardiac support for patients with significant cardiac or pulmonary failure that is unresponsive to conventional therapy. ECMO can be used for both adults and pediatrics. In these cases the ECMO device functions as or supports the functions of the heart and/or lungs. Patients with Hantavirus, cardiogenic shock, cardiac arrest, pulmonary embolism and Acute Respiratory Distress Syndrome are some of the typical patient populations needing this treatment. In calendar year 2019, 50 patients required ECMO services and consisted of 8,127 billed hours of services from Comprehensive Care Services. Our ECMO needs and services are growing and we predict at least 60 patients and upwards of 10,000 hours of service to be provided in calendar year 2020.

Perfusion is the process of delivering oxygenated blood to the tissues and organs of the body. During many cardiac surgeries it is necessary to temporarily suspend the function of the heart and lungs, requiring mechanical perfusion to the body. A perfusionist, is responsible for operating the cardiopulmonary bypass machine to maintain the patient's blood flow, as well as regulate the oxygen and carbon dioxide levels in the blood. In 2019, 86 patients were placed on



perfusion during cardiac surgery. In 2020, patients requiring perfusion are expected to increase to over 100.

Projected Annual Cost: \$2.5 Million

Projected Contract Cost: \$7.5 Million for an initial term of 3 years, may be extended annual upon mutual agreement by the parties

Process: Renegotiation with incumbent vendor

Termination Provision: Either party may terminate this agreement with 180 days written notice

Previous Contract(s): Incumbent vendor from first outsourcing RFP

Previous Term: 7 years

Previous Contract Amount: Total \$14,530,144.81, FY19 \$2,901,205.01

Impact on Operational Costs: Negotiations with the incumbent vendor were undertaken as part of the Operation Improvement Initiatives. The Hospital anticipates significant savings in the rates paid to the vendor. The program has grown over the past several years and continued growth is expected.



CAPITAL PROJECT APPROVAL

UNM HOSPITALS – NEW HOSPITAL TOWER AND NEW PARKING STRUCTURE PROJECT COMMISSIONING SERVICES

JANUARY 24, 2020

RECOMMENDED ACTION:

As required by Section 7.12 of Board of Regents Policy Manual, the New Mexico Higher Education Department and the New Mexico State Board of Finance, capital project approval is requested for the UNM Hospital – New Hospital Tower and New Parking Structure project commissioning services. For the project described below, UNM Hospitals requests the following actions, with action requested only upon requisite sequential approval and recommendation by any and all committees and bodies:

- Board of Trustee Finance Committee approval of and recommendation of approval to the UNMH Board of Trustees.
- UNMH Board of Trustees approval of and recommendation of approval to the UNM Board of Regents HSC Committee.
- UNM Board of Regents HSC Committee approval and recommendation of approval to the UNM Board of Regents.
- UNM Board of Regents approval

PROJECT DESCRIPTION:

The independent Commissioning Authority (CxA) is charged with verifying major equipment and building components are operating as intended for the New Hospital Tower and the New Parking Structure.

RATIONALE:

Commissioning services are required to comply with LEED requirements and provides an independent confirmation that building components were installed, started up, and tested per the manufacturer's instructions. They also test the equipment in various scenarios to ensure backup systems and redundancies will operate as intended.

PURCHASING PROCESS:

Commissioning Services Agreement with WSP USA as related to the Hospital Tower Project, to include commissioning services for Pre-Construction Services, Garage, and Hospital Tower.
Procurement Method: NMSA 13-1-129, Procurement Under Existing Contracts.

FUNDING:

Total project construction budget not to exceed at \$1,662,000 from the FY20 Capital Initiatives Budget.

MEMORANDUM

TO: Regent Robert Schwartz, Chair, HSC Committee

**FROM: Michael Richards, M.D., Chair, UNM Medical Group, Inc., Board of Directors
A. Robb McLean, M.D., M.H.C.M., Interim President and Chief Executive
Officer, UNM Medical Group, Inc.**

DATE: February 3, 2020

RE: Fifth Amended and Restated Bylaws of UNM Medical Group, Inc.

I respectfully submit for your consideration the attached Fifth Amended and Restated Bylaws of the UNM Medical Group, Inc., (“UNMMG”), which were approved by the UNMMG Board of Directors (“Board”) on December 11, 2019. A summary of the revisions are listed below:

- Article V, Section 1: The membership of the Executive Committee was amended to include three (3) members consisting of the Chairman of the Board, one (1) of the members of the Board referenced in Section 8(b) of Article III, and one (1) Dean’s Nominee.
- Gender neutral and grammatical edits were made throughout the document.

Encl.: Fifth Amended and Restated Bylaws of UNM Medical Group, Inc. Redline
Fifth Amended and Restated Bylaws of UNM Medical Group, Inc. Clean

**~~FOURTH~~FIFTH AMENDED AND RESTATED BYLAWS
OF
UNM MEDICAL GROUP, INC.**

**ARTICLE I:
NAME, PURPOSES, POWERS AND RESTRICTIONS**

Section 1: **Name**. The name of the Corporation shall be:

UNM MEDICAL GROUP, INC.

The Corporation has been formed as a nonprofit corporation under the New Mexico Nonprofit Corporation Act, N.M. STAT. ANN. § 53-8-1 *et seq.*, and the New Mexico University Research Park and Economic Development Act, N.M. STAT. ANN. § 21-28-1 *et seq.*

Section 2: **Purposes**. The Corporation is organized by the Regents of the University of New Mexico (the "**Regents**") exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or with corresponding provisions of any future United States Internal Revenue Code (hereinafter, the "**Code**"). Specifically, the Corporation is organized to facilitate and enhance the clinical, educational, and research functions of the faculty of the University of New Mexico School of Medicine ("**UNM SOM**") and in connection therewith, the medical staffing of health care facilities in support of and under the operating aegis of the Health Sciences Center of the University of New Mexico ("**UNM HSC**"); to secure clinical, and office facilities in which to house and support such health care facilities; to secure equipment and supplies in connection with such health care facilities; to perform business functions related to staffing such health care facilities, including, without limitation, employment, payroll, contracting, and fiscal services; and to perform other functions as reasonable to promote the social welfare of New Mexico through the advancement of health care.

The purposes stated in these Bylaws are limited to those purposes that come within the meaning of and comply with Section 501(c)(3) of the Code or with corresponding provisions of any future Code. In furtherance of the charitable, educational and scientific purposes specified in this Article I, the Corporation is organized, and at all times hereafter shall be operated, exclusively for the benefit of, to perform the functions of, or to carry out the purposes of, the University of New Mexico ("UNM"). To that end, the Corporation shall be operated, supervised, or controlled by UNM.

Section 3: **Powers and Restrictions.** The Corporation shall have as powers its stated purposes and all powers implicit in its stated purposes or granted by law to nonprofit corporations in the State of New Mexico qualified under Section 501(c)(3) of the Internal Revenue Code and the University Research Park Act, N.M. STAT. ANN. § 21-28-1 *et seq.*, and without limiting the generality of the foregoing to take and hold, by bequest, devise, gift, purchase, lease, or any other means, any property, whether real, personal, tangible or intangible, without limitation as to amount or value; to sell, convey and dispose of any such property or the income therefrom for any of the before-mentioned purposes, without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, the Articles of Incorporation, these Bylaws of the Corporation, or any laws applicable thereto.

No part of the net earnings of the Corporation shall inure to the benefit of any private individual, and no part of the activities of the Corporation shall consist in carrying on propaganda, or otherwise attempting to influence legislation or participating in or intervening in any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of the Articles of Incorporation or these Bylaws, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code and the related Regulations as they now exist or as they may hereafter be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

Upon the dissolution or other termination of the Corporation, no part of the property of the Corporation nor any of the proceeds thereof shall be distributed to, or inure to the benefit of any private individual, any individual Regent or any Officer or Director of the Corporation, but all such property and proceeds shall, subject to the discharge of valid obligations of the Corporation and to applicable provisions of law and the Articles of Incorporation, be disposed of as directed by the Board of Directors of the Corporation and by the Regents as provided in the Articles of Incorporation.

ARTICLE II: MEMBER AND MEMBERSHIP

Section 1: **Members.** The Regents, as a body corporate, shall be the sole member (the “**Member**”) of the Corporation. The Regents shall have all the rights and privileges granted to it by the New Mexico Nonprofit Corporation Act, the University Research Park and Economic Development Act, the Articles of Incorporation, and these Bylaws.

Section 2: **Annual Meeting of the Member.** The Annual Meeting of the Member for the election of Directors, and for the transaction of such other business as properly

shall come before the meeting, shall be held following the close of the fiscal year of the Corporation.

Section 3: **Special Meetings**. Special Meetings of the Member shall be called at any time by the Regents. A Special Meeting may be requested by the President and Chief Executive Officer of the Corporation or upon Resolution of the Board of Directors.

Section 4: **Place of Meetings**. All meetings of the Member shall be held at such places within the State of New Mexico as shall be specified in the respective notices of such meetings or waivers thereof.

Section 5: **Notice of Meetings**. Notice of the Annual Meeting and of every Special Meeting described hereinabove shall be served personally or by mail on the members of the Regents, not less than ten (10) days nor more than fifty (50) days before the meeting. All notices shall state the place, day and time where the meeting is to be held and notices of Special Meetings shall also state the purpose or purposes for which the meeting is called. If mailed, such notice shall be directed to each Regent at the address of each Regent as it appears on the books or records of the Corporation. Additionally, notice is deemed given if made by electronic communication.

The Member, as a body corporate, may waive notice of a meeting by executing and filing in the corporate records a written waiver of notice. The attendance of any Regent at any meeting shall constitute a waiver of notice of the meeting, except where a Regent attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6: **Action of Members Without a Meeting**. Any action required or permitted to be taken at a meeting of the Member, or any action which may be taken at a meeting of the Member, may be taken without a meeting if a consent in writing, setting forth the action is signed by the Member.

ARTICLE III: BOARD OF DIRECTORS

Section 1: **Management**. The affairs and the property of the Corporation shall be managed by the Board of Directors (the "**Board**"). The Directors shall act only as a Board, and individual Directors shall have no power as such.

Section 2: **Annual Meeting**. The Annual Meeting of the Board for the election of Officers (as hereinafter defined) and for the transaction of such other business as properly shall come before the meeting, shall occur annually. An organizational meeting of the Board, for the election of Officers and transaction of other business, may be held after the first appointment of the voting Directors enumerated in Article III, Section 8(a) - (d) of

these Bylaws. Such Annual Meeting of the Board shall be a general meeting and open for the transaction of any business within the powers of the Board without special notice of such business, except in any case where special notice is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 3: **Regular Meetings**. Regular Meetings of the Board shall be held at such places within the State of New Mexico as shall be specified by the Board of Directors, one (1) of which shall be designated as the Annual Meeting. Such Regular Meetings shall be held not less frequently than one (1) each fiscal quarter and shall be general meetings and open for the transaction of any business within the powers of the Board without special notice of such business, except in any case where special notice is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 4: **Special Meetings**. Special Meetings of the Board shall be called at any time by the Secretary upon the request of the President and Chief Executive Officer of the Corporation or upon the request of no less than one-quarter of the Directors then in office.

Section 5: **Place of Meetings**. All meetings of the Board shall be held at such places within the State of New Mexico as shall be specified in the respective notices of such meetings or waivers thereof.

Section 6: **Notice of Meetings**. Notice of every Annual or Regular Meeting of the Board shall be served personally or by mail on each Director not less than ten (10) days nor more than fifty (50) days before the meeting. Notice of every Special Meeting shall be served personally or by mail on each Director not less than three (3) days before the meeting. Notices or waivers of notice do not need to state the purpose or purposes for which the meeting is called, but shall state the time and place of the meeting. If mailed, such notices shall be directed to each Director entitled to notice at his/her address as it appears on the books or records of the Corporation. Additionally, notice is deemed given if made by electronic communication.

A Director may waive notice of a meeting by executing and filing in the corporate records a written waiver of notice. The attendance at any meeting shall constitute a waiver of notice of the meeting, except where a Director attends for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 7: **Quorum**. At all meetings of the Board of Directors the presence of a majority of the Directors then in office shall be necessary and sufficient to constitute a quorum, and except as otherwise provided by law or by these Bylaws, the act of a majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board.

Section 8: **Number, Composition, and Election of Board of Directors.** The Corporation shall have the number of Directors as set forth in Sections 8(a)-(d) below, as determined by the Member by resolution (each a “**Director**” and collectively, the “**Directors**”). Pursuant to the requirements of the University Research Park and Economic Development Act, the Member, by and through the Regents, will appoint all Directors. The Directors shall include the following individuals, who shall be voting Directors:¹

(a) The Dean of the UNM SOM and one (1) individual nominated by the Dean of the UNM SOM, or two (2) individuals nominated by the Dean of the UNM SOM, to serve as a Positional Director on his or her behalf (“**Dean of the UNM SOM or Nominee(s)**”) for approval by the Board of Regents;

(b) At least thirty (30) days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member’s consideration of the first appointment of the Positional Directors, the Committee of Chairs of the UNM SOM may nominate up to five (5) individuals from among its members to serve as Directors; the Member shall consider such nominees at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors of the Corporation; provided, however, that, in the event that the Member finds any one (1) or more of the nominees unacceptable, the Committee of Chairs of the UNM SOM shall nominate another individual or other individuals from among its members for the Member’s consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Director vacancy covered by this subsection, the Regents find such nominees unacceptable, then the Regents may select and appoint a member or members of the UNM SOM Committee of Chairs to serve as Director(s) of the Corporation;

(c) At least thirty (30) days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member’s consideration of the first appointment of the Positional Directors, the Physician Advisory Group (“PAG”) or any successor organization of the Corporation may nominate to the Dean of the

¹ In these Bylaws, the Directors appointed by virtue of their positions as described in Section 8(a) through (c) hereinabove shall be referred to individually as a “**Positional Director**,” and, collectively, as the “**Positional Directors**.” Additionally, in these Bylaws, the Directors appointed as described in Section 8(d) shall be referred to individually as a “**Non-Positional Director**” and, collectively, as the “**Non-Positional Directors**.” With respect to the Positional Directors, it is acknowledged that the job titles associated with such Positional Directors may change over time, and, therefore, it is intended that the successor job title to the current, specified, job title shall be deemed to apply to such Positional Directors without the necessity of amending the Bylaws.

UNM SOM or Nominee who, if he or she concurs in the nomination, shall nominate to the Member two (2) individuals from among its members to serve as Directors; the Member shall consider such nominees at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors of the Corporation; provided, however, that, in the event that the Member finds any one (1) or more of the nominees unacceptable, the Dean of the UNM SOM or Nominee shall nominate another individual or other individuals from among the members of PAG or any successor organization of the Corporation for the Member's consideration at a Special Meeting of the Member and, if such substitute nominee(s) is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Director vacancy covered by this subsection, the Regents find such nominee unacceptable, then the Regents may select and appoint a member of the Active Medical Staff of ~~the~~ UNM Hospitals to serve as a Director of the Corporation; and

(d) At least thirty (30) days prior to the Annual Meeting of the Member, or at least three (3) days prior to the Member's consideration of the first appointment of the voting Directors, the Dean of the UNM SOM or Nominee may nominate up to (2) independent non-faculty members to serve as a Director, subject to the Member's Conflict of Interest policies; the Member shall consider such nominees at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director of the Corporation; provided, however, that, in the event that the Member finds a nominee unacceptable, the Dean of the UNM SOM or Nominee shall nominate another individual for the Member's consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Non-Positional Director vacancy, the Regents find such nominees unacceptable, then the Regents may select and appoint an individual who is independent and not a faculty member of the UNM to serve as a Director of the Corporation.

Section 9: **Vacancy.** Except as otherwise provided in this Section 9, any vacancies occurring among the Directors shall be filled by the Member at a Special Meeting. A vacancy shall occur upon the death or incapacity of a Director, or his or her resignation or removal as hereinafter provided. Subject to the provisions of Section 11 hereinbelow, each Positional Director shall continue as a Director only for so long as such individual occupies the position qualifying him/her for said appointment, or until his/her earlier death or resignation. With respect to the Non-Positional Director identified in Section 8(d), if a vacancy shall have occurred as a result of removal by the Member as set forth in

Section 11, prior to the appointment of a replacement Director, the members of the Clinical Department where such individual served or serves as a Chair, shall have an opportunity to nominate to the Member an individual to serve in replacement of the individual removed as a Director and, if acceptable to the Member, shall be appointed to serve as a Director to serve out the remaining term of the individual replaced. A vacancy shall be filled for the remainder of the unexpired term of the Director whose death, incapacity, resignation or removal gave rise to the vacancy.

Section 10: **Term of Office of Directors.** The Initial Directors named in the Articles of Incorporation shall serve until the voting Directors enumerated in Article III, Section 8(a) - (d) of these Bylaws shall have been first appointed by the Member and qualified. The Directors shall be divided into classes, designated Class A, Class B, and Class C. Each class shall consist of one-third of the Directors or as close an approximation as possible. In this connection, one (1) of the Positional Directors identified in Section 8(c) shall serve as a PAG Class B Director and one (1) of the Positional Directors identified in Section 8(c) shall serve as a PAG Class C Director. The Dean of the UNM SOM or Nominee(s) shall serve as a Class B Director. The term for Class A shall commence on January 1, 2012 and shall expire on December 31, 2014. The term for Class B, with the exception of the term for PAG Class B, shall commence on January 1, 2013 and shall expire on December 31, 2015. The term for PAG Class B will commence on January 1, 2017 and shall expire on December 31, 2018. The term for Class C, with the exception of the term for PAG Class C, shall commence on January 1, 2014 and shall expire on December 31, 2016. The term for PAG Class C will commence on January 1, 2018 and shall expire on December 31, 2019. Subsequently, Directors, with the exception of PAG Class B and PAG Class C Directors, shall serve for a three-year term with one (1) Class of Directors being up for appointment each year. PAG Class Directors shall serve for a two-year term. Beginning January 1, 2020, except for the ex officio Directors identified in Section 8(a), who are not subject to term limits, Directors may not serve more than two (2) consecutive terms. However, Directors who have served two (2) consecutive terms may be reappointed after at least one (1) year has passed since the expiration of the second consecutive term. All Directors shall serve in their respective offices until their successors are appointed and qualified.

Section 11: **Resignation and Removal of Directors.** Any Non-Positional Director may be removed by a majority vote of the Regents at any time with or without cause and with or without notice at a meeting of the Member. Any Non-Positional Director may resign at any time upon providing written notice to the President and Chief Executive Officer and to the Member.

With respect to the Positional Directors, each such Positional Director may be removed by a majority vote of the Regents for good cause with prior written notice to such Positional Director and at the recommendation of the Board. In this connection, "good cause" shall mean:

(a) The failure of such Positional Director to continue in the position giving rise to such Positional Director's appointment as a Director as set forth in Sections 8 and 9 of this Article;

(b) The inability of such Positional Director to substantially perform his/her material duties as a Director by failing to attend three (3) consecutive Regular Meetings of the Board;

(c) Willfully engaging in illegal conduct or gross misconduct, which is materially and demonstrably injurious to the Corporation. For purposes of this provision, no act or failure to act on the part of such Positional Director shall be considered "willful" unless it is done in bad faith or without reasonable belief that such Positional Director's action or omission was in the best interests of the Company.

Section 12: **Compensation and Expense Reimbursement**. The Directors shall not receive compensation for their services as directors but the Board may authorize reimbursement for reasonable and necessary expenses incurred by Directors in connection with the performance of their duties in accordance with policies to be established by the Board.

Section 13: **Indemnification**.

(a) Any person made a party to any action, suit or proceeding by reason of the fact that he/she, his/her testator or intestate, is or was a Director, Officer or employee of the Corporation, or of any corporation which he/she served as such at the request of the Corporation, shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually and reasonably incurred by him/her in connection with the defense of such action, suit or proceeding, civil or criminal, in which he/she is made a party by reason of being or having been a Director or Officer. The indemnification may include any amounts paid to satisfy a judgment or to compromise or settle a claim, or incurred in connection with any appeal of any such action, suit or proceeding. A Director, Officer or employee shall not be indemnified in relation to matters as to which it shall be adjudged in such action, suit or proceeding on the basis that he/she has breached or failed to perform the duties of his/her office and the breach or failure to perform constitutes willful misconduct or recklessness. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any such Director, Officer, or employee may be entitled as a matter of law.

(b) Expenses incurred in defending any action or proceeding for which indemnification is required pursuant to this Section 13 following authorization

thereof by the Board shall be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined that the indemnified party is not entitled to be indemnified as authorized in this Section 13.

(c) The indemnification provided by this Section 13 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent that additional rights to indemnification are authorized in the Articles of Incorporation.

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the Corporation would have the power to indemnify him/her against such liability under the provisions of the New Mexico Non-Profit Corporation Act or the New Mexico University Research Part and Economic Development Act.

Section 14: **Action Without A Meeting.** Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board, or of any Committee thereof, may be taken without a meeting if all members of the Board or Committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board or Committee. Written consents representing actions taken by the Board or Committee may be executed by telex, telecopy, a software which allows for electronic signatures and has an appropriate authentication system, or facsimile transmission, where such facsimile shall be valid and binding to the same extent as if it were an original.

Section 15: **Telephonic Meetings.** Unless otherwise restricted by the Articles of Incorporation or these Bylaws, members of the Board of Directors, or any Committee, may participate in a meeting of the Board, or any Committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

ARTICLE IV: OFFICERS

Section 1: **Number of Officers.** The Officers of the Corporation shall be a Chairman of the Board, a President and Chief Executive Officer, one or more Vice-Presidents, a Secretary, and a Chief Financial Officer (together with the additional officers appointed pursuant to Section 3 below, shall be referred to individually as an “**Officer**” and collectively, as the “**Officers**”). One (1) person may hold two (2) of the aforesaid offices. With the exception of the Chairman of the Board, ~~and~~ Officers need not be Directors.

Section 2: **Election of Officers.** Except for those Officers serving by virtue of their position (the “**Ex-Officio Officers**”), the Officers shall be elected annually at each Annual Meeting of the Board by a plurality of the votes cast and may succeed themselves in office. Except for the Ex-Officio Officers, each person elected as an Officer shall continue in office until the next Annual Meeting after his/her election, or until his/her successor shall have been duly elected and qualified, or until his/her earlier death, resignation or removal in accordance with these Bylaws. Except for Ex-Officio Officers, vacancies of Officers caused by death, incapacity, resignation, removal, or increase in the number of Officers may be filled by a majority vote of the Board at a Special Meeting called for that purpose or at any regular meeting. As to the Ex-Officio Officers, any Ex-Officio Officer may be removed from his/her office for “good cause” as defined in Section 11 of Article III of these Bylaws.

Section 3: **Additional Officers.** The Board, after consultation with and the concurrence of the President and Chief Executive Officer, at any meeting may by resolution appoint such additional Officers and such agents and employees as it may deem advisable. The Board may delegate to any Officer or Committee the power to appoint such subordinate Officers or agents and to determine their terms of office.

Section 4: **Removal of Officers.** Except for the Ex Officio Officers, any Officer may be removed at any time with or without cause and with or without notice, by a vote of the majority of the Board at any meeting of the Board.

Section 5: **Chairman of the Board.** The Chairman of the Board shall be elected from among the Directors; provided, however, that in all cases, the Chairman of the Board shall be the Dean of the UNM SOM or one of his/her Nominees to serve as a Positional Director on his/her behalf. The Chairman of the Board shall preside at all meetings of the Members of the Board and shall have such other powers and duties as may be assigned to him/her from time to time by the Board or as prescribed by these Bylaws. A Vice Chair may also be elected.

Section 6: **President and Chief Executive Officer**. The President and Chief Executive Officer shall report to the Chairman of the Board and, as directed by such, shall also have general supervision over the affairs and property of the Corporation and over its several Officers, and shall generally do and perform all acts incident to the office of the **President and** Chief Executive Officer, and shall have such additional powers and duties as may from time to time be assigned to him/her by the Board. When authorized by the Board, the **President and** Chief Executive Officer may sign and execute, in the name of the Corporation, deeds, mortgages, promissory notes, security agreements, pledge agreements, financing statements, bonds, contracts or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Corporation. The **President and** Chief Executive Officer shall be hired and/or terminated by the Dean of the UNM SOM, with prior advice from the Board of Directors.

Section 87: **The Vice-Presidents**. The Board may elect one **(1)** or more Vice-Presidents. At the request of the President and Chief Executive Officer, or in his/her absence or disability, the Vice-Presidents, in the order designated by the Board and the President and Chief Executive Officer, shall perform all the duties of the President and Chief Executive Officer and, when so acting, shall have all the powers and be subject to all the restrictions upon the President and Chief Executive Officer. When authorized by the Board, any Vice-President (s) may also sign and execute, in the name of the Corporation, deeds, mortgages, bonds, contracts, or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Corporation. The Vice-Presidents shall perform such other duties as from time to time may be assigned to them by the Board and/or by the President and Chief Executive Officer.

Section 98: **Chief Financial Officer**. The Chief Financial Officer shall report to the **President and** Chief Executive Officer and shall have charge and custody of, and be responsible for, all the funds of the Corporation and shall keep or cause to be kept and shall be responsible for the keeping of accurate records of the assets, liabilities and transactions of the Corporation. He/she shall deposit all moneys and other valuable effects of the Corporation in the name of and to the credit of the Corporation in accordance with accounting procedures approved by the Board, consistent with the policies of the UNM, in such banks, trust companies, or other depositories as may be approved by the Board. He/she shall disburse the funds of the Corporation based upon proper vouchers for such disbursements. In general, he/she shall perform all the duties incident to the office of Chief Financial Officer and such other duties as may from time to time be assigned to him/her by the Board of Directors, the President and Chief Executive Officer. If required by the Board, the Chief Financial Officer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board shall determine. The expense of such bond shall be paid by the Corporation.

Section 109: **Secretary**. The Board shall elect a Secretary who shall report to the Chairman of the Board and act as Secretary of, and keep the Minutes of all meetings of the Board and of the Member in one (1) or more books provided for that purpose; and whenever required by the **President and** Chief Executive Officer, shall perform like duties for any Committee, provided that in the absence of the Secretary, the Member or a majority of the Directors present at any meeting thereof may designate any person to act as Secretary for such meeting. The Secretary shall see that all notices are duly given in accordance with these Bylaws and as required by law; he/she shall be custodian of the Seal of the Corporation and shall affix and attest the Seal to any and all documents specifically or generally authorized by the Board to be executed on behalf of the Corporation under its Seal. He/She shall have charge of the books, records and papers of the Corporation relating to its organization as a Corporation, and shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent that the same are to be kept or filed by the Chief Financial Officer. In general, he/she shall perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned to him/her by the Board and by the **President and** Chief Executive Officer.

ARTICLE V: COMMITTEES

Section 1: **Executive Committee**. A majority of the initial Directors set forth in the Articles of Incorporation, present at a meeting of the Board at which there is a quorum may initially appoint an Executive Committee to serve during the interim until the first Annual Meeting of the Board, and thereafter, the Executive Committee shall be appointed annually at the Annual Meeting of the Board by a majority of the Directors present at a meeting of the Board at which there is a quorum. The Executive Committee shall consist of the Chairman of the Board, ~~and~~ one (1) of the members of the Board referenced in Section 8(b) of Article III, **and one (1) Nominee**. The Chairman of the Board shall serve as the chairperson of the Executive Committee and ~~at the member of the Board referenced in Section 8(b) of Article III~~ **member**, as approved by the Board, shall serve as vice chairperson of the Executive Committee. Vacancies in members of the Committee may be filled by a majority of the Directors present at a meeting of the Board at which there is a quorum, with the concurrence of the President and Chief Executive Officer. Except for those members serving on the Executive Committee by virtue of their office, any member of the Executive Committee may be removed from membership on said Committee at any time with or without cause by a vote of the majority of the Directors present at any meeting of the Board at which there is a quorum.

The Executive Committee shall, during the intervals between meetings of the Board, possess and exercise all of the powers of the Board in the management of the affairs and property of the Corporation, except that the Executive Committee may not

take or possess the authority to take any of the actions proscribed in Section 7 of this Article. The presence of a majority of the members of the Executive Committee shall be necessary and sufficient to constitute a quorum, and the act of a majority of the members of the Executive Committee present at a meeting at which there is a quorum shall be the act of the Executive Committee. The Executive Committee shall keep full and fair records and accounts of its proceedings and transactions. All actions by the Executive Committee shall be reported to the Board at its next meeting succeeding such action and shall be subject to revision and alteration by the Board, provided that no rights of third persons shall be affected by any revisions or alteration.

Section 2: **Finance Committee**. A majority of the whole Board may appoint a Finance Committee consisting of at least three (3) Directors and such Committee shall recommend or determine the form, time, and manner in which funds of the Corporation shall be invested, as such majority shall authorize. The Board shall enact rules and regulations for governance of the Finance Committee and the Finance Committee shall report to the Board as the Board shall require.

Section 3: **Audit and Compliance Committee**. A majority of the whole Board will appoint an Audit and Compliance Committee consisting of at least three (3) Directors, one of whom will be the Non-Positional Director appointed pursuant to Section 8(d) of Article III of these Bylaws who shall chair the Audit and Compliance Committee. The basic purpose and responsibility of the Audit and Compliance Committee shall be to advise and assist the Board in fulfilling its responsibilities to the Corporation and the Member in connection with monitoring the integrity of this Corporation's financial statements, financial and accounting practices, internal controls, business ethics, and compliance with laws, regulations, and policies that may have a material impact on the financial statements of the Corporation. In this connection, the Audit and Compliance Committee will review and assess the qualitative aspects of financial reporting, the Corporation's processes to manage business and financial risk, and compliance with significant applicable legal, ethical, and regulatory requirements. The Audit and Compliance Committee shall, when necessary, work in collaboration with the Internal Audit Department of the Member and shall report to the Board as the Board shall require and to Audit Committee of the Regents as the Regents may require.

Section 4: **Other Committees**. A majority of the Directors present at a meeting of the Board at which there is a quorum may from time to time, by Resolution, create such other Committees of Directors, Officers, UNM SOM faculty members or employees, with such functions, powers, and duties as the Board shall determine. The Board shall enact rules and regulations for the governance and authority of any such Committee; provided, however, that any Committee appointed pursuant to this section which is not comprised of all Directors shall not have the power of the Board.

Section 5: **Minutes of Committees.** Each Committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required. All actions by any Committee formed as provided in this Article V, other than the actions by the Audit **and Compliance** Committee, shall be reported to Executive Committee of the Board at its next meeting succeeding such action and shall be subject to revision and alteration by the Executive Committee of the Board and ultimately, the Board.

Section 6: **Meetings and Action of Committees.** Meetings and actions of Committees shall be governed by, and held and taken in accordance with, the provisions of Section 5 of Article III (place of meetings), Section 14 of Article III (by telephone), Section 6 of Article III (notice and waiver of notice), Section 7 of Article III (quorum), and Section 14 of Article III (action without a meeting) of these Bylaws, with such changes in the context of such provisions as are necessary to substitute the Committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of Committees may be determined either by resolution of the Board of Directors or by resolution of the Committee, that Special Meetings of Committees may also be called by resolution of the Board of Directors and that notice of Special Meetings of Committees shall also be given to all alternate members, who shall have the right to attend all meetings of the Committee. With the exception of the Audit **and Compliance** Committee, the Board of Directors may adopt rules for the governance of any Committee not inconsistent with the provisions of these Bylaws.

Section 7. **Limitations of Powers of Committees.** None of the Committees of the Board created as provided in this Article V shall have the power or authority to (a) amend, alter or repeal these Bylaws, (b) elect, appoint or remove any member of any Committee or any Director or Officer of the Corporation, (c) amend the Articles of Incorporation, restate the Articles of Incorporation, adopt a plan of merger, or adopt a plan of consolidation with another corporation, (d) authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation, (e) authorize the voluntary dissolution of the Corporation or revoke proceedings thereof, (f) adopt a plan for the distribution of the assets of the Corporation, (g) amend, alter or repeal any resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by a Committee, or (h) as otherwise provided by law, these Bylaws or by resolution of the Board. The presence of a majority of the members of any such Committee formed by the Board as provided in this Article V shall be necessary and sufficient to constitute a quorum, and the act of a majority of the members of any such Committee present at a meeting at which there is a quorum shall be the act of such Committee.

ARTICLE VI:
AUDIT

An annual audit of unlimited scope of all of the operations of the Corporation shall be conducted by a Certified Public Accountant, and a copy of that audit report and any support documents requested shall be made available to the Member (through its applicable Committee(s)), the President of the University, the Executive Vice-President for Finance & Administration of the University, the Chancellor for Health Sciences of the UNM HSC, the Dean of the UNM SOM, the Board, and the state as required by applicable law.

ARTICLE VII:
MISCELLANEOUS PROVISIONS

Section 1: **Offices**. The Board may establish, from time to time, one (1) or more offices of the Corporation at any place or places within the State of New Mexico, and may maintain such office or offices for such period or periods of time as it may deem expedient.

Section 2: **Fiscal Year-End**. The Fiscal Year of the Corporation shall end on June 30 in each year.

Section 3: **Commercial Paper**. All checks, drafts and other orders for the payment of money out of the funds of the Corporation shall be executed on behalf of the Corporation by such Officer or Officers, or employee or employees, as the Board may, by Resolution, from time to time determine.

Section 4: **Deposits**. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust company or other depositories as the Board with the concurrence of the President and Chief Executive Officer may from time to time select or as may be selected by any Officer or employee of the Corporation to whom such power may from time to time be delegated by the Board with the concurrence of the President and Chief Executive Officer; and for the purpose of such deposit, any Officer or any employee to whom such power may be delegated by the Board with the concurrence of the President and Chief Executive Officer, may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the Corporation.

ARTICLE VIII:
SEAL

The Corporate Seal of the Corporation shall be circular in form and shall have inscribed around the border the name of the Corporation, and in the center, the words "Corporate Seal, State of New Mexico 2007" shall be inscribed. If and when so directed by the Board, a duplicate of the seal may be kept and used by such other Officer or employee of the Corporation as may be designated.

ARTICLE IX:
AMENDMENT OF BYLAWS

The Bylaws may be amended by the Board of Directors at any Annual, Quarterly, or Special Meeting. Directors shall be entitled to at least ten (10) days' notice in writing by mail, or in person of the meeting time and place at which the amendment is to be voted upon. The written notice must include a copy of the proposed amendment. No amendment to the Bylaws shall be effective until approved by the Regents. These Bylaws may also be amended in whole or in part by formal action of the Regents acting as the Member.

We certify that the original Bylaws of the Corporation were adopted by the Board of Directors on February 14, 2007, and approved by the Regents on February 14, 2007 and the above and foregoing ~~Fourth-Fifth~~ Amended and Restated Bylaws of the Corporation were adopted by the Board of Directors on December 11, 2019, and approved by the Regents on _____, ~~2019~~2020.

Chairman of the Board

Secretary

APPROVED BY THE REGENTS OF THE
UNIVERSITY OF NEW MEXICO ON
_____, ~~2019~~2020

President of the Board of Regents of the
University of the New Mexico

HSC COMMITTEE

RESOLUTIONS APPROVING AND RECOMMENDING ELECTION OF UNM MEDICAL GROUP, INC. DIRECTOR

WHEREAS, UNM Medical Group, Inc. (“UNMMG”) seeks the election and appointment of a certain Director in accordance with the Fourth Amended and Restated Bylaws;

WHEREAS, pursuant to the requirements of the University Research Park and Economic Development Act, Section 21-28-1 et seq., NMSA 1978, and the UNMMG Bylaws, the Board of Regents must appoint and elect the Board of Directors of UNMMG and, therefore, pursuant to Regents Policy 3.5, the nominee to the Board of Directors of UNMMG must be presented for consideration to this Committee and then to the Board of Regents with a recommendation for approval;

WHEREAS, the HSC Committee, having considered the nominee and the presentation made to the Committee in respect of the nominee to UNMMG Board of Directors, finds and concludes that such nomination and nominee is reasonable and approval of the same is in the best interest of the UNMMG.

NOW, THEREFORE, BE IT RESOLVED THAT:

The HSC Committee hereby approves and recommends to the Board of Regents that the following individual be elected as Director of UNMMG, effective immediately, to serve in the capacity indicated and for the terms indicated:

PAG Class C Directors (Term ending December 31, 2021)

1. Karen Hawley, M.D., Vice Chair, Physician Advisory Group

ADOPTED BY VOTE OF THE MEMBERS OF THE HSC COMMITTEE OF THE BOARD OF REGENTS AT A MEETING HELD ON FEBRUARY 11, 2020.

By: _____
Regent Robert Schwartz
HSC Committee Chair

Karen Hawley, MD, (Class C – Term Expires 12/31/21)



Dr. Karen Hawley is the co-chair of the Physician Advisory Group representing the voice of the healthcare providers of the UNM Health Sciences Center. Dr. Hawley joined the UNM faculty in 2015. She graduated from Boston University School of Medicine and subsequently completed residency training in Otolaryngology-Head and Neck Surgery in 2014 at the Cleveland Clinic Foundation. Following residency, she completed a fellowship in a Pediatric Otolaryngology at the Medical University of South Carolina.

As UNM faculty, Dr. Hawley has taken on leadership roles in the community as well as in her subspecialty at the level of the UNM Division of Otolaryngology and the Academy of Otolaryngology – Head and Neck Surgery (AAO-HNS). She has a clinical interest in pediatric hearing loss and is an active member of the NM Early Hearing Detection and Intervention Stakeholder Committee. She is on the Board of Directors for two different non-profit organizations; one of which provides comprehensive services to pediatric and adult patients with hearing loss and the other is an organization designed to help people who are seeking assistance for substance abuse. Dr. Hawley is the founder of the New Mexico Society of Otolaryngology in 2016 and was president of the society for 3 years. She has been the course director for 5 regional CME events, created an emergency airway course for the otolaryngology residents in the Bat Cave and she is the local PI for a multi-institutional NIH funded clinical trial. Dr. Hawley is the regional representative for the Board of Governors, covering 5 states as the champion for legislative and socioeconomic/grassroots issues pertaining to the American AAO-HNS. She is also the AAO-HNS State Tracker for New Mexico for which she monitors active legislation before, during and after sessions.

Dr. Hawley has a passion for treating the children in New Mexico with both simple and complex otolaryngology needs. She is also an involved wife and mother with two small children and enjoys spending time outside with her family.

EMPLOYMENT

University of New Mexico – Albuquerque, NM
Assistant Professor – Pediatric Otolaryngologist 2015 - present

EDUCATION

Medical University of South Carolina – Charleston, SC 2014 - 2015
Fellowship - Pediatric Otolaryngology (1 year)

Cleveland Clinic Foundation – Cleveland, OH 2008 - 2014
Otolaryngology Residency

Boston University School of Medicine - Boston, MA 2004 - 2008
Medical Degree

University Of Illinois - Champaign-Urbana, IL 1999 - 2003
Bachelor of Science in Physiology

COMMITTEES/SOCIETIES

- New Mexico Society of Otolaryngology – Past president and governor representative: Member since February 2016
- Physician Advisory Group - University of New Mexico: Member since January 2016. Chair nomination for 2020
- Legislative Affairs Committee – Board of Governors; American Academy of Otolaryngology: Sept 2016 – present
- New Mexico Early Hearing Detection and Intervention Committee
- American Academy of Otolaryngology: Member since 2009
- American Medical Association: Member since 2013
- American Telemedicine Association: Member since 2015
- American Cochlear Implant Alliance: Member since 2017

LEADERSHIP ROLES

- Regional Representative Board of Governors; AAO-HNS – Region 6 2019 - present
- New Mexico Society of Otolaryngology – President/Governor 2016 - 2018
- Presbyterian Ear Institute – 501(c)3 Board Member 2018 - present
- Bobby's House – 501(c)3 Board Member 2018 - present
- State Tracker – American Academy of Otolaryngology 2016 - present

GRANTS/AWARDS:

- **Hawley, Karen A.** Primary Investigator for site – University of New Mexico. ValEAR Clinical Trial; NCT03107871 (University of Utah; Albert Park, MD overall PI)
- **Hawley, Karen A.** Patel, Rusha. (\$2,500) MUSC Innovations in Teach and Learning. December 2014-present. *An intraoral procedure simulator: effectiveness in improving resident suturing techniques.* Our goal was to create a model which is inexpensive and easy to replicate which

allows residents to practice difficult intraoral suturing techniques.

- **Hawley, Karen A (PI).** \$16,490 (#2011-1037): July 2011 – April 2014. Research Program Committee from the Cleveland Clinic Foundation – *The craniofacial features of non-syndromic Pierre Robin Sequence*. Analyzed photos of children who have non-syndromic PRS. Working with Dr. James Sidman, Dr. Paul Krakovitz, Dr. Dan Alam and Dr. Michael Fritz.
- **Hawley, Karen A.** Humanitarian Travel Grant Award: \$1,000 from the American Academy of Otolaryngology: Philippines, 2012
- Mission Trip Travel Grant Award: \$1,000 from the House Staff Association at the Cleveland Clinic: Philippines 2012
- First Place Resident Award: The Seth LASER Otoscope: The use of concentrated light to detect middle ear effusions. *Northeast Ohio Otolaryngology – Head and Neck Society*. 2012

PUBLICATIONS:

- **Hawley, Karen A.** Tonsillectomy and Adenoidectomy in Children. *JAMA Otolaryng Head Neck Surg.* 2019. 1;145(3):300
- Hobbs, EA. Hanson JA. Nicholas RG. Johnson BR. **Hawley, Karen A.** Gross pathology of routine pediatric tonsillectomy specimens: optimizing the value of patient care. *Otolaryngol Head Neck Surg.* 2019. 160(2):339-342
- **Hawley, Karen A.** Vachhani, Neil. Anne, Samantha. Can lateral nasopharyngeal radiographs be used to predict Eustachian tube dysfunction? *ENT Journal* Aug 2017; 96(8):E1-5
- **Hawley, Karen A.** David R White. Type 1 laryngeal clefts: an updated review. *Current Otolaryngology Reports.* 2015; 3(1):9-14
- Michaelson, Drew. **Hawley, Karen A.** Anne, Samantha. Do synchronous airway lesions predict treatment failure after adenotonsillectomy in children less than 3 years of age with obstructive sleep apnea? *IJPO.* 2014 Sept; 78(9):1439-43
- **Hawley, Karen A.** Ahmed, Manzoor. Sindwani, Raj. CT Findings of Sinonasal Respiratory Epithelial Adenomatoid Hamartoma (REAH): A Closer Look at the Olfactory Clefts. *American Journal of Neuroradiology.* 2013 May 34(5):1086-90
- **Hawley, Karen A.** Haberkamp, Thomas. Osseointegrated hearing implant surgery: outcomes using a minimal soft tissue removal technique. *Otolaryngology Head and Neck Surgery.* 2013 April 148(4): 653-7
- **Hawley, Karen A.** Pabon, Sheila. Hoschar, Aaron. Sindwani, Raj. Presentation and Clinical Significance of Sinonasal Respiratory Epithelial Adenomatoid Hamartoma (REAH). *International Forum of Allergy and Rhinology.* 2013 March 3(3): 248-53
- Haffey, Tim. Pabon, Sheila. **Hawley, Karen,** Hoschar Aaron. Sindwani, Raj. Exploring the clinical value and implications of routine pathological examination of septoplasty specimens. *Laryngoscope.* 2012 Nov 122(11):2373-7
- Chua, Ai-Ping. Egambaram, Senthilvel. **Hawley, Karen.** Krakovitz, Paul. Anne, Samantha. Krishna, Jyoti. Congenital cervicofacial venous and lymphatic malformations causing severe obstructive sleep apnea – a report of two cases and review of the literature. *IJPO Extra.* Accepted 9/2010

ORAL/PANEL PRESENTATIONS/INVITED LECTURER (NON-MANUSCRIPT):

- Who is Eddy?...EHDI. Moderator for Panel. **Hawley, Karen.** Chacon S. Corwin J. Horn, K. LaGree, S. Balloon Fiesta Otolaryngology Symposium and Karl Horn Lectureship. 2019
- Opioid Use, Overuse and Abuse. Panelist. Anne, Samantha. **Hawley, Karen.** Li, Ryan. Shi, Julia. American Academy of Otolaryngology Annual Meeting 2019

- Endoscopic Ear Surgery. **Hawley, Karen.** Balloon Fiesta Otolaryngology Symposium and Karl Horn Lectureship. 2018
- **Hawley, Karen.** Pediatric Hearing Loss: How you can change a child's life. Amazing Newborn Conference. 2018.
- CMV Related Hearing Loss in Children. **Hawley, Karen.** Balloon Fiesta Otolaryngology Symposium and Karl Horn Lectureship. 2017
- **Hawley, Karen.** Early Hearing Detection and Intervention in New Mexico: Beyond the newborn hearing screen. Annual Amazing Newborn Conference. 2017
- Controversies in Pediatric Sleep Apnea. Panelist. Meiklejohn, D. **Hawley, Karen.** Bennett, E. Kraai, T. Balloon Fiesta Otolaryngology Symposium and Karl Horn Lectureship. 2016
- **Hawley, Karen.** Pediatric Hearing Loss in New Mexico. Pediatric Otolaryngology for the Primary Care Setting. 2016.
- Pediatric Obstructive Sleep Apnea. Moderator for Panel. **Hawley, Karen.** Grigg-Damberger, M. Hickett, F. Kraai, T. Pediatric Otolaryngology for the Primary Care Setting. 2016.
- Preoperative management following endoscopic type 1 laryngeal cleft repair. Jonathan E Buttram, MD, **Karen Hawley, MD**, Christopher M Ayers, MD, David R White, MD. Oral presentation at the SENTAC 2015
- Brandstetter, Kathleyn. **Hawley, Karen A.** White, David R. A review of the revision sphincter pharyngoplasty. Oral presentation to the American Academy of Otolaryngology Annual Meeting (2014)
- **Hawley, Karen A.** Haberkamp, Thomas. Osseointegrated hearing implant surgery: outcomes using a minimal soft tissue removal technique. American Academy of Otolaryngology Annual Meeting; 2013
- **Hawley, Karen A.** Fritz, Michael. Krakovitz, Paul. Sidman, James. The craniofacial features of non-syndromic Pierre Robin Sequence. *Cleveland Clinic Research Symposium.* 2013
- Seth, Rahul. **Hawley, Karen A.** Ford, Matthew. Malhotra, Prashant. Krakovitz, Paul. Use of concentrated light to detect middle ear effusion – the Seth laser otoscope. *Northeast Ohio Otolaryngology – Head and Neck Society.*

POSTERS (NON-MANUSCRIPT):

- Chavarri, V. Dornedan. **Hawley, Karen.** Sensorineural hearing loss in microtia: incidence and risk factors. American Society of Pediatric Otolaryngology 2018
- Husen, B. **Hawley, Karen.** Cartilaginous hamartoma presenting as asymptomatic mass in the pyriform sinus. American Academy of Otolaryngology Annual Meeting. 2018
- Chavarri, Vanina, **Hawley, Karen.** Delayed cochlear implantation in a child with skeletal dysplasia, arthrogryposis, grade 1 microtia and facial nerve anomaly. Poster presentation at SENTAC 2017
- **Hawley, Karen A.** Anne, Samantha. Utility of a multidisciplinary approach to pediatric hearing loss. *COSM/ASPO 2011*
- **Hawley, Karen A.** Krakovitz, Paul. Nasal chondromesenchymal hamartoma: Importance of early diagnosis. Cleveland Clinic Research Symposium. 2010
- **Hawley, Karen A.** Sakai, Osamu. Grundfast, Kenneth. Retropharyngeal and prevertebral infections: a diagnostic dilemma. COSM 2008

BOOK CHAPTERS

- **Hawley, Karen A.** Lewis, Jensen PA-C. Chapter 40: “Nasal Obstruction.” (Section IX – special topics in pediatric otolaryngology) Otolaryngology Essentials for Primary Care – A Guide to the Head and Neck for the Physician and Physician Assistant.
- Lewis, Jensen PA-C. **Hawley, Karen A.** Chapter 39: “Hearing loss” (Section IX – special topics in pediatric otolaryngology) Otolaryngology Essentials for Primary Care – A Guide to the Head and Neck for the Physician and Physician Assistant.
- Lewis, Jensen PA-C. **Hawley, Karen A.** Chapter 43: “Facial and Neck Lesions” (Section IX – special topics in pediatric otolaryngology) Otolaryngology Essentials for Primary Care – A Guide to the Head and Neck for the Physician and Physician Assistant.
- **Hawley, Karen A.** Osborne, Kyra. Malhotra, Prashant. “Congenital Malformations.” The Color Atlas of Pediatrics. McGraw-Hill. Completed and submitted, to be published in Summer, 2014.
- **Hawley, Karen A.** Krakovitz, Paul. “The Neonatal and Infant Nose” XIAPO Manual of Pediatric Otorhinolaryngology. Brazil. 2012. p190-198.

EDUCATIONAL ACTIVITIES

Course Director:

- **Balloon Fiesta Otolaryngology Symposium and Karl Horn Lectureship** 2016 – 2019
- **The University of New Mexico Otolaryngology Airway Course** 2016-2018
- **Pediatric Otolaryngology for the Primary Care Setting** May 7, 2016

Journal Reviewer:

Otolaryngology – Head and Neck Surgery 2017-present
Journal of Voice 2011-2014

The Intraoral Suturing Model October 2014-present
Co-PI

Developed an intraoral suturing model to allow residents to practice suturing techniques and surgery specific tasks. We will have pre and post intervention data using surgical tasks performed by residents on cadaver heads. Each resident has his/her own model they were able to make themselves with simple instructions. We have funded this project with an internal grant.

The Carolinas Pediatric Airway Course February 2015
Instructor

Worked with pediatric otolaryngology colleagues to teach residents in a 2 day airway course involving simulation, animal lab and classroom instruction.

Cleveland Clinic Foundation Otolaryngology Airway Course Summer 2012 - 2014
Co-developer of Airway Educational Symposium

Worked with ENT and anesthesia faculty to develop a full day course for the otolaryngology residents. This first took place in April, 2013 and the second is planned for June 9, 2014.

Cleveland Clinic Foundation GME Subcommittee/Internal Review Spring 2011 – 2014
Resident Representative

Working with otolaryngology program director and assistant director, to review other residency programs

(have worked with the plastic surgery and neurology residency programs), within the Cleveland Clinic. This entails reviewing their resident and staff surveys and discussing results with the GMEC.

Cleveland Clinic Lerner College of Medicine

July 2011- 2014

Resident Teacher –Clinical Professor of Surgery

Complete dissections in the anatomy lab on cadavers in the region of the head and neck. These dissections are then taught to the first year medical students for their introduction into anatomy. Separate dissections are carried out for clinically relevant teaching to the third year medical students prior to starting their surgical rotations.

Learning to Teach Teaching to Learn

Fall 2011

Completion Certification

Attended a 6 week course designed for residents and fellows, which focuses on discovery of adult learning theories and optimization of teaching skills in the medical community.

Boston University School of Medicine: Anatomy Department

Summer 2005

Co-Author laboratory manual

Co-created and wrote a laboratory manual for the first year BUSM anatomy students while concurrently dissecting for appropriate correlation. Responsibilities included writing directions and structures required to identify in each lab, as well as contributing mnemonics, clinical applications and helpful tables.

VOLUNTEER EXPERIENCE

Project Ear

November 2014

Physician Volunteer

Traveled with a team of surgeons from the Medical University of South Carolina and Ohio State University to the Dominican Republic to perform pediatric otolaryngology surgeries.

First Descents

Sept 2010 – 2014

Physician Volunteer

First Descents is a kayaking, rock climbing and surf camp which was developed for young adult cancer survivors. As the physician, I perform patient history of physical exams at the start of camp and monitor any ongoing or worrisome medical issues during the week of camp.

Medical Missions for Children

2007 – 2008, 2012

Mission Coordinator/Volunteer Medical Student

Aided in preparation for group to go on mission; ie equipment organization, team communication. Assisted in patient care and coordination of mission while on site (May, 2008) in Trujillo, Peru.

Mission Resident Surgeon

Participated in 23 cleft lip and/or palate surgeries as first assist (18 cases) or primary resident surgeon (5 cases). Primarily ran additional OR for cases to be done under local anesthesia.

OTHER ACCOMPLISHMENTS

- Qualifier to the Crossfit Central East Regional Games 2012, 2013
- Finisher of the Chicago, Nashville and Boston Marathons 2006-2008
- Chi Alpha Sigma National Athlete Honor Society Inductee 2002
- University of Illinois- Most Valuable Gymnast: voted on by team members 2003



UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Financial Statements with Supplementary Information
June 30, 2019 and 2018
(With Independent Auditors' Report Thereon)

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
2019 Official Roster

Board of Directors

Michael Richards, M.D., MPA, FACEP	Vice Chancellor for Clinical Affairs, UNM Health System Professor of Emergency Medicine, UNM Health Sciences Center
Loretta Cordova de Ortega, M.D.	Chair, Pediatrics (Regent appointed)
Martha McGrew, M.D.	Executive Vice Dean, UNM School of Medicine (Regent appointed)
Steve McLaughlin, M.D.	Chair, Emergency Medicine (Regent appointed)
Gary Mlady, M.D.	Chair, Radiology (Regent appointed)
Christopher Pacheco	Independent, Non-UNM Faculty (Regent appointed)
Kendall Rogers, M.D.	Physician Advisory Group Representative; Division Chief for Hospital Medicine in Department of Internal Medicine
Robert Schenck, M.D.	Chair, Orthopedics (Regent appointed)

Officers of UNM Medical Group, Inc.

Jill Klar	Chief Executive Officer
Robb McLean, M.D.	Chief Medical Officer
Marjorie Goldstein	Chief Financial Officer
Donna Sigl, M.D.	Secretary, UNMMG Board of Directors Vice Chair of Administration and Finance, Psychiatry

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)

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KPMG LLP
Two Park Square, Suite 700
6565 Americas Parkway, N.E.
Albuquerque, NM 87110-8179

Independent Auditors' Report

The Board of Directors
UNM Medical Group, Inc. and
Mr. Brian Colón, New Mexico State Auditor:

Report on the Financial Statements

We have audited the accompanying financial statements of UNM Medical Group, Inc. (UNMMG), a component unit of the University of New Mexico, State of New Mexico, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise UNMMG's basic financial statements for the years then ended as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UNMMG as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise UNMMG's basic financial statements. The accompanying schedules of pledged collateral by banks (schedule 1), individual deposit and investment account balances (schedule 2), indigent care cost and funding report (schedule 3) and calculations of cost of providing indigent care (schedule 4) (Schedules 1-4) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 1-4 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 1-4 are fairly stated, in all material respects, in relation to the basic financial statements as a whole, except for the information marked as unaudited.

The information that is marked as unaudited in the accompanying indigent care cost and funding report (schedule 1) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019 on our consideration of UNMMG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UNMMG'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 UNMMG's internal control over financial reporting and compliance.

KPMG LLP

Albuquerque, New Mexico
December 10, 2019

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Management's Discussion and Analysis
June 30, 2019 and 2018
(Unaudited)

The following discussion and analysis provides an overview of the financial position and activities of the UNM Medical Group, Inc. (UNMMG) as of and for the years ended June 30, 2019 and 2018. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the basic financial statements and the related note disclosures along with this discussion and analysis. As such, the financial statements, notes, and this discussion are the responsibility of UNMMG management.

Using the Annual Financial Report

This annual report consists of financial statements prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. UNMMG is reporting as a special-purpose government entity engaged in business-type activities (BTA). In accordance with BTA reporting, UNMMG presents management's discussion and analysis, statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and notes to the financial statements. The financial statements are prepared under the accrual basis of accounting, whereby revenues are recognized when the service is provided and expenses are recognized when others provide the service, regardless of when cash is exchanged.

The statements of net position include all assets and liabilities. Over time, increases or decreases in net position (the difference between assets and liabilities) are one indicator of the improvement or erosion of UNMMG's financial health when considered with nonfinancial facts such as patient statistics. This statement includes all assets and liabilities using the accrual basis of accounting, which is consistent with the accounting method used by private sector institutions.

The statements of revenues, expenses, and changes in net position present the revenues earned and expenses incurred during each of the years presented. Activities are reported as either operating or nonoperating. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The statements of cash flows present information related to cash inflows and outflows summarized by operating, capital and noncapital financing, and investing activities.

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Overview of Entity

UNMMG is a New Mexico nonprofit corporation organized under and pursuant to the New Mexico University Research Park and Economic Development Act. Regents of the University of New Mexico (UNM) are the sole members of UNMMG. Pursuant to an agreement with the UNM Regents, UNMMG is responsible for the practice oversight and management of the professional medical practice of UNM.

Condensed Summary of Net Position

	June 30		
	2019	2018	2017
Assets:			
Current assets	\$ 80,127,515	59,280,198	65,154,375
Capital assets, net	2,476,680	1,853,142	2,554,083
Other noncurrent assets	40,279,814	36,210,003	30,910,206
Total assets	<u>\$ 122,884,009</u>	<u>97,343,343</u>	<u>98,618,664</u>
Liabilities:			
Current liabilities	\$ 44,271,977	35,334,513	38,061,278
Total liabilities	<u>44,271,977</u>	<u>35,334,513</u>	<u>38,061,278</u>
Net position:			
Invested in capital assets	2,476,680	1,853,142	2,554,083
Unrestricted	76,135,352	60,155,688	58,003,303
Total net position	<u>78,612,032</u>	<u>62,008,830</u>	<u>60,557,386</u>
Total liabilities and net position	<u>\$ 122,884,009</u>	<u>97,343,343</u>	<u>98,618,664</u>

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Current assets include cash and other assets that are deemed to be consumable or convertible to cash within one year. As of June 30, 2019, total current assets of \$80.1 million included \$30.2 million of cash and cash equivalents compared to \$59.3 million in total current assets and \$26.2 million of cash and cash equivalents at June 30, 2018, and compared to \$65.2 million in total current assets and \$27.5 million of cash and cash equivalents at June 30, 2017. Current assets also include net patient receivables of \$26.7 million, \$28.6 million, and \$30.5 million at June 30, 2019, 2018, and 2017, respectively. Also included in current assets at June 30, 2019 is \$19.8 million related to a new Medicaid managed care supplemental payment program ("new Medicaid supplemental program") effective January 1, 2019. Also included in current assets at June 30, 2019 are amounts due from affiliates of \$3.2 million (consisting primarily of \$2.6 million due from UNM Health Sciences Center (UNM HSC), \$0.5 million due from UNM Hospitals (UNMH), and \$0.06 million due from Sandoval Regional Medical Center (SRMC)), compared to \$4.2 million at June 30, 2018 (consisting primarily of \$2.5 million due from UNM HSC, \$1.7 million due from UNMH, and \$0.03 million due from SRMC), and \$4.4 million at June 30, 2017 (consisting primarily of \$2.0 million due from UNM HSC, \$2.2 million due from UNMH, and \$0.2 million due from SRMC). Current assets also include other receivables of \$0.3 million, \$0.2 million, and \$2.7 million at June 30, 2019, 2018, and 2017, respectively. Other receivables at June 30, 2017 were predominantly related to the meaningful use program.

The most significant component of noncurrent assets is board-designated investments in cash and cash equivalents, money markets, U.S. government securities, and corporate debt securities of \$29.4 million, \$29.0 million, and \$23.4 million at June 30, 2019, 2018, and 2017, respectively. Noncurrent assets include capital assets of \$2.5 million, \$1.9 million, and \$2.6 million at June 30, 2019, 2018, and 2017, respectively. Noncurrent assets also include a \$9.2 million, \$6.5 million, and \$6.4 million investment in a joint venture, Lovelace UNM Rehabilitation Hospital, LLC (LURH), as of June 30, 2019, 2018, and 2017, respectively.

Current liabilities are generally defined as amounts due within one year. As of June 30, 2019, total current liabilities of \$44.3 million include purchased services payable to UNM HSC of \$27.4 million. These amounts compare to total current liabilities and purchased services payable to UNM HSC of \$35.3 million and \$23.8 million at June 30, 2018, respectively, and \$38.1 million and \$23.7 million at June 30, 2017, respectively. Also included in current liabilities at June 30, 2019 are operating expenses payable to UNM of \$2.0 million, due to affiliates of \$6.5 million, and other accrued liabilities of \$8.4 million, compared to \$2.8 million, \$2.8 million, and \$6.0 million, respectively, at June 30, 2018 and \$6.6 million, \$1.9 million, and \$5.8 million, respectively, at June 30, 2017.

UNMMG's current ratio, the ratio of current assets available to cover current liabilities, was 1.81, 1.68, and 1.71 at June 30, 2019, 2018, and 2017, respectively. Payment of UNMMG's current liabilities is dependent on UNMMG's ability to collect patient and other receivables.

The total net position of \$78.6 million at June 30, 2019 increased \$16.6 million from \$62.0 million at June 30, 2018, due to the excess of revenue over expenses in 2019 of \$16.6 million. The primary driver of the change in net position for the period ended June 30, 2019 is the implementation of a new Medicaid supplemental program related to Medicaid Managed Care services. Beginning January 1, 2019, the Centers for Medicare and Medicaid Services (CMS) approved a proposal to provide delivery system and provider payment incentives as submitted by the State of New Mexico. For the period of January 1, 2019 to June 30, 2019, the net revenue related to this program is \$15.8 million.

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The total net position of \$62.0 million at June 30, 2018 increased \$1.4 million from \$60.6 million at June 30, 2017, due to the excess of revenue over expenses in 2018 of \$1.4 million.

Condensed Summary of Revenues, Expenses and Changes in Net Position

	Year ended June 30		
	2019	2018	2017
Net operating revenues	\$ 225,588,600	202,684,399	217,264,471
Operating expenses:			
Purchased clinical services	136,764,945	132,575,992	146,164,140
Salaries and benefits	29,183,193	28,296,178	28,482,686
Other	49,102,595	42,951,004	39,467,575
Total operating expenses	215,050,733	203,823,174	214,114,401
Operating gain (loss)	10,537,867	(1,138,775)	3,150,070
Nonoperating revenues	6,065,335	2,590,219	1,368,226
Change in net position	16,603,202	1,451,444	4,518,296
Net position, beginning of year	62,008,830	60,557,386	56,039,090
Net position, end of year	\$ 78,612,032	62,008,830	60,557,386

Net operating revenues, generated primarily through the delivery of professional clinical services, are reduced by contractual allowances and by a provision for uncollectible accounts. Net operating revenues for the year ended June 30, 2019 increased \$22.9 million, from \$202.7 million in 2018 to \$225.6 million in 2019, an 11.3% increase. The new Medicaid supplemental program, as previously described, contributed \$15.8 million of this increase in 2019. Net operating revenues for 2018 decreased \$14.6 million, from \$217.3 million in 2017 to \$202.7 million in 2018, reflecting a decrease of 6.7%. Net patient revenues increased \$19.2 million in 2019, from \$175.7 million in 2018 to \$194.9 million in 2019. Net patient revenues decreased \$5.2 million in 2018, from \$180.9 million in 2017 to \$175.7 million in 2018.

Pharmacy revenues increased \$3.1 million in 2019, from \$25.5 million in 2018 to \$28.6 million in 2019, and increased \$4.1 million in 2018, from \$21.4 million in 2017 to \$25.5 million in 2018. The pharmacy revenue growth in 2019 is a result of the increased activity at the outpatient pharmacy at UNM Trueman Health Services, and an increase in patients utilizing the pharmacy services. Included in net operating revenues are \$0.7 million in 2019, \$0.4 million in 2018, and \$12.3 million in 2017 of funds allocated from the UNM HSC to support costs incurred by UNMMG for physicians and nonphysician providers providing services at SRMC.

UNMMG measures patient service volume in work relative value units (wRVUs), an industry standard unit of measure of physician clinic effort to provide clinical care. wRVUs were 3,374,417 in 2019, representing an increase of 33,943, or 1.0%, from 2018. In 2018, wRVUs of 3,340,474 increased 79,461, or 2.4%, from 2017.

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UNMMG operated 14 clinics with approximately 37,000 patient visits in 2019, 15 clinics with approximately 39,000 patient visits in 2018, and 18 clinics with approximately 37,000 visits in 2017. Including pharmacy revenues, these clinics contributed \$33.1 million, \$31.5 million, and \$29.1 million in revenues in 2019, 2018, and 2017, respectively. Excluding pharmacy revenues, the clinics contributed revenues of \$4.5 million in 2019, \$6.0 million in 2018, and \$7.7 million in 2017.

A condensed summary of net operating revenues follows:

	Year ended June 30		
	2019	2018	2017
Patient service charges billed at established rates	\$ 526,038,410	509,729,680	504,772,271
Adjustments to charges:			
Contractual adjustments	(276,409,968)	(284,471,398)	(274,352,790)
Charity care	(9,929,881)	(9,240,044)	(5,951,250)
Net patient billings	239,698,561	216,018,238	224,468,231
Provision for uncollectible accounts	(44,793,638)	(40,365,082)	(43,588,142)
Net patient service revenues	194,904,923	175,653,156	180,880,089
Pharmacy revenue	28,562,765	25,548,786	21,360,187
Other revenue	2,120,912	1,482,457	15,024,195
Total net operating revenues	\$ 225,588,600	202,684,399	217,264,471

UNMMG encourages all patients to apply for financial assistance and participates in the financial assistance program called UNM Care. This program assigns qualifying patients to primary care providers and allows them to receive care throughout UNM HSC locations. This program is available to Bernalillo County residents whose income is below 300% of the federal poverty level. As of June 30, 2019, 2018, and 2017, there were approximately 7,279, 7,126, and 6,715 active enrollees, respectively. UNMMG does not pursue collection of amounts that qualify as charity care, and accordingly, they are deducted from gross revenue. For the year ended June 30, 2019, UNMMG provided, in terms of foregone charges, \$9.9 million in charity care, compared to \$9.2 million in 2018 and \$6.0 million in 2017.

UNMMG also provides services to patients who do not have any form of healthcare insurance or do not qualify under any other financial assistance program and encourages these patients to meet with a financial counselor to develop payment arrangements. Although UNMMG pursues collection of these accounts, usually through an extended payment plan or a discounted rate, interest is not charged on these accounts, nor are liens placed on property or assets, or judgments filed against these patients. These accounts are substantially reserved and recorded as provision for uncollectible accounts.

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For the year ended June 30, 2019, UNMMG recorded \$44.8 million as a provision for uncollectible accounts, which primarily represents the write-off of self-pay accounts, compared to \$40.4 million and \$43.6 million for the years ended June 30, 2018 and 2017, respectively.

UNMMG incurs costs associated with providing charity care and other services for which payment is not received. For the year ended June 30, 2019, the estimated cost of care for providing these services was \$17.8 million, compared to \$17.5 million in 2018 and \$17.6 million in 2017.

Total operating expenses were \$215.1 million for the year ended June 30, 2019, and \$203.8 million and \$214.1 million for the years ended June 30, 2018 and June 30, 2017, respectively. These costs primarily consist of costs related to the purchase of clinical services from UNM HSC and the associated dean's tax from the School of Medicine (SOM), which when combined totaled \$148.9 million in 2019, \$144.9 million in 2018, and \$156.6 million in 2017.

The increase in costs related to the purchase of clinical services from 2018 to 2019 is due to the increase in patient service revenues. The decrease in costs related to the purchase of clinical services from 2017 to 2018 is attributable to the change in expenses allocated by UNM HSC pertaining to providers providing services at SRMC, and directly correlates with the decrease in net operating revenues over the same period.

The dean's tax, paid to the UNM SOM, is assessed as a fixed percentage of clinical revenues collected. For 2019 and 2018, the UNMMG board of directors approved an additional dean's tax of \$2.0 million as part of the budget. Total dean's tax was \$12.1 million in 2019, \$12.3 million in 2018, and \$10.4 million in 2017, and is reported on the statements of revenues, expenses, and changes in net position as an operating expense.

In 2019 and 2018, UNMH provided funding to UNMMG in the amount of \$1.7 million and \$1.5 million, respectively, to provide a portion of support for clinical contract services, process improvement services, and certain ambulatory and other reporting activities that benefit UNMH and the overall health system. This funding support from UNMH is reported on the statements of revenues, expenses, and changes in net position as a reduction of operating expense. The amount of funding provided is negotiated annually.

Nonoperating revenues of \$6.1 million in 2019, \$2.6 million in 2018, and \$1.4 million in 2017 consist primarily of equity in the earnings of the LURH joint venture, allocations of programmatic support from the UNM HSC, investment income, unrealized gains and losses on investments, and interest income on a money market account. The increase in nonoperating revenues in 2019 is largely due to a \$2.4 million increase in equity earnings of the LURH joint venture. The earnings increase for LURH from 2018 to 2019 was primarily driven by a volume increase of 27.7%, while the change in earnings for 2018, compared to 2017, is attributed to the fact that the venture only recorded two months of operations in 2017.

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Capital Assets

At June 30, 2019, UNMMG had \$2.5 million invested in capital assets, net of accumulated depreciation of approximately \$7.5 million, compared to \$1.9 million and \$7.1 million at June 30, 2018, respectively, and \$2.6 million and \$6.6 million at June 30, 2017, respectively. Capital assets consist primarily of leasehold improvements, application software, and equipment. With the exception of UNMMG clinics, capital assets used to provide clinical services are owned by UNMH and are not reported on UNMMG's financial statements.

Change in Net Position

UNMMG's change in net position reflected a net increase of \$16.6 million from 2018 to 2019 due primarily to an increase in net operating revenues, compared to a net increase of \$1.4 million from 2017 to 2018.

Factors Impacting Future Periods

The Medicare Access and CHIP Reauthorization Act of 2015, referred to as "MACRA", set in motion a new approach to Medicare and physician payment by creating two primary payment schemes that physicians accepting Medicare can choose to be judged under. UNMMG has chosen the Merit-Based Incentive Payment System (MIPS), which administers bonuses or penalties based on how well physicians perform relative to other physicians on a set of quality and value measures. Based on guidance set forth by the CMS MIPS program, UNMMG reported on these quality and safety measures in 2017 which resulted in a 1.88% reimbursement increase on qualifying Medicare Part B claims for services provided in calendar year 2019. These quality and safety measures were again reported by UNMMG in 2018 which will result in a reimbursement increase on qualifying Medicare Part B claims for services provided in calendar year 2020. Currently the reimbursement increase is estimated to be 1.60% for the payment year 2020, but has not been finalized at this time.

Contacting UNMMG's Financial Management

This financial report is designed to provide the public with a general overview of UNMMG's finances. If you have questions about this report or need additional financial information, contact UNMMG's Controller's office at 933 Bradbury Street SE, Suite 2222, Albuquerque, NM 87106-4375.

UNM MEDICAL GROUP, INC.
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Statements of Net Position

June 30, 2019 and 2018

Assets	2019	2018
Current assets:		
Cash and cash equivalents	\$ 30,194,183	26,209,748
Receivables:		
Net patient receivables (net of allowance for uncollectible accounts of \$45,537,367 in 2019 and \$38,017,778 in 2018)	46,424,181	28,628,684
Due from affiliates	3,192,119	4,229,828
Other	317,032	211,938
Total net receivables	49,933,332	33,070,450
Total current assets	80,127,515	59,280,198
Noncurrent assets:		
Board-designated assets:		
Cash and cash equivalents, noncurrent	2,063,504	5,673,093
Investments	27,301,308	23,295,370
Total board-designated assets	29,364,812	28,968,463
Investment in Lovelace UNM Rehab Hospital	9,235,167	6,453,563
Capital assets, net	2,476,680	1,853,142
Other assets	1,679,835	787,977
Total noncurrent assets	42,756,494	38,063,145
Total assets	\$ 122,884,009	97,343,343
Liabilities		
Current liabilities:		
Purchased services due to UNM HSC	\$ 27,412,673	23,780,382
Operating expenses due to UNM	2,003,377	2,768,498
Due to affiliates	6,498,207	2,736,899
Accrued liabilities	8,357,720	6,048,734
Total current liabilities	44,271,977	35,334,513
Net Position		
Investment in capital assets	2,476,680	1,853,142
Unrestricted	76,135,352	60,155,688
Total net position	78,612,032	62,008,830
Total liabilities and net position	\$ 122,884,009	97,343,343

See accompanying notes to financial statements.

UNM MEDICAL GROUP, INC.
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Statements of Revenues, Expenses and Change in Net Position
Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Patient service revenue, net	\$ 194,904,923	175,653,156
Pharmacy revenue	28,562,765	25,548,786
Other revenue	<u>2,120,912</u>	<u>1,482,457</u>
Total net operating revenues	<u>225,588,600</u>	<u>202,684,399</u>
Operating expenses:		
Purchased clinical services from UNM HSC	136,764,945	132,575,992
Salaries and benefits	29,183,193	28,296,178
Pharmacy expenses	16,137,475	13,907,778
Dean's tax	12,126,880	12,306,256
Other administrative	4,531,611	4,391,128
Consulting	4,355,602	730,539
Malpractice insurance	4,260,204	3,813,757
Patient care costs	2,444,671	2,382,616
Data processing costs	2,109,566	2,100,158
Patient registration and enrollment support	1,168,633	1,172,132
Occupancy	1,166,341	1,221,965
Depreciation	<u>801,612</u>	<u>924,675</u>
Total operating expenses	<u>215,050,733</u>	<u>203,823,174</u>
Operating income (loss)	<u>10,537,867</u>	<u>(1,138,775)</u>
Nonoperating revenues (expenses):		
Equity in earnings of Lovelace UNM Rehab Hospital	3,892,009	1,462,009
State appropriations	1,160,200	1,160,200
Investment income (loss)	1,043,523	(28,783)
Loss on disposition of assets	<u>(30,397)</u>	<u>(3,207)</u>
Total nonoperating revenue	<u>6,065,335</u>	<u>2,590,219</u>
Change in net position	16,603,202	1,451,444
Net position, beginning of year	<u>62,008,830</u>	<u>60,557,386</u>
Net position, end of year	<u><u>\$ 78,612,032</u></u>	<u><u>62,008,830</u></u>

See accompanying notes to financial statements.

UNM MEDICAL GROUP, INC.
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Statements of Cash Flows
Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash receipts from insurance and patients	\$ 205,840,050	205,698,090
Payments to affiliates	(163,898,493)	(162,341,036)
Payments to suppliers	(20,171,347)	(22,316,890)
Payments to employees	(17,559,480)	(18,840,092)
Payments for employee benefits	(2,917,581)	(2,036,613)
Other receipts	1,229,054	1,790,728
Net cash provided by operating activities	<u>2,522,203</u>	<u>1,954,187</u>
Cash flows from noncapital financing activities:		
State appropriations	1,160,200	1,160,200
Net cash provided by noncapital financing activities	<u>1,160,200</u>	<u>1,160,200</u>
Cash flows from investing activities:		
Net purchases of investments	(4,005,938)	(4,863,766)
Purchase of capital assets	(1,455,547)	(226,941)
Gain (loss) from investments	1,043,523	(28,783)
Distributions from Lovelace UNM Rehab Hospital	1,110,405	1,429,261
Net cash used in investing activities	<u>(3,307,557)</u>	<u>(3,690,229)</u>
Net increase (decrease) in cash and cash equivalents	374,846	(575,842)
Cash and cash equivalents, beginning of year	31,882,841	32,458,683
Cash and cash equivalents, end of year	<u>\$ 32,257,687</u>	<u>31,882,841</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 10,537,867	(1,138,775)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	801,612	924,675
Provision for doubtful accounts	44,793,638	40,365,082
Changes in assets and liabilities:		
Patient receivables	(62,589,135)	(38,460,921)
Due from affiliates	1,037,709	163,639
Other receivables	(105,094)	2,518,981
Other assets	(891,858)	308,271
Purchase services due to UNM HSC	3,632,291	85,399
Due to affiliates and operating expenses due to UNM	2,996,187	(3,039,882)
Accrued liabilities	2,308,986	227,718
Net cash provided by operating activities	<u>\$ 2,522,203</u>	<u>1,954,187</u>

See accompanying notes to financial statements.

UNM MEDICAL GROUP, INC.
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Notes to Financial Statements

June 30, 2019 and 2018

(1) Description of Business

UNM Medical Group, Inc. (UNMMG) is a New Mexico not-for-profit corporation that was organized to promote, advance, and support the clinical, educational, research, and charitable purposes of the School of Medicine (SOM) and the University of New Mexico Health Sciences Center (UNM HSC). UNMMG is a component unit of the University of New Mexico (UNM) and is reported as such in the basic financial statements of UNM. UNMMG has no component units.

UNMMG is a New Mexico nonprofit corporation organized under and pursuant to the New Mexico University Research Park and Economic Development Act. Regents of UNM are the sole members of UNMMG.

Pursuant to the affiliation and management services agreement with the UNM Regents, UNMMG is responsible for the delivery of patient clinical services, practice oversight, and management of the professional medical practice of UNM, which includes the SOM faculty and staff physicians and other professional healthcare providers under the patient care management, supervision, and quality control of the SOM clinical departments.

(2) Summary of Significant Accounting Policies and Practices

(a) Basis of Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles for state and local governments as prescribed by the Governmental Accounting Standards Board (GASB). UNMMG is reporting as a special-purpose government entity engaged in business-type activities.

(b) Net Position

For accounting and reporting purposes, UNMMG reports its net position in the following categories as applicable:

- *Investment in capital assets* – Capital assets, net of accumulated depreciation.
- *Unrestricted* – Net position that is not subject to externally imposed constraints; unrestricted net position may be designated for specific purposes by action of UNMMG Board of Directors (the Board).

(c) Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the financial statement dates and the reported amount of revenues and expenses during the reporting periods. Due to uncertainties inherent in the estimation process, actual results could differ from those estimates.

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(d) Cash and Cash Equivalents

UNMMG considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Interest-bearing deposit accounts are subject to FDIC's standard deposit insurance amount of \$250,000. Cash in excess of FDIC insurance is collateralized at June 30, 2019 and 2018 by U.S. government sponsored entity securities held by the financial institution in UNMMG's name.

(e) Marketable Securities

Investments are recorded at fair value. At June 30, 2019 and 2018, investments consisted primarily of corporate debt securities, U.S. government and government agency securities, and money markets. Investment income includes interest and realized and unrealized gains and losses. Investment income is reported as nonoperating revenue when earned.

UNMMG uses the market approach to determine fair value, which uses prices and other relevant information generated by market transactions involving identical or similar items.

(f) Capital Assets

Capital assets consist primarily of leasehold improvements, application software, and equipment and are stated at cost at the date of acquisition. Capital assets with a cost of \$1,000 or greater are capitalized and depreciated over useful lives ranging from three to five years, or over the remaining term of a lease in the case of leasehold improvements. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Repairs and maintenance costs are charged to expense as incurred. With the exception of UNMMG operated clinics, capital assets used to provide clinical services are owned by the University of New Mexico Hospital (UNMH) and are not reported in UNMMG's financial statements.

(g) Revenue Recognition and Net Patient Receivables

UNMMG revenues result from providing professional medical services to patients in healthcare facilities of UNM HSC and other locations contracted with UNM or owned/managed by UNMMG.

Net patient revenues and receivables are recorded at the estimated net realizable amount due from patients, third-party payors, and others for services rendered and a provision for doubtful accounts is established when services are provided.

Self-pay patients are referred to and reclassified under financial assistance programs when applicable. Other discounts exist based on income earning levels if no other financial assistance programs are available. Self-pay accounts, regardless of days outstanding, are substantially reserved.

Beginning January 1, 2019, the Centers for Medicare and Medicaid Services (CMS) approved a proposal to provide delivery system and provider payment incentives as submitted by the State of New Mexico under a supplemental provider fee program related to Medicaid Managed Care services. For the period of January 1, 2019 to June 30, 2019, the net revenue related to this program is \$15.8 million. At June 30, 2019, \$19.8 million is recorded in net patient receivables and \$3.9 million is recorded as a current liability due to UNM HSC related to this program.

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Notes to Financial Statements

June 30, 2019 and 2018

Contractual adjustments resulting from agreements with various organizations to provide services for amounts that differ from billed charges, including services under Medicare, Medicaid, and certain managed care programs, are recorded as deductions from patient revenues.

Allowances for contractual adjustments and doubtful accounts are based on an analysis of historical collectability of patient accounts. Accounts, when determined to be uncollectible, are charged against the allowance for uncollectible accounts.

(h) Charity Care

UNMMG provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because UNMMG does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue in the statements of revenues, expenses, and changes in net position.

(i) Pharmacy Revenues and Expenses

UNMMG is contracted, through UNM Truman Health Clinic, with a mail-order pharmacy (contract pharmacy) to supply and bill patients eligible under the Section 340B program, a program designed to allow certain entities to purchase outpatient prescription drugs at favorable discounts. Under the terms of the agreement, the contract pharmacy orders, receives, and dispenses drugs, and charges and collects for the drugs on behalf of UNMMG. UNMMG maintains title to the drugs and, accordingly, pharmacy revenues are recorded at the estimated net realizable value at the time the drugs are dispensed. Pharmacy expenses reflect cost of goods sold, pharmacy management, and dispensing fees. UNM Truman Health Clinic also operates an outpatient pharmacy.

(j) Operating Revenues and Expenses

UNMMG's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result primarily from the delivery of professional medical services and the related billing of those services to patients and third-party payors and are considered exchange transactions as each party receives and gives up equal value. Operating expenses are all expenses incurred to provide medical services and the related billing of these services.

(k) Purchase of Clinical Services from UNM HSC

UNMMG has entered into a purchased services agreement with UNM HSC to purchase the clinical effort of various clinical providers primarily from the SOM. This clinical effort is the basis of the clinical services rendered and billed by UNMMG. The cost of the clinical purchased services is negotiated by UNM HSC and the UNMMG Board and is reported as an operating expense. The cost is agreed upon annually and UNMMG pays UNM HSC on a monthly basis. The agreement allows for renegotiation of the annual cost in the event of material changes in clinical effort during the course of the year. Furthermore, if additional funding is required to support the clinical, educational, and research mission of the SOM, the UNMMG Finance Committee and the Board will determine and approve the purchase of any additional services.

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(l) Salaries and Benefits

At June 30, 2019, the staff of UNMMG comprised 536 UNMMG and 28 UNM employees. For staff who are UNM employees, all related salaries and benefits, including all retirement benefits, are paid by UNM. UNM allocates the salary and benefit costs of these employees to UNMMG via a monthly operating expense invoice in accordance with the Master Service Agreement. UNMMG does not have any further obligation or responsibility to pay these individuals beyond the allocated cost from UNM.

(m) Income Taxes

UNMMG has received a determination letter from the Internal Revenue Service (IRS) that it is an organization described in Internal Revenue Code (IRC) Section 501(c)(3) and further classified as an organization described in IRC Section 509(a)(2). As such, it would be exempt from federal income tax on income generated from activities related to its exempt function. However, UNMMG is subject to income taxes on any net income that is derived from a trade or business regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements taken as a whole.

(n) Recent Accounting Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations, with the establishment of criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. GASB Statement No. 83 was adopted by UNMMG for the year ended June 30, 2019 and had no impact on the financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. Statement No. 87 addresses the accounting and financial reporting for leases, establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. UNMMG is evaluating the impact the standard will have on its financial statements.

(o) Reclassifications

As discussed in note 12, UNM processes payroll and various other expenses through its business office on behalf of UNMMG. UNMMG has historically presented such disbursements as payments to suppliers and employees and for employee benefits in the statement of cash flows. In 2019, to conform with UNM presentation practices, such disbursements have been presented as payments to affiliates. 2018 amounts have been reclassified to conform with the 2019 presentation, resulting in an increase in 2018 payments to affiliates of \$10.9 million, with offsetting decreases in payments to suppliers and employees and for employee benefits. These 2018 reclassifications had no impact on cash provided by operating activities.

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(3) Cash, Cash Equivalents, and Investments

(a) Cash and Cash Equivalents

UNMMG's cash and cash equivalents are held in demand accounts with a local financial institution in the name of UNMMG. State statute requires financial institutions to pledge qualifying collateral to UNMMG to cover at least 50% of the uninsured deposits.

Bank balances as of June 30, 2019 and 2018 are categorized as follows:

	<u>2019</u>	<u>2018</u>
Operating accounts	\$ 32,614,501	31,805,788
Total bank balances	32,614,501	31,805,788
Amount insured by FDIC	<u>250,000</u>	<u>250,000</u>
Amount collateralized with securities held in UNMMG's name	<u>\$ 32,364,501</u>	<u>31,555,788</u>

Also included in cash and cash equivalents at June 30, 2019 and 2018 is a money market account in the amount of \$0.2 million and \$0.3 million, respectively. This account is subject to minimal interest rate risk as all money markets are less than one year in maturity. The money market fund is invested in short-term, high-quality municipal securities.

(b) Marketable Securities

Interest rate risk – Debt investments: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Currently, UNMMG does not have a specific policy to limit its exposure to interest rate risk.

UNMMG has established an investment policy directing the investment activities of UNMMG. A summary of the marketable securities and their respective maturities and their exposure to interest rate risk is combined with the credit risk disclosure.

Custodial credit risk – Debt investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, UNMMG will not be able to recover the value of its investments or collateral that is in the possession of an outside party. Marketable securities of \$27,301,308 at June 30, 2019 are insured or are collateralized by securities registered and held by the counterparty's agent in UNMMG's name.

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Credit risk – Debt investments: Credit risk is the risk that an issuer or other counterparty to the investment will not fulfill their obligations. UNMMG is required to disclose credit ratings of its debt investments in order to assess credit risk. U.S. obligations, investments explicitly guaranteed by the U.S. government, and nondebt investments are excluded from this requirement. Currently, UNMMG's policy restricts debt investments to specific investment ratings issued by nationally recognized statistical ratings organizations. A summary of the marketable securities and their respective maturities and their exposure to credit risk at June 30, 2019 and 2018 follows:

2019				
Credit rating (S&P)	Total	U.S. government and agency obligations	Corporate bonds	Other government bonds
AAA	\$ 17,838,231	17,737,881	—	100,350
AA	5,787,617	3,415,439	1,738,287	633,891
A	3,038,066	—	3,038,066	—
BBB	637,394	—	637,394	—
Total	<u>\$ 27,301,308</u>	<u>21,153,320</u>	<u>5,413,747</u>	<u>734,241</u>

				2019
				Investment maturities (in years)
		Fair value	Less than 1	1 to 5
U.S. government obligations	\$	21,153,320	8,154,340	12,998,980
Corporate bonds		5,413,747	1,521,265	3,892,482
Other government bonds		734,241	251,964	482,277
Total	\$	<u>27,301,308</u>	<u>9,927,569</u>	<u>17,373,739</u>

2018				
Credit rating (S&P)	Total	U.S. government and agency obligations	Corporate bonds	Other government bonds
AAA	\$ 13,368,449	13,269,479	—	98,970
AA	5,913,605	4,502,327	986,807	424,471
A	3,048,987	—	3,048,987	—
BBB	964,329	—	964,329	—
Total	<u>\$ 23,295,370</u>	<u>17,771,806</u>	<u>5,000,123</u>	<u>523,441</u>

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2018			
Investment maturities (in years)			
	Fair value	Less than 1	1 to 5
U.S. government obligations	\$ 17,771,806	3,920,408	13,851,398
Corporate bonds	5,000,123	2,117,339	2,882,784
Other government bonds	523,441	150,685	372,756
Total	<u>\$ 23,295,370</u>	<u>6,188,432</u>	<u>17,106,938</u>

Concentration of credit risk – Investments: Concentration of credit risk is the risk of loss attributed to investments in a single issuer. Investments in any one issuer that represent 5% or more of all total investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. UNMMG has a policy to limit its exposure to concentrated risk. The policy states the portfolio will be constructed and maintained to provide prudent diversification with regard to concentration of holdings in individual issues, corporations, or industries.

As of June 30, 2019 and 2018, UNMMG's investment portfolio had no investments exposed to concentration of credit risk.

(c) Fair Value Measurement

UNMMG utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 consist of quoted prices (unadjusted) in the active markets for identical assets or liabilities accessible at the measurement date.

Level 2 include inputs other than quoted prices in Level 1 directly or indirectly observable for the assets or liabilities.

Level 3 are unobservable inputs for the assets or liabilities.

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The table below presents the amounts within each valuation hierarchy level for those assets measured at fair value, cash and cash equivalents and investments, based on the inputs used to value them as of June 30, 2019 and 2018:

2019				
	Level 1	Level 2	Level 3	Total
Investments at fair value:				
Cash and cash equivalents	\$ 32,257,687	—	—	32,257,687
U.S. government obligations	—	21,153,320	—	21,153,320
Corporate bonds	—	5,413,747	—	5,413,747
Other government bonds	—	734,241	—	734,241
Total assets	\$ <u>32,257,687</u>	<u>27,301,308</u>	<u>—</u>	<u>59,558,995</u>

2018				
	Level 1	Level 2	Level 3	Total
Investments at fair value:				
Cash and cash equivalents	\$ 31,882,841	—	—	31,882,841
U.S. government obligations	—	17,771,806	—	17,771,806
Corporate bonds	—	5,000,123	—	5,000,123
Other government bonds	—	523,441	—	523,441
Total assets	\$ <u>31,882,841</u>	<u>23,295,370</u>	<u>—</u>	<u>55,178,211</u>

(4) Concentration of Risk

UNMMG receives payment for professional medical services to patients in healthcare facilities of UNM HSC and other locations contracted with UNM. These payor sources include Medicare, Medicaid, and other third-party payors. The following table summarizes the percent of gross accounts receivable from all payors as of June 30, 2019 and 2018, excluding self-pay, which UNMMG substantially reserves.

	2019	2018
Medicare and Medicaid	66 %	66 %
Commercial insurance	32	32
Other	2	2
	<u>100 %</u>	<u>100 %</u>

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(5) Board-Designated Assets

Board-designated assets are classified in the accompanying statements of net position as noncurrent assets, as these assets are designated by the Board for future use subject to approval by the Board. At June 30, 2019 and 2018, these assets comprise investments in money market funds, debt securities, sovereign securities, and U.S. government securities, and cash and cash equivalents.

As of June 30, 2019 and 2018, assets are designated for the following purposes:

	<u>2019</u>	<u>2018</u>
Quality reserve	\$ 11,467,097	10,554,489
Department reserve	9,193,432	8,167,671
Other UNMMG reserve	5,663,505	7,888,498
Hardware and technology	2,491,216	2,357,805
Investment reserve	<u>549,562</u>	<u>—</u>
Total board-designated assets	<u>\$ 29,364,812</u>	<u>28,968,463</u>

Quality reserve – Represents funds designated to support established incentive programs to improve quality of care measurements and initiatives.

Department reserve – Represents funds designated on behalf of SOM departments for funding of future department initiatives.

Other UNMMG reserve – Represents funds designated on behalf of UNMMG specific programs such as Locum Tenens, whose mission is to advance the strength and sustainability of those UNMMG serves in an effort to improve access to healthcare in communities throughout New Mexico, and other UNMMG clinic activities.

Hardware and technology – Represents funds designated to fund future purchases of capital equipment and software.

Investment reserve – Represents funds designated for mission support at UNM HSC and new initiatives such as new ambulatory clinics, new lines of clinic services, or expansion of existing initiatives.

Dean's discretionary reserve – In 2019, a reserve was established in the amount of \$11.7 million comprised of current receivables. It represents funds designated for use by the Dean of the SOM to fund provider compensation, incentives, and other initiatives that support the SOM mission and goals.

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(6) Investment in Joint Venture

UNMMG participates in a joint venture with Lovelace Health System, Inc. (Lovelace), for the purpose of managing, operating, and providing services at a post-acute rehabilitation facility. The purpose of the joint venture is to improve the quality and cost efficiency in the delivery of healthcare services in Albuquerque, New Mexico and surrounding areas, to meet the healthcare needs of the community, and to engage in the education and training of medical students, residents, and/or fellows consistent with the academic mission of UNM. UNMMG is a 49% member of the joint venture, Lovelace UNM Rehabilitation Hospital, LLC (LURH), a limited liability company under the laws of the State of New Mexico. Lovelace, a 51% member of LURH, serves as its managing partner.

UNMMG and Lovelace each hold three seats on the board of directors of LURH. In the event of a deadlock vote related to a fundamental matter, the issue at hand may be referred to mediation if the members are unable to reach resolution. As a result, neither UNMMG nor Lovelace is considered to hold a controlling financial interest in LURH as neither party has exclusive authority over the decision making related to significant ordinary course of business actions.

Activity in UNMMG's investment in LURH for the years ended June 30, 2019 and 2018 is summarized as follows:

	<u>2019</u>	<u>2018</u>
Beginning balance of investment in LURH	\$ 6,453,563	6,420,815
UNMMG share of LURH net income	3,892,009	1,462,009
Distributions from LURH	<u>(1,110,405)</u>	<u>(1,429,261)</u>
Ending balance of investment in LURH	<u>\$ 9,235,167</u>	<u>6,453,563</u>

Financial statements of LURH are not publicly available.

(7) Capital Assets

Activity in capital assets for the years ended June 30, 2019 and 2018 is summarized as follows:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net</u>
Balance, June 30, 2017	\$ 9,139,851	(6,585,768)	2,554,083
Additions	226,941	(924,675)	(697,734)
Deletions	<u>(431,633)</u>	<u>428,426</u>	<u>(3,207)</u>
Balance, June 30, 2018	8,935,159	(7,082,017)	1,853,142
Additions	1,455,547	(801,612)	653,935
Deletions	<u>(449,067)</u>	<u>418,670</u>	<u>(30,397)</u>
Balance, June 30, 2019	<u>\$ 9,941,639</u>	<u>(7,464,959)</u>	<u>2,476,680</u>

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(8) Accrued Liabilities

Accrued liabilities consist of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Accrued operating expenses	\$ 4,289,788	2,341,025
Accrued leave	1,565,057	1,551,137
Refunds payable	1,234,155	961,202
Payroll and benefits liability	1,077,881	1,079,157
Unclaimed property	190,839	116,213
	<u>\$ 8,357,720</u>	<u>6,048,734</u>

Refunds payable are amounts received in error from third-party payors and/or payments on accounts receivable in excess of the patient account balance.

(9) Malpractice Insurance

As a New Mexico University Research Park and Economic Development Act corporation, UNMMG has sovereign immunity from suit for tort liability except as waived by the New Mexico Legislature. Under the New Mexico Tort Claims Act, the New Mexico Legislature waived the State's and UNMMG's sovereign immunity for claims arising out of negligence in the operation of UNMMG. In addition, the New Mexico Tort Claims Act limits, as an integral part of this waiver of sovereign immunity, the amount of damages that can be assessed against UNMMG on any tort. The New Mexico Tort Claims Act allows damages to be awarded as follows: (a) up to \$300,000 for past and future reasonable economic or property losses incurred or to be incurred by the claimant; (b) up to \$400,000 for past and future noneconomic losses (such as pain and suffering) incurred or to be incurred by the claimant; and (c) up to \$350,000 for family members of the claimant (to the extent they qualify therefore) for loss of consortium. The New Mexico Tort Claims Act also prohibits the award of punitive or exemplary damages against UNMMG. The New Mexico Tort Claims Act requires the Risk Management Division of the State of New Mexico General Services Department to provide coverage to UNMMG through UNM HSC for those torts where the Legislature has waived the State's sovereign immunity up to the damage limits of the New Mexico Tort Claims Act plus the cost incurred in defending any claims and/or lawsuits (including attorneys' fees and expenses), with no deductible and with no self-insured retention by UNMMG. As a result of the foregoing, UNMMG is fully covered for claims and/or lawsuits and does not have any responsibility for claims beyond this premium. UNMMG is allocated a portion of the premium assessed by the State to UNM HSC for this coverage, which is reported as malpractice insurance expense on the statements of revenues, expenses, and changes in net position.

(10) Patient Service Revenues

UNMMG generates net operating revenue through the provision of healthcare services and is reimbursed through the billing and collection of services rendered. The majority of UNMMG revenue is generated through agreements with third-party payors who provide reimbursement at amounts different from established gross charges. Contractual adjustments resulting from these agreements to provide services for amounts that differ from billed charges, including services under Medicare, Medicaid, and certain

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managed care programs, are recorded as deductions from patient revenues. Accounts, when determined to be uncollectible, are charged against the allowance for uncollectible accounts.

Approximately 91% of UNMMG's gross patient revenue was derived from third-party payors in 2019 and 2018. Of this, Medicare and Medicaid represented approximately 64% in both 2019 and 2018. A summary of the basis of reimbursement from major third-party payors follows:

Medicare and Medicaid – Professional services are reimbursed based on a published fee schedule, which is determined by the related governing body of these programs. Continuation of these programs is dependent upon federal and state government policies and funding. There is a reasonable possibility that future revenue streams will be impacted as a result of regulatory policy changes.

Managed Care Contracts – UNMMG has entered into contractual agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The reimbursement of professional services is determined primarily via a negotiated conversion factor and associated fee schedule with each payor. Managed care contract rates are negotiated annually.

A summary of the net patient service revenues for the years ended June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Patient service charges billed at established rates	\$ 526,038,410	509,729,680
Adjustments to charges:		
Contractual adjustments	(276,409,968)	(284,471,398)
Charity care	(9,929,881)	(9,240,044)
Net patient billing	239,698,561	216,018,238
Provision for uncollectible accounts	(44,793,638)	(40,365,082)
Net patient service revenues	<u>\$ 194,904,923</u>	<u>175,653,156</u>

(11) Charity Care

UNMMG maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. The following information measures the level of charity care provided during the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Charges forgone, based on established rates	\$ 9,929,881	9,240,044
Estimated costs and expenses incurred to provide charity care	4,061,322	3,695,094
Equivalent percentage of charity care to total gross revenue	1.9 %	1.8 %

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(12) Related-Party Transactions

A summary of the related-party balances as of June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Current assets:		
Due from UNM HSC	\$ 2,599,720	2,503,220
Due from UNMH	528,732	1,691,662
Due from SRMC	63,667	34,946
	<u>\$ 3,192,119</u>	<u>4,229,828</u>
Current liabilities:		
Purchased services payable to UNM HSC	\$ 27,412,673	23,780,382
Operating expenses due to UNM HSC	2,003,377	2,757,442
Due to UNM HSC	3,914,366	—
Due to UNMH	2,519,033	2,727,247
Due to SRMC	44,254	9,652
Indigent distribution (UNM HSC)	20,554	11,056
	<u>\$ 35,914,257</u>	<u>29,285,779</u>

UNMMG processes payroll and various other expenses through its business office on behalf of UNM. UNM reimburses UNMMG for the expenses. At June 30, 2019 and 2018, UNMMG's receivable for these expenses was approximately \$2.6 million and \$2.5 million, respectively. The offset to expenses is shown within the appropriate categories in the statements of revenues, expenses, and changes in net position.

Certain transactions that are billed to UNM are not recorded as an offset to expense but are recorded appropriately within the financial statements. These transactions are primarily related to State Appropriations and other revenues that are allocated to UNMMG by UNM to fund programs that support the clinical and research missions of UNM. For the years ended June 30, 2019 and 2018, these revenues were \$1.9 million and \$2.0 million respectively.

UNM processes payroll and various other expenses through its business office on behalf of UNMMG. UNMMG reimburses UNM for the expenses. At June 30, 2019 and 2018, UNMMG's liabilities for these expenses were approximately \$2.0 million and \$2.8 million, respectively. The related expenses are reported as operating expenses within the appropriate categories in the statements of revenues, expenses, and changes in net position. For the years ended June 30, 2019 and 2018, these expenses were \$13.6 million and \$11.8 million, respectively.

UNMMG is party to a purchased services agreement with UNM HSC to purchase the clinical effort of various clinical providers primarily from the SOM. This clinical effort is the basis of the clinical services rendered and billed by UNMMG. The cost of the clinical purchased services is negotiated by UNM HSC and the UNMMG Board. The cost is agreed upon annually and UNMMG pays UNM HSC on a monthly basis. For the years ended June 30, 2019 and 2018, total UNMMG purchased services from UNM HSC

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were \$136.8 million and \$132.6 million, respectively, and are recorded as operating expenses in the statements of revenues, expenses, and changes in net position. The related unpaid amounts of approximately \$27.4 million and \$23.8 million at June 30, 2019 and 2018, respectively, are reported as a current liability in the statements of net position.

UNM HSC and the SOM allocate administrative support costs in exchange for administrative services provided to the clinical departments and UNMMG via the assessment of a dean's tax. The tax is assessed as a fixed percentage of professional revenues collected. For 2019 and 2018, the UNMMG Board approved an additional dean's tax of \$2.0 million as part of the budget. Total dean's tax of approximately \$12.1 million and \$12.3 million for the years ended June 30, 2019 and 2018, respectively, is reported as an operating expense in the statements of revenues, expenses, and changes in net position.

In 2019 and 2018, UNMH provided funding to UNMMG in the amount of \$1.7 million and \$1.5 million, respectively, to provide a portion of support for clinical contract services, process improvement services, and certain ambulatory, quality, and other reporting activities that benefit UNMH and the overall health system. The amount of funding provided is negotiated annually and is reported as an offset of salary and benefit costs in the statements of revenues, expenses, and changes in net position.

UNMH performs patient registration, Medicaid eligibility, certain computer operation services, and clinical support on behalf of UNMMG. UNMMG reimburses UNMH for the cost of these services, which for the years ended June 30, 2019 and 2018 was approximately \$4.2 million and \$3.3 million, respectively. In addition, UNMMG purchases from UNMH various clinical supplies. The cost of these supplies for the years ended June 30, 2019 and 2018 was approximately \$1.1 million and \$0.7 million, respectively. These expenses are reported within the appropriate categories in the statements of revenues, expenses, and changes in net position. At June 30, 2019 and 2018, approximately \$2.5 million and \$2.7 million, respectively, are reported in due to affiliates in the statements of net position.

UNMMG leases office space under operating lease agreements with UNMH and UNM. UNMMG is also committed under facility lease arrangements related to the clinics established under UNMMG. UNMMG's related party rent expense was \$0.5 million for each of the years ended June 30, 2019 and 2018 and is reported within the occupancy expense in the statements of revenues, expenses, and changes in net position.

(13) Benefit Plans

UNMMG has a defined-contribution plan covering eligible UNMMG employees. The plan was established on July 1, 2008 by the UNMMG Board and can be amended at its discretion. UNMMG provides a dollar for dollar match up to 6% of an employee's elective deferral. The plan document was amended so employees hired on or after January 1, 2012 follow a six-year vesting schedule. In addition, for employees hired prior to June 1, 2010, UNMMG may make a discretionary contribution to the employee's plan based on a percentage of the employee's salary. The discretionary contribution percentage was 4% in 2019 and 2018. Total employer contributions were \$1.4 million and \$1.3 million and employee contributions were \$2.3 million and \$2.3 million for the years ended June 30, 2019 and 2018, respectively. Employees of UNM participate in the defined-benefit retirement plan under the Educational Retirement Act of the State. As these are employees of UNM, the net pension liability related to these employees is reflected in the financial statements of UNM.

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(14) Operating Leases

UNMMG is committed under various leases for building and office space and data processing equipment. Rent expense on operating leases and data processing equipment was \$1.2 million and \$1.4 million in 2019 and 2018, respectively. As of February 2019, UNMMG no longer leases data processing equipment.

The following is a schedule of future minimum lease payments for operating leases:

Years ending June 30:	
2020	\$ 719,307
2021	598,332
2022	241,708
2023	202,503
2024	<u>76,555</u>
	<u>\$ 1,838,405</u>

(15) Contingencies

UNMMG is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; and errors and omissions and natural disasters. UNMMG is insured through the State of New Mexico for all insurable risks and employee benefits. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past three years. UNMMG is allocated a portion of the premium assessed by the State to UNM HSC (which excludes medical malpractice premiums of \$4.3 million and \$3.8 million, for the years ended June 30, 2019 and 2018, respectively), which was \$0.02 million and \$0.01 million in 2019 and 2018, respectively, and is reported as an operating expense in the statements of revenues, expenses, and changes in net position.

Schedule 1

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Pledged Collateral by Banks

June 30, 2019

Deposits per bank (Wells Fargo)	\$ 32,614,501
Less:	
FDIC coverage	<u>(250,000)</u>
Total uninsured public funds	<u>32,364,501</u>
State of New Mexico: Collateral requirement – 50%	<u>16,182,251</u>
Pledged collateral:	
FNMA, FNMS, 2.50%, August 1, 2031	<u>51,061,290</u>
Total pledged collateral	<u>51,061,290</u>
Over collateralized	\$ <u><u>34,879,039</u></u>

All pledged collateral is held by Wells Fargo's trust departments or their agent in UNMMG's name.

See accompanying independent auditors' report.

Schedule 2

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Individual Deposit and Investment Account Balances
June 30, 2019

Account	Type of account name of asset	Bank balance	Reconciling items	Book balance
Wells Fargo	UNMMG Main Operating	\$ 32,498,134	(607,239)	31,890,895
	Cancer Center	41,367	—	41,367
	Truman RX	75,000	—	75,000
		<u>32,614,501</u>	<u>(607,239)</u>	<u>32,007,262</u>
	Cash on Hand	5,675	—	5,675
Investments:				
Morgan Stanley	Money market:			
Smith Barney	Bank deposit	244,750	—	244,750
	Total money market	244,750	—	244,750
	Total cash and cash equivalents	<u>\$ 32,864,926</u>	<u>(607,239)</u>	<u>32,257,687</u>
	Corporate bonds:			
	Amazon.com Inc-023135AJ5	\$ 202,219	—	202,219
	American Express Credit-0258MODP1	60,492	—	60,492
	American Express Credit-0258MODP1	20,164	—	20,164
	American Express Credit-0258MODT3	25,067	—	25,067
	American Express Credit-0258MODT3	5,013	—	5,013
	American Express Credit-0258MODT3	25,067	—	25,067
	American Express Credit-0258MODT3	70,186	—	70,186
	American Express-0258MODT3	10,027	—	10,027
	American Express-0258MODT3	55,146	—	55,146
	AT&T Inc.-00206RCL4	24,989	—	24,989
	AT&T Inc.-00206RCL4	24,989	—	24,989
	AT&T Inc.-00206RCL4	1,999	—	1,999
	AT&T Inc.-00206RCL4	14,994	—	14,994
	AT&T Inc.-00206RCL4	43,981	—	43,981
	AT&T Inc.-00206RCL4	24,989	—	24,989
	AT&T Inc.-00206RCL4	19,991	—	19,991
	AT&T INC.-00206RCL4	64,972	—	64,972
	AT&T INC.-00206RCL4	29,987	—	29,987
	Bank of America-06051GEU9	62,776	—	62,776
	Bank of America-06051GFN4	43,178	—	43,178
	Bank of America-06051GFN4	3,012	—	3,012
	Bank of America-06051GFN4	2,008	—	2,008
	Bank of America-06051GFN4	43,178	—	43,178
	Bank of America-06051GFN4	60,249	—	60,249
	Bank of America-06051GFN4	40,166	—	40,166
	Bank of America-06051GFN4	10,041	—	10,041
	Bank of NY Mellon-06406RAE7	36,166	—	36,166
	Bank of NY Mellon-06406RAE7	30,999	—	30,999
	Bank of NY Mellon-06406RAE7	98,165	—	98,165
	Bank of NY Mellon-06406RAE7	41,333	—	41,333
	Bank of NY Mellon-06406RAE7	20,666	—	20,666
	Bank of NY Mellon-06406RAE7	56,832	—	56,832
	Bank of NY Mellon-06406RAE7	5,167	—	5,167
	Berkshire Hathaway Energy-59562VAY3	132,521	—	132,521
	Boeing Capital Corp-097014AL8	7,106	—	7,106
	Chevron corp 166764AR1	30,131	—	30,131
	Chubb Ina Holdings-0040EAU1	76,736	—	76,736
	Chubb Ina Holdings-00440EAU1	204,628	—	204,628

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Individual Deposit and Investment Account Balances
June 30, 2019

Account	Type of account name of asset	Bank balance	Reconciling items	Book balance
	Citigroup Inc.-172967HU8	\$ 96,006	—	96,006
	Citigroup Inc.-172967HU8	12,127	—	12,127
	CME Group Inc-12572QAE5	10,354	—	10,354
	CME Group Inc-12572QAE5	79,726	—	79,726
	CME Group Inc-12572QAE5	41,416	—	41,416
	CME Group Inc-12572QAE5	75,584	—	75,584
	CME Group Inc-12572QAE5	25,885	—	25,885
	CME Group Inc-12572QAE5	31,062	—	31,062
	CME Group Inc-12572QAE5	25,885	—	25,885
	Consumer Energy Co-210518CT1	25,553	—	25,553
	Eaton Corp.-278062AC8	111,938	—	111,938
	Eaton Corp-278062AC8	36,634	—	36,634
	Eaton Corp-278062AC8	4,071	—	4,071
	Eaton Corp-278062AC8	5,088	—	5,088
	Eaton Corp-278062AC8	5,088	—	5,088
	Eaton Corp-278062AC8	25,441	—	25,441
	Ecolab-278865AL4	147,395	—	147,395
	Gilead Sciences Inc.-375558BB8	65,739	—	65,739
	Gilead Sciences-375558BB8	101,137	—	101,137
	Goldman Sachs Group-38141GWC4	10,149	—	10,149
	Goldman Sachs Group-38141GWC4	10,149	—	10,149
	Goldman Sachs Group-38141GWC4	35,521	—	35,521
	Goldman Sachs Group-38141GWC4	45,670	—	45,670
	Goldman Sachs Group-38141GWC4	15,223	—	15,223
	Goldman Sachs Grp-38141GWC4	20,298	—	20,298
	Goldman Sachs Grp-38141GWC4	20,298	—	20,298
	Goldman Sachs Grp-38141GWC4	10,149	—	10,149
	Goldman Sachs Grp-38141GWC4	10,149	—	10,149
	Goldman Sachs Grp-38141GWC4	5,074	—	5,074
	International Bus. Mach-459200HU8	133,157	—	133,157
	International Business Mach-459200JY8	103,072	—	103,072
	JP Morgan Chase-46625HJX9	52,907	—	52,907
	JP Morgan Chase-46625HKA7	45,428	—	45,428
	JP Morgan Chase-46625HKA7	5,048	—	5,048
	JPMorgan Chase&Co-46625HJX9	95,233	—	95,233
	JPMorgan Chase&Co-46625HKA7	52,494	—	52,494
	JPMorgan Chase&Co-46625HKA7	14,133	—	14,133
	JPMorgan Chase&Co-46625HKA7	70,665	—	70,665
	JPMorgan Chase&Co-46625HKA7	20,190	—	20,190
	Marriott International-571903AR4	50,362	—	50,362
	Marriott International-571903AR4	40,290	—	40,290
	Marriott International-571903AR4	5,036	—	5,036
	Marsh & McLennan Cos Inc.-571748AW2	11,072	—	11,072
	Oracle Corp.-68389XAP0	50,613	—	50,613
	Oracle Corp.-68389XAX3	113,587	—	113,587
	Oracle Corp.-68389XAX3	55,286	—	55,286
	Oracle Corp.-68389XBB0	126,729	—	126,729
	Oracle Corp.-68389XBB0	25,346	—	25,346
	Oracle Corp.-68389XBB0	50,692	—	50,692
	Paccar Financial Corp-69371RM29	125,753	—	125,753
	Paccar Financial Corp-69371RN36	12,039	—	12,039
	Stanley Black & Decker-854502AD3	51,047	—	51,047
	Stanley Black & Decker-854502AD3	11,230	—	11,230

Schedule 2

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Individual Deposit and Investment Account Balances
June 30, 2019

Account	Type of account name of asset	Bank balance	Reconciling items	Book balance
	Stanley Black & Decker-854502AD3	\$ 4,084	—	4,084
	Stanley Black & Decker-854502AD3	40,838	—	40,838
	Toronto-Dominion Bank-89114QAS7	126,313	—	126,313
	Toronto-Dominion Bank-89114QBL1	65,068	—	65,068
	Toronto-Dominion Bank-89114QBL1	10,010	—	10,010
	Toronto-Dominion Bank-89114QBL1	25,026	—	25,026
	Toronto-Dominion Bank-89114QBL1	40,042	—	40,042
	Toronto-Dominion Bank-89114QBL1	60,062	—	60,062
	Toronto-Dominion Bank-89114QBL1	50,052	—	50,052
	Toronto-Dominion Bank-89114QBL1	20,021	—	20,021
	Toronto-Dominion Bank-89114QBL1	10,010	—	10,010
	Total Capital SA-89152UAF9	26,193	—	26,193
	Total Capital-89152UAF9	115,248	—	115,248
	Total Capital-89152UAF9	41,908	—	41,908
	Total Capital-89152UAF9	36,670	—	36,670
	VISA INC-92826CAB8	60,153	—	60,153
	VISA INC-92826CAB8	4,010	—	4,010
	VISA INC-92826CAB8	26,066	—	26,066
	VISA INC-92826CAB8	10,026	—	10,026
	VISA INC-92826CAB8	60,153	—	60,153
	VISA INC-92826CAB8	70,178	—	70,178
	VISA INC-92826CAB8	5,013	—	5,013
	VISA INC-92826CAG7	50,523	—	50,523
	VISA INC-92826CAG7	101,047	—	101,047
	Wells Fargo & Co-949746SK8	154,330	—	154,330
	Wells Fargo & Co-949746SK8	41,155	—	41,155
	Total corporate bonds	5,413,747	—	5,413,747
Government and government sponsored enterprise (GSE) bonds:				
	FED FARM CR BK-3133EG3E3	176,217	—	176,217
	FED FARM CR BK-3133EGD69	49,822	—	49,822
	FED FARM CR BK-3133EGMM4	124,469	—	124,469
	FED FARM CR BK-3133EGVJ1	75,090	—	75,090
	FED FARM CR BK-3133EGWF8	255,221	—	255,221
	FED FARM CR BK-3133EGWF8	100,087	—	100,087
	FED FARM CR BK-3133EHFQ1	75,320	—	75,320
	FED FARM CR BK-3133EHFQ1	125,533	—	125,533
	FED FARM CR BK-3133EHS20	470,579	—	470,579
	FED FARM CR BK-3133EHSB0	100,904	—	100,904
	FED FARM CR BK-3133EHZH9	226,150	—	226,150
	FED FARM CR BK-3133EHZH9	226,150	—	226,150
	Fed Home Ln BK-3130A9MG3	99,181	—	99,181
	FED NATL MTG ASSN-3135G0D75	49,762	—	49,762
	FED NATL MTG ASSN-3135G0D75	14,928	—	14,928
	FED NATL MTG ASSN-3135G0F73	24,909	—	24,909
	FED NATL MTG ASSN-3135G0F73	34,872	—	34,872
	FED NATL MTG ASSN-3135G0F73	214,215	—	214,215
	FED NATL MTG ASSN-3136G3P25	276,090	—	276,090
	FEDERAL FARM CREDIT BANK - 3133EEGMM4	174,257	—	174,257
	FEDERAL FARM CREDIT BANK - 3133EG3E3	26,213	—	26,213
	FEDERAL FARM CREDIT BANK - 3133EG3E3	150,004	—	150,004
	FEDERAL FARM CREDIT BANK - 3133EGVJ1	20,024	—	20,024

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Individual Deposit and Investment Account Balances
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Account	Type of account name of asset	Bank balance	Reconciling items	Book balance
	FEDERAL NATL MTG ASSN - 3135GOD75	\$ 74,642	—	74,642
	FEDERAL NATL MTG ASSN - 3135GOF73	4,982	—	4,982
	FEDERAL NATL MTG ASSN - 3135GOF73	19,927	—	19,927
	FEDERAL NATL MTG ASSN - 3136G3P25	225,892	—	225,892
	U S TREASURY NOTE-912828M80	50,533	—	50,533
	U S TREASURY NOTE-912828M80	30,320	—	30,320
	U S TREASURY NOTE-912828M80	5,053	—	5,053
	U S TREASURY NOTE-912828M80	15,160	—	15,160
	U S TREASURY NOTE-912828M80	25,266	—	25,266
	U S TREASURY NOTE-912828M80	25,266	—	25,266
	U S TREASURY NOTE-912828M80	20,213	—	20,213
	U S TREASURY NOTE-912828M80	5,053	—	5,053
	U S TREASURY NOTE-912828M80	25,266	—	25,266
	U S TREASURY NOTE-912828M80	50,533	—	50,533
	U S TREASURY NOTE-912828M80	101,066	—	101,066
	U S TREASURY NOTE-912828PC8	50,678	—	50,678
	U S TREASURY NOTE-912828PC8	101,355	—	101,355
	U S TREASURY NOTE-912828PC8	121,626	—	121,626
	U S TREASURY NOTE-912828PC8	10,136	—	10,136
	U S TREASURY NOTE-912828PC8	20,271	—	20,271
	U S TREASURY NOTE-912828PC8	76,016	—	76,016
	U S TREASURY NOTE-912828RC6	111,710	—	111,710
	U S TREASURY NOTE-912828RC6	5,078	—	5,078
	U S TREASURY NOTE-912828RC6	264,042	—	264,042
	U S TREASURY NOTE-912828RC6	5,078	—	5,078
	U S TREASURY NOTE-912828RC6	20,311	—	20,311
	U S TREASURY NOTE-912828RC6	152,332	—	152,332
	U S TREASURY NOTE-912828RC6	76,166	—	76,166
	U S TREASURY NOTE-912828RC6	15,233	—	15,233
	U S TREASURY NOTE-912828RC6	35,544	—	35,544
	U S TREASURY NOTE-912828UF5	125,090	—	125,090
	U S TREASURY NOTE-912828UF5	115,083	—	115,083
	U S TREASURY NOTE-912828UF5	235,170	—	235,170
	U S TREASURY NOTE-912828UF5	75,054	—	75,054
	U S TREASURY NOTE-912828UF5	500,361	—	500,361
	U S TREASURY NOTE-912828UF5	200,145	—	200,145
	U S TREASURY NOTE-912828UF5	100,072	—	100,072
	U S TREASURY NOTE-912828UN8	15,254	—	15,254
	U S TREASURY NOTE-912828UN8	25,423	—	25,423
	U S TREASURY NOTE-912828UN8	10,169	—	10,169
	U S TREASURY NOTE-912828UN8	15,254	—	15,254
	U S TREASURY NOTE-912828UN8	35,592	—	35,592
	U S TREASURY NOTE-912828UN8	25,423	—	25,423
	U S TREASURY NOTE-912828UN8	228,804	—	228,804
	U S TREASURY NOTE-912828UN8	25,423	—	25,423
	U S TREASURY NOTE-912828UN8	50,845	—	50,845
	U S TREASURY NOTE-912828UN8	25,423	—	25,423
	U S TREASURY NOTE-912828UN8	25,423	—	25,423
	U S TREASURY NOTE-912828UN8	25,423	—	25,423
	U S TREASURY NOTE-912828UN8	152,536	—	152,536
	U S TREASURY NOTE-912828UN8	101,691	—	101,691
	U S TREASURY NOTE-912828UV0	59,774	—	59,774
	U S TREASURY NOTE-912828UV0	89,661	—	89,661

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)

Individual Deposit and Investment Account Balances

June 30, 2019

Account	Type of account name of asset	Bank balance	Reconciling items	Book balance
	U S TREASURY NOTE-912828UV0	\$ 19,925	—	19,925
	U S TREASURY NOTE-912828UV0	64,755	—	64,755
	U S TREASURY NOTE-912828UV0	114,567	—	114,567
	U S TREASURY NOTE-912828UV0	199,247	—	199,247
	U S TREASURY NOTE-912828UV0	99,624	—	99,624
	U S TREASURY NOTE-912828V80	103,100	—	103,100
	U S TREASURY NOTE-912828V80	36,085	—	36,085
	U S TREASURY NOTE-912828V80	67,015	—	67,015
	U S TREASURY NOTE-912828V80	77,325	—	77,325
	U S TREASURY NOTE-912828V80	25,775	—	25,775
	U S TREASURY NOTE-912828V80	206,201	—	206,201
	U S TREASURY NOTE-912828V80	283,526	—	283,526
	U S TREASURY NOTE-912828V80	25,775	—	25,775
	U S TREASURY NOTES -912796VM8	249,685	—	249,685
	U S TREASURY NOTES -912796VM8	49,937	—	49,937
	U S TREASURY NOTES -9128283C2	328,921	—	328,921
	U S TREASURY NOTES -9128283C2	25,302	—	25,302
	U S TREASURY NOTES -9128283C2	50,603	—	50,603
	U S TREASURY NOTES -9128283C2	75,905	—	75,905
	U S TREASURY NOTES -9128283C2	25,302	—	25,302
	U S TREASURY NOTES -9128283C2	101,207	—	101,207
	U S TREASURY NOTES -9128283C2	404,826	—	404,826
	U S TREASURY NOTES -9128283C2	253,016	—	253,016
	U S TREASURY NOTES -9128284G2	76,132	—	76,132
	U S TREASURY NOTES -9128284G2	25,377	—	25,377
	U S TREASURY NOTES -9128284G2	152,264	—	152,264
	U S TREASURY NOTES -9128284G2	101,509	—	101,509
	U S TREASURY NOTES -9128284G2	152,264	—	152,264
	U S TREASURY NOTES -9128284G2	228,396	—	228,396
	U S TREASURY NOTES -9128284G2	76,132	—	76,132
	U S TREASURY NOTES -912828M80	25,266	—	25,266
	U S TREASURY NOTES -912828M80	227,398	—	227,398
	U S TREASURY NOTES -912828M80	50,533	—	50,533
	U S TREASURY NOTES -912828M80	101,066	—	101,066
	U S TREASURY NOTES -912828M80	75,799	—	75,799
	U S TREASURY NOTES -912828M80	75,799	—	75,799
	U S TREASURY NOTES -912828M80	202,132	—	202,132
	U S TREASURY NOTES -912828M80	75,799	—	75,799
	U S TREASURY NOTES -912828M80	50,533	—	50,533
	U S TREASURY NOTES -912828M80	126,332	—	126,332
	U S TREASURY NOTES -912828M80	252,665	—	252,665
	U S TREASURY NOTES -912828PC8	101,355	—	101,355
	U S TREASURY NOTES -912828PC8	50,678	—	50,678
	U S TREASURY NOTES -912828PC8	25,339	—	25,339
	U S TREASURY NOTES -912828PC8	76,016	—	76,016
	U S TREASURY NOTES -912828PC8	50,678	—	50,678
	U S TREASURY NOTES -912828PC8	50,678	—	50,678
	U S TREASURY NOTES -912828PC8	35,474	—	35,474
	U S TREASURY NOTES -912828PC8	50,678	—	50,678
	U S TREASURY NOTES -912828PC8	15,203	—	15,203
	U S TREASURY NOTES -912828PC8	70,949	—	70,949
	U S TREASURY NOTES -912828PC8	76,016	—	76,016
	U S TREASURY NOTES -912828PC8	76,016	—	76,016

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Individual Deposit and Investment Account Balances
June 30, 2019

Account	Type of account name of asset	Bank balance	Reconciling items	Book balance
	U S TREASURY NOTES -912828PC8	\$ 146,965	—	146,965
	U S TREASURY NOTES -912828PC8	86,152	—	86,152
	U S TREASURY NOTES -912828RC6	81,244	—	81,244
	U S TREASURY NOTES -912828RC6	96,477	—	96,477
	U S TREASURY NOTES -912828RC6	147,254	—	147,254
	U S TREASURY NOTES -912828RC6	101,554	—	101,554
	U S TREASURY NOTES -912828RC6	121,865	—	121,865
	U S TREASURY NOTES -912828RC6	152,332	—	152,332
	U S TREASURY NOTES -912828RC6	15,233	—	15,233
	U S TREASURY NOTES -912828RC6	157,409	—	157,409
	U S TREASURY NOTES -912828RC6	111,710	—	111,710
	U S TREASURY NOTES -912828RC6	25,389	—	25,389
	U S TREASURY NOTES -912828RC6	25,389	—	25,389
	U S TREASURY NOTES -912828RC6	15,233	—	15,233
	U S TREASURY NOTES -912828RC6	50,777	—	50,777
	U S TREASURY NOTES -912828RC6	5,078	—	5,078
	U S TREASURY NOTES -912828RC6	76,166	—	76,166
	U S TREASURY NOTES -912828RC6	279,275	—	279,275
	U S TREASURY NOTES -912828RC6	5,078	—	5,078
	U S TREASURY NOTES -912828RC6	101,554	—	101,554
	U S TREASURY NOTES -912828RC6	208,187	—	208,187
	U S TREASURY NOTES -912828TR1	124,955	—	124,955
	U S TREASURY NOTES -912828TR1	174,936	—	174,936
	U S TREASURY NOTES -912828TR1	74,973	—	74,973
	U S TREASURY NOTES -912828TR1	224,918	—	224,918
	U S TREASURY NOTES -912828UF5	90,065	—	90,065
	U S TREASURY NOTES -912828UF5	25,018	—	25,018
	U S TREASURY NOTES -912828UF5	45,033	—	45,033
	U S TREASURY NOTES -912828UF5	75,054	—	75,054
	U S TREASURY NOTES -912828UF5	15,011	—	15,011
	U S TREASURY NOTES -912828UF5	55,040	—	55,040
	U S TREASURY NOTES -912828UF5	25,018	—	25,018
	U S TREASURY NOTES -912828UF5	230,166	—	230,166
	U S TREASURY NOTES -912828UF5	25,018	—	25,018
	U S TREASURY NOTES -912828UF5	935,676	—	935,676
	U S TREASURY NOTES -912828UF5	15,011	—	15,011
	U S TREASURY NOTES -912828UF5	10,007	—	10,007
	U S TREASURY NOTES -912828UF5	75,054	—	75,054
	U S TREASURY NOTES -912828UF5	50,036	—	50,036
	U S TREASURY NOTES -912828UN8	127,114	—	127,114
	U S TREASURY NOTES -912828UN8	10,169	—	10,169
	U S TREASURY NOTES -912828UN8	25,423	—	25,423
	U S TREASURY NOTES -912828UN8	111,860	—	111,860
	U S TREASURY NOTES -912828UN8	5,085	—	5,085
	U S TREASURY NOTES -912828UN8	25,423	—	25,423
	U S TREASURY NOTES -912828UN8	8,135	—	8,135
	U S TREASURY NOTES -912828UN8	17,287	—	17,287
	U S TREASURY NOTES -912828UN8	76,268	—	76,268
	U S TREASURY NOTES -912828UN8	25,423	—	25,423
	U S TREASURY NOTES -912828UN8	101,691	—	101,691

Schedule 2

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)

Individual Deposit and Investment Account Balances

June 30, 2019

Account	Type of account name of asset	Bank balance	Reconciling items	Book balance
	U S TREASURY NOTES -912828UN8	\$ 50,845	—	50,845
	U S TREASURY NOTES -912828UN8	228,804	—	228,804
	U S TREASURY NOTES -912828UN8	203,382	—	203,382
	U S TREASURY NOTES -912828UN8	254,227	—	254,227
	U S TREASURY NOTES -912828UN8	152,536	—	152,536
	U S TREASURY NOTES -912828UN8	101,691	—	101,691
	U S TREASURY NOTES -912828UV0	39,849	—	39,849
	U S TREASURY NOTES -912828UV0	236,108	—	236,108
	U S TREASURY NOTES -912828UV0	24,906	—	24,906
	U S TREASURY NOTES -912828UV0	20,921	—	20,921
	U S TREASURY NOTES -912828UV0	4,981	—	4,981
	U S TREASURY NOTES -912828UV0	126,522	—	126,522
	U S TREASURY NOTES -912828UV0	9,962	—	9,962
	U S TREASURY NOTES -912828UV0	124,530	—	124,530
	U S TREASURY NOTES -912828UV0	4,981	—	4,981
	U S TREASURY NOTES -912828UV0	74,718	—	74,718
	U S TREASURY NOTES -912828UV0	49,812	—	49,812
	U S TREASURY NOTES -912828UV0	164,379	—	164,379
	U S TREASURY NOTES -912828UV0	99,624	—	99,624
	U S TREASURY NOTES -912828UV0	59,774	—	59,774
	U S TREASURY NOTES -912828UV0	54,793	—	54,793
	U S TREASURY NOTES -912828V80	257,751	—	257,751
	U S TREASURY NOTES -912828V80	257,751	—	257,751
	U S TREASURY NOTES -912828VF4	4,977	—	4,977
	U S TREASURY NOTES -912828VF4	19,907	—	19,907
	U S TREASURY NOTES -912828VF4	29,860	—	29,860
	U S TREASURY NOTES -912828VF4	29,860	—	29,860
	U S TREASURY NOTES -912828VF4	338,418	—	338,418
	U S TREASURY NOTES -912828VF4	398,139	—	398,139
	U S TREASURY NOTES -912828VF4	174,186	—	174,186
	Total government bonds	21,153,320	—	21,153,320
	Municipal bonds:			
	Oregon St. Dept-68607VS89	100,350	—	100,350
	State of Fl. St. Board of Admin-341271AA2	30,323	—	30,323
	State of Fl. St. Board of Admin-341271AB0	76,605	—	76,605
	State of Fl. St. Board of Admin-341271AB0	51,070	—	51,070
	State of Florida Board-341271AA2	30,323	—	30,323
	State of Florida Board-341271AA2	80,860	—	80,860
	State of Florida Board-341271AA2	10,108	—	10,108
	State of Florida Board-341271AB0	5,107	—	5,107
	State of Florida Board-341271AB0	25,535	—	25,535
	State of Florida Board-341271AB0	122,569	—	122,569
	UNIV. PITTSBURGH PA-914805ER3	125,869	—	125,869
	UNIV. PITTSBURGH PA-914805ER3	75,522	—	75,522
	Total municipal bonds	734,241	—	734,241
	Total investments	\$ 27,301,308	—	27,301,308

See accompanying independent auditors' report.

Schedule 3

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Indigent Care Cost and Funding Report

	Year ended June 30		
	2019	2018	2017
Funding for indigent care:			
State appropriations specified for indigent care	\$ —	—	—
County indigent funds received	—	—	—
Out of county indigent funds received	—	—	—
Payments and copayments received from uninsured patients qualifying for indigent care	9,705	68,632	92,063
Reimbursement received for services provided to patients qualifying for coverage under Emergency Medical Services for Aliens (EMSA)	673,698	671,557	910,222
Charitable contributions received from donors that are designated for funding indigent care	—	—	—
Other sources:			
Other source	—	—	—
Total funding for indigent care	<u>683,403</u>	<u>740,189</u>	<u>1,002,285</u>
Cost of providing indigent care:			
Total cost of care for providing services to:			
Uninsured patients qualifying for indigent care	2,112,328	2,141,602	1,301,748
Patients qualifying for coverage under EMSA	1,018,699	907,424	1,105,291
Cost of care related to patient portion of bill for insured patients qualifying for indigent care	1,948,994	1,553,492	1,209,680
Direct costs paid to other providers on behalf of patients qualifying for indigent care	—	—	—
Other costs of providing indigent care	—	—	—
Total cost of providing indigent care	<u>5,080,021</u>	<u>4,602,518</u>	<u>3,616,719</u>
Excess (shortfall) of funding for charity care to cost of providing indigent care	<u>\$ (4,396,618)</u>	<u>(3,862,329)</u>	<u>(2,614,434)</u>
Patients receiving indigent care services (unaudited):			
Total number of patients receiving indigent care	11,358	11,687	11,631
Total number of patient encounters receiving indigent care	53,629	53,987	47,876

See accompanying independent auditors' report.

Schedule 4

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Calculations of Cost of Providing Indigent Care

	Year ended June 30		
	2019	2018	2017
Uninsured patients qualifying for indigent care:			
Charges for these patients	\$ 5,164,615	5,355,344	3,084,710
Ratio of cost to charges	40.9 %	40.0 %	42.2 %
Cost for uninsured patients qualifying for indigent care	<u>\$ 2,112,328</u>	<u>2,141,602</u>	<u>1,301,748</u>
Patients qualifying for coverage under EMSA:			
Charges for these patients	\$ 2,490,706	2,269,128	2,619,172
Ratio of cost to charges	40.9 %	40.0 %	42.2 %
Cost for patients qualifying for coverage under EMSA	<u>\$ 1,018,699</u>	<u>907,424</u>	<u>1,105,291</u>
Cost of care related to patient portion of bill for insured patients qualifying for indigent care:			
Indigent care adjustments for these patients	\$ 4,765,266	3,884,700	2,866,540
Ratio of cost to charges	40.9 %	40.0 %	42.2 %
Cost of care related to patient portion of bill for insured patients qualifying for indigent care	<u>\$ 1,948,994</u>	<u>1,553,492</u>	<u>1,209,680</u>
Direct costs paid to other providers on behalf of patients qualifying for indigent care:			
Payments to other providers for care of these patients	<u>\$ —</u>	<u>—</u>	<u>—</u>
	<u>\$ —</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.



KPMG LLP
Two Park Square, Suite 700
6565 Americas Parkway, N.E.
Albuquerque, NM 87110-8179

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*

The Board of Directors
UNM Medical Group, Inc. and
Mr. Brian Colón, New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of UNM Medical Group, Inc. (UNMMG), which comprise the statement of net position as of June 30, 2019, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UNMMG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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*.



We note certain matters that are required to be reported per Section 12-6-5 NMSA 1978, that we have described in the accompanying schedule of findings and responses as item 2019-001 and 2019-002.

UNMMG's Response to Findings

UNMMG's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. UNMMG's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 UNMMG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UNMMG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Albuquerque, New Mexico
December 10, 2019

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Summary of Audit Results
Fiscal year ended June 30, 2019

Type of auditor report issued: Unmodified opinion

Fiscal year 2019 findings and responses:

Material weaknesses: No matters to report

Significant deficiencies: No matters to report

Material noncompliance: No matters to report

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Schedule of Findings and Responses
Fiscal year ended June 30, 2019

Other Findings as Required by Section 12-6-5 NMSA 1978

2019-001. Related Party Transaction Policies and Procedures – Other Matter

2018-001. Repeated and Modified

Condition

In the 2018 audit, finding 2018-001 identified that the organization did not have specific written policies and procedures governing related party transactions, including associated internal controls. The finding identified that the organization should have written policies and procedures that address the topics in the “Criteria” section.

In 2019 the organization created and adopted written policies and procedures governing related party transactions. These policies and procedures were adopted in the latter half of fiscal year 2019, with the result that many related party transactions occurred prior to the policies and procedures taking full effect.

Criteria

Management should design, implement and maintain controls to:

- Identify, account for, and disclose related party relationships and transactions.
- Authorize and approve significant transactions and arrangements with related parties.

Effect

Because the policies and procedures were adopted in the latter half of the year, certain aspects of the policies and procedures were not fully implemented in fiscal year 2019. For example:

- We noted a difference in treatment and presentation of pass through transactions between UNM Hospital and UNMMG.

Cause

Written policies and procedures have been developed for related party transactions, but were enacted late in the fiscal year.

Recommendation

Many aspects of this fiscal year 2019 deficiency should be resolved because the policies and procedures will be in effect for the entire fiscal year 2020. As the implementation of these policies and procedures continues, we recommend that written documentation address how pass through transactions among entities should be accounted for.

Management Response

Management will address and continuously strive to improve the timely execution of related party agreements.

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Schedule of Findings and Responses
Fiscal year ended June 30, 2019

Other Findings as Required by Section 12-6-5 NMSA 1978

2019-002. User Access Review – Other Matter

2018-001. Repeated and Modified

Condition

In 2018, we identified that controls over user access were not operating effectively. In 2019, management adopted procedures to complete and document user account reviews. These policies and procedures were implemented in the latter half of the fiscal year and we noted the following:

- For the period of July 1, 2018 to May 29, 2019, user access reviews for the IDX system were not inclusive of the entire IDX population as only a portion of users are randomly selected for the annual review. The documentation of the review of the complete population of users was not maintained to evidence that the control process took place such that it could be re-performed.
- Seven terminated user retained active accounts in Lawson system as of the date of testwork. We verified that these employees did not record any activity in Lawson subsequent to their termination.
- One terminated user retained active accounts in the IDX system as of the date of testwork. We verified that this employee did not record any activity in IDX subsequent to their termination.

Criteria

The entity's system processes, records, and stores information that is vital to its daily operations and certain systems contain protected health information of its patients. It is critical that access to this system is properly maintained to prevent inappropriate transactions from occurring, data from being lost, and protected health information from being released. The entity has a formal policy to periodically review user access to ensure active employees have the proper level of access in the applicable systems, and that terminated employees have been timely deactivated. Based on industry standards, the appropriate disabling of access within IT systems would occur within a reasonable time, or five working days of termination.

Effect

There is an increased risk that a terminated or unauthorized employee has continued access to IT systems and the data contained therein subsequent to termination or change of employment terms or responsibilities, potentially resulting in a breach of data or protected health information.

Cause

The user access review process was not operating effectively and aspects of its performance could not be evidenced through documentation retained.

Recommendation

We recommend that the disabling of user access within IT systems should take place within a reasonable time, or five working days of termination of employment. Management should continue to enhance its review of user access, which should occur periodically during the year.

A departmental manager or individual responsible for the functional data should perform the review. Evidence of the performance of the review, including remedial action taken, should be maintained.

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Schedule of Findings and Responses
Fiscal year ended June 30, 2019

Management Response

At the time of the audit, IT was following two steps to terminate and control user access. First, upon receipt of a separation notice from HR, the user's IDX is terminated. Second, on an annual basis, a complete list of employees with active IDX accounts is distributed to department managers and supervisors; IDX accounts are then deactivated for employees identified as separated or who no longer require access to IDX.

Two additional procedures have since been added:

1. Each month IT receives a list of separated employees from HR, and from this list they review the Active Directory, IDX and OpenVMS accounts to ensure separated users no longer have access
2. On a monthly basis, IDX accounts with no activity for 90 days will be deactivated.

The root cause of the failure to disable the Lawson account noted in this finding was due to tasks closed by analysts who are not fully versed in the steps needed to inactivate Lawson accounts. A tracking query has been developed to identify and address this deficiency.

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)
Summary Schedule of Prior Audit Findings
Fiscal year ended June 30, 2019

Finding 2018-001. Related Party Transaction Policies and Procedures – Significant Deficiency

Current Status: Repeated and modified as finding 2019-001

Finding 2018-002. User Access Review - Other Matter

Current Status: Repeated and modified as finding 2019-002

UNM MEDICAL GROUP, INC.
(A Component Unit of the University of New Mexico)

Exit Conference

Fiscal year ended June 30, 2019

An exit conference was conducted on October 16, 2019 with a member of the board of directors and members of UNMMG management. During this meeting, the contents of this report were discussed with the following board members, management personnel, and KPMG LLP representatives present:

Dr. Robert Schenck	Chair – Department of Orthopedics
Chris Pacheco	Audit Committee Chair
Jill C. Klar	Chief Executive Officer
Marjorie Goldstein	Sr. Vice President & Chief Financial Officer
Jared Udall	Sr. Executive Director/Controller
Purvi Mody	Executive Director, Internal Audit
Dr. Robb McLean	Chief Medical Officer
Mary Swanson	Executive Director Finance
Arthur Culpepper, Ph.D.	HSC Chief Compliance Officer
Aubrey Hernandez	Internal Audit, UNM
Cory McDowell	Assistant University Counsel
Suzette Longfellow	Managing Director, KPMG LLP
Jaime Cavin	Managing Director, KPMG LLP
Ruth Senior	Senior Manager, KPMG LLP

**~~THIRD-FOURTH~~ AMENDED AND RESTATED BYLAWS
OF
UNM SANDOVAL REGIONAL MEDICAL CENTER, INC.**

**ARTICLE I:
NAME**

The name of the Corporation shall be:

UNM SANDOVAL REGIONAL MEDICAL CENTER, INC.

The Corporation has been formed as a nonprofit corporation under the New Mexico Nonprofit Corporation Act, N.M. STAT. ANN. § 53-8-1 *et seq.*, and the New Mexico University Research Park and Economic Development Act, N.M. STAT. ANN. § 21-28-1 *et seq.*

**ARTICLE II:
MEMBER AND MEMBERSHIP**

Section 1: **Members**. The Regents, as a body corporate, shall be the sole member (the “**Member**”) of the Corporation. The Regents shall have all the rights and privileges granted to it by the New Mexico Nonprofit Corporation Act, the University Research Park and Economic Development Act, the Articles of Incorporation, and these Bylaws.

Section 2: **Annual Meeting of the Member**. The Annual Meeting of the Member for the election of Directors, and for the transaction of such other business as properly shall come before the meeting, shall be held following the close of the fiscal year of the Corporation ~~and within sixty days of the delivery to the member of the Corporation’s final audit for such fiscal year as provided for under these Bylaws, but in no case later than December of each year.~~

Section 3: **Special Meetings**. Special Meetings of the Member shall be called at any time by the Regents. A Special Meeting may be requested by the President and/or the Chief Executive Officer of the Corporation or upon Resolution of the Board of Directors. Conduct of Special Meetings is in the sole discretion of the Member.

Section 4: **Place of Meetings**. All meetings of the Member shall be held at such places within the State of New Mexico as shall be specified in the respective notices of such meetings or waivers thereof.

Section 5: **Notice of Meetings**. Notice of the Annual Meeting and of every Special Meeting described hereinabove shall be served personally or by mail on the members of the Regents, not less than ten (10) days nor more than fifty (50) days before the meeting. All notices shall state the place, day and time where the meeting is to be held and notices of Special Meetings shall also state the purpose or purposes for which the meeting is called. If mailed, such notice shall be directed to each Regent at the address of each Regent as it appears on the books or records of the Corporation. Additionally, notice is deemed given if made by electronic communication.

The Member, as a body corporate, may waive notice of a meeting by executing and filing in the corporate records a written waiver of notice. The attendance of any Regent at any meeting shall constitute a waiver of notice of the meeting, except where a Regent attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6: **Action of Members Without a Meeting**. Any action required or permitted to be taken at a meeting of the Member, or any action which may be taken at a meeting of the Member, may be taken without a meeting if a consent in writing, setting forth the action is signed by the Member.

ARTICLE III: BOARD OF DIRECTORS

Section 1: **Management**. The affairs and the property of the Corporation shall be managed by the Board of Directors (the "**Board**"). The Directors shall act only as a Board, and individual Directors shall have no power as such.

Section 2: **Annual Meeting**. The Annual Meeting of the Board for the election of Officers (as hereinafter defined) and for the transaction of such other business as properly shall come before the meeting shall be held as soon as practicable following the Annual Meeting of the Member; provided, however, that an organizational meeting of the Board, for the election of Officers and transaction of other business, may be held after the first appointment of the voting Directors enumerated in Article III, Section 8(a) – (g) of these Bylaws. Such Annual Meeting of the Board shall be a general meeting and open for the transaction of any business within the powers of the Board without special notice of such business, except in any case where special notice is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 3: **Regular Meetings**. Regular Meetings of the Board shall be held at least quarterly at such places within the State of New Mexico as shall be specified by the Board of Directors, one of which shall be designated as the Annual Meeting. Such Regular Meetings shall be general meetings and open for the transaction of any business within the powers of the Board without special notice of such business, except

in any case where special notice is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 4: **Special Meetings**. Special Meetings of the Board shall be called at any time by the Secretary upon the request of the President and/or the Chief Executive Officer of the Corporation or no less than one-quarter of the Directors then in office.

Section 5: **Place of Meetings**. All meetings of the Board shall be held at such places within the State of New Mexico as shall be specified in the respective notices of such meetings or waivers thereof.

Section 6: **Notice of Meetings**. Notice of every Annual or Regular Meeting of the Board shall be served personally or by mail on each Director not less than ten (10) days nor more than fifty (50) days before the meeting. Notice of every Special Meeting shall be served personally or by mail on each Director not less than three (3) days before the meeting. Notices or waivers of notice do not need to state the purpose or purposes for which the meeting is called, but shall state the time and place of the meeting. If mailed, such notices shall be directed to each Director entitled to notice at his or her address as it appears on the books or records of the Corporation. Additionally, notice is deemed given if made by electronic communication.

A Director may waive notice of a meeting by executing and filing in the corporate records a written waiver of notice. The attendance at any meeting shall constitute a waiver of notice of the meeting, except where a member attends for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 7: **Quorum**. At all meetings of the Board of Directors the presence of a majority of the Directors then in office shall be necessary and sufficient to constitute a quorum, and except as otherwise provided by law or by these Bylaws, the act of a majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board.

Section 8: **Number, Composition, and Election of Board of Directors**. The Corporation shall have not less than three (3) nor more than eleven (11) Directors, as determined by the Member by resolution (each a "**Director**" and collectively, the "**Directors**"). Pursuant to the requirements of the University Research Park and Economic Development Act, the Member, by and through the Regents, will appoint all

Directors. The Directors shall include the following individuals, who shall be voting Directors:¹

(a) The Chief Executive Officer for the UNM Health System (the “Health System CEO”);

(b) The Dean of the UNM School of Medicine (“UNM SOM”) or an individual nominated by the Dean of the UNM SOM to serve on his or her behalf (the “Dean of the UNM SOM or Nominee”);

(c) The Vice Chancellor for Clinical Affairs of the UNM Health Sciences Center;

(d) At least thirty (30) days prior to the Annual Meeting of the Member, Board of Trustees of UNM Hospitals may nominate one individual to serve as a Director, subject to the Member’s Conflict of Interest policies; the Member shall consider such nominee at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as a Director of the Corporation; provided, however, that, in the event that the Member finds a nominee unacceptable, the Board of Trustees of UNM Hospitals shall nominate another individual for the Member’s consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Non-Positional Director vacancy, the Regents find such nominees unacceptable, then the Regents may select and appoint an individual who is independent and not a faculty member of the UNM to serve as a Director of the Corporation;

(e) At least thirty (30) days prior to the Annual Meeting of the Member, the Board of County Commissioners of Sandoval County (the “Sandoval County Commission”) may nominate one individual to serve as a Director, subject to the Member’s Conflict of Interest policies; the Member shall consider such nominee at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as a

¹ In these Bylaws, the Directors appointed by virtue of their positions as described in Section 8(a) through (c) and (f) hereinabove shall be referred to individually as a “Positional Director,” and, collectively, as the “Positional Directors.” Additionally, in these Bylaws, the Directors appointed as described in Section 8(d), (e), and (g) shall be referred to individually as a “Non-Positional Director” and, collectively, as the “Non-Positional Directors.” With respect to the Positional Directors, it is acknowledged that the job titles associated with such Positional Directors may change over time and, therefore, it is intended that the successor job title to the current, specified job title shall be deemed to apply to such Positional Directors without the necessity of amending these Bylaws.

Director of the Corporation; provided, however, that, in the event that the Member finds a nominee unacceptable, the Sandoval County Commission shall nominate another individual for the Member's consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Non-Positional Director vacancy, the Regents find such nominees unacceptable, then the Regents may select and appoint an individual who is independent and not a faculty member of the UNM to serve as a Director of the Corporation;

(f) The then sitting Chief of the Medical Staff of UNM Sandoval Regional Medical Center duly elected by the active medical staff of the same; and

(g) At least thirty (30) days prior to the Annual Meeting of the Member, the members of the Board shall nominate three (3) individuals who are residents of Sandoval County, New Mexico and who are **not** employees of the Corporation, the University of New Mexico, the University of New Mexico Hospital, UNM Medical Group, Inc. or Sandoval County, New Mexico to serve as Directors, subject to the Member's Conflict of Interest policies; the Member shall consider such nominee at the Annual Meeting and, if acceptable to the Member, may, upon a majority vote of the Regents, appoint such individuals to serve as Directors of the Corporation; provided, however, that, in the event that the Member finds any of the nominees unacceptable, the Board shall nominate another individual who meets the qualifications identified in this Section 8(g) for the Member's consideration at a Special Meeting of the Member and, if such substitute nominee is acceptable to the Member, may, upon a majority vote of the Regents, appoint such individual to serve as a Director; provided, further, however, that if after two (2) consecutive rounds of any such nomination with respect to a particular Non-Positional Director vacancy, the Regents find such nominees unacceptable, then the Regents may select and appoint an individual(s) who meets the qualifications identified in this Section 8(g) to serve as a Director of the Corporation.

Section 9: **Vacancy**. Except as otherwise provided in this Section 9, any vacancies occurring among the Directors shall be filled by the Member at a Special Meeting. A vacancy shall occur upon the death or incapacity of a Director, or his or her resignation or removal as hereinafter provided. Subject to the provisions of Section 11 hereinbelow, each Positional Director shall continue as a Director only for so long as such individual occupies the position qualifying him/her for said appointment or until his/her earlier death or resignation. A vacancy shall be filled for the remainder of the unexpired term of the Director whose death, incapacity, resignation or removal gave rise to the vacancy.

Section 10: **Term of Office of Directors.** The Initial Directors named in the Articles of Incorporation shall serve until the voting Directors enumerated in Article III, Section 8(a) - (g) of these Bylaws shall have been first appointed by the Member and qualified. The Directors shall be divided into three classes, designated Class A, Class B, and Class C. Each class shall consist of one-third of the Directors or as close an approximation as possible. In this connection, one of the Non-Positional Directors shall serve as a Class B Director and one of the Non-Positional Directors shall serve as a Class C Director. The Health System CEO shall serve as a Class B Director, Dean of the UNM SOM or Nominee shall serve as a Class A Director, and the Vice Chancellor for Clinical Affairs of the UNM Health Sciences Center; shall serve as a Class A Director. The remaining Directors shall be divided into the three (3) classes in as close an approximation to one-third as possible. The initial term of office of the Directors of Class A shall expire at the annual meeting to be held following the end of fiscal year 2010, the initial term of office of the Directors of Class B shall expire at the annual meeting to be held following the end of fiscal year 2011, and the initial term of office of the Directors of Class C shall expire at the annual meeting to be held following the end of fiscal year 2012. After the initial terms specified above for each Class of Director, Directors shall serve for a term of not more than three (3) years from and after their election by the Regents and may be reelected for any number of terms. All Directors shall serve in their respective offices until their successors are appointed and qualified.

Section 11: **Resignation and Removal of Directors.** Any Non-Positional Director may be removed by a majority vote of the Regents at any time with or without cause and with or without notice at a meeting of the Member. Any Non-Positional Director may resign at any time upon providing written notice to the Chairman of the Board and to the Member.

With respect to the Positional Directors, each such Positional Director may be removed by a majority vote of the Regents for good cause with prior written notice to such Positional Director. In this connection, "good cause" shall mean:

(a) The failure of such Positional Director to continue in the position giving rise to such Positional Director's appointment as a Director as set forth in Sections 8 and 9 of this Article;

(b) The inability of such Positional Director to substantially perform his/her material duties as a Director by failing to attend three (3) consecutive Regular Meetings of the Board;

(c) Willfully engaging in illegal conduct or gross misconduct, which is materially and demonstrably injurious to the Corporation. For purposes of this provision, no act or failure to act on the part of such Positional Director shall be

considered "willful" unless it is done in bad faith or without reasonable belief that such Positional Director's action or omission was in the best interests of the Company.

With respect to the Director serving as a result of Section 8(f) (the "Chief of the Medical Staff"), if at any time during his or her term as the Medical Staff Chief Director, the Medical Staff Chief Director shall for any reason cease to be the Chief of the Medical Staff of the UNM Sandoval Regional Medical Center or a member of the active medical staff of the UNM Sandoval Regional Medical Center, such fact shall be considered to be a "deemed resignation" from the Board of Directors of the Corporation.

Section 12: Compensation and Expense Reimbursement. The Directors shall not receive compensation for their services as Directors but the Board may authorize reimbursement for reasonable and necessary expenses incurred by Directors in connection with the performance of their duties in accordance with policies to be established by the Board.

Section 13: Indemnification.

(a) Any person made a party to any action, suit or proceeding by reason of the fact that he or she, his/her testator or intestate, is or was a Director, Officer or employee of the Corporation, or of any corporation which he or she served as such at the request of the Corporation, shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with the defense of such action, suit or proceeding, civil or criminal, in which he or she is made a party by reason of being or having been a Director or Officer. The indemnification may include any amounts paid to satisfy a judgment or to compromise or settle a claim, or incurred in connection with any appeal of any such action, suit or proceeding. A Director, Officer or employee shall not be indemnified in relation to matters as to which it shall be adjudged in such action, suit or proceeding on the basis that he or she has breached or failed to perform the duties of his or her office and the breach or failure to perform constitutes willful misconduct or recklessness. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any such Director, Officer, or employee may be entitled as a matter of law.

(b) Expenses incurred in defending any action or proceeding for which indemnification is required pursuant to this Section 13 following authorization thereof by the Board shall be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be

determined that the indemnified party is not entitled to be indemnified as authorized in this Section 13.

(c) The indemnification provided by this Section 13 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent that additional rights to indemnification are authorized in the Articles of Incorporation.

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the New Mexico Non-Profit Corporation Act or the New Mexico University Research Part and Economic Development Act.

Section 14: **Action Without A Meeting.** Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board, or of any Committee thereof, may be taken without a meeting if all members of the Board or Committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board or Committee. Written consents representing actions taken by the Board or Committee may be executed by telex, telecopy, a software which allows for electronic signatures and has an appropriate authentication system, or facsimile transmission, where such facsimile shall be valid and binding to the same extent as if it were an original.

Section 15: **Telephonic Meetings.** Unless otherwise restricted by the Articles of Incorporation or these Bylaws, members of the Board of Directors, or any Committee, may participate in a meeting of the Board, or any Committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

ARTICLE IV: OFFICERS

Section 1: **Number of Officers.** The Officers of the Corporation shall be a Chairman of the Board, a President and Chief Executive Officer, one or more Vice-Presidents, a Secretary, and a Chief Financial Officer (together with the additional officers appointed pursuant to Section 3 below, shall be referred to individually as an “**Officer**” and collectively, as the “**Officers**”). One person may hold two of the aforesaid offices. With the exception of the Chairman of the Board, Officers need not be Directors.

Section 2: **Election of Officers.** Except for those Officers serving by virtue of their position (the “**Ex-Officio Officers**”), the Officers shall be elected annually at each Annual Meeting of the Board by a plurality of the votes cast and may succeed themselves in office. Except for the Ex-Officio Officers, each person elected as an Officer shall continue in office until the next Annual Meeting after his or her election, or until his or her successor shall have been duly elected and qualified, or until his earlier death, resignation or removal in accordance with these Bylaws. Except for Ex-Officio Officers, vacancies of Officers caused by death, incapacity, resignation, removal, or increase in the number of Officers may be filled by a majority vote of the Board at a Special Meeting called for that purpose or at any regular meeting. As to the Ex-Officio Officers, any Ex-Officio Officer may be removed from his/her office for “good cause” as defined in Section 11 of Article III of these Bylaws.

Section 3: **Additional Officers.** The Board, at any meeting may by resolution appoint such additional Officers and such agents and employees as it may deem advisable. The Board may delegate to the Officers in Sections 5 and 6, the power to appoint subordinate Officers (other than the Officers identified in Sections 6, 8, and 9 of this Article) or agents and to determine their terms of office. Any such appointments will be reported at the subsequent Board meeting.

Section 4: **Removal of Officers.** Except for the Ex Officio Officers, any Officer may be removed at any time with or without cause and with or without notice, by a vote of the majority of the Board at any meeting of the Board.

Section 5: **Chairperson of the Board.** The Chairperson of the Board shall be elected from among the Directors; provided, however, that in all cases, the Chairperson of the Board shall be the Health System CEO. The Chairperson of the Board shall preside at all meetings of the Members of the Board and shall have such other powers and duties as may be assigned to him or her from time to time by the Board or as prescribed by these Bylaws.

Section 6: **President and Chief Executive Officer.** The President and Chief Executive Officer shall have general supervision over the affairs and property of the Corporation and over its several Officers, and shall generally do and perform all acts incident to the office of the President and Chief Executive Officer, and shall have such

additional powers and duties as may from time to time be assigned to him/her by the Board. When authorized by the Board, the President and Chief Executive Officer may sign and execute, in the name of the Corporation, deeds, mortgages, promissory notes, security agreements, pledge agreements, financing statements, bonds, contracts or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Corporation.

Section 7: **The Vice-Presidents.** The Board may elect one or more Vice-Presidents. At the request of the President and Chief Executive Officer, or in his or her absence or disability, the Vice-Presidents, in the order designated by the Board, shall perform all the duties of the President and Chief Executive Officer and, when so acting, shall have all the powers and be subject to all the restrictions upon the President and Chief Executive Officer. When authorized by the Board, any Vice-President may also sign and execute, in the name of the Corporation, deeds, mortgages, bonds, contracts, or other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws to some other Officer or agent of the Corporation. The Vice-Presidents shall perform such other duties as from time to time may be assigned to them by the Board and/or by the President and Chief Executive Officer, as the case may be.

Section 8: **Chief Financial Officer.** The Chief Financial Officer shall report to the President and Chief Executive Officer and shall have charge and custody of, and be responsible for, all the funds of the Corporation and shall keep or cause to be kept and shall be responsible for the keeping of accurate records of the assets, liabilities and transactions of the Corporation. He/she shall deposit all moneys and other valuable effects of the Corporation in the name of and to the credit of the Corporation in accordance with accounting procedures approved by the Board, consistent with the policies of the UNM, in such banks, trust companies, or other depositories as may be approved by the Board. He/she shall disburse the funds of the Corporation based upon proper vouchers for such disbursements. In general, he shall perform all the duties incident to the office of Chief Financial Officer and such other duties as may from time to time be assigned to him or her by the Board. If required by the Board, the Chief Financial Officer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine. The expense of such bond shall be paid by the Corporation.

Section 9: **Secretary.** The Board shall elect a Secretary who shall report to the President and Chief Executive Officer and act as Secretary of, and keep the Minutes of all meetings of the Board and of the Member in one or more books provided for that purpose; and whenever required by the President and Chief Executive Officer shall perform like duties for any Committee, provided that in the absence of the Secretary, the Member or a majority of the Directors present at any meeting thereof may designate

any person to act as Secretary for such meeting. The Secretary shall see that all notices are duly given in accordance with these Bylaws and as required by law; he or she shall be custodian of the Seal of the Corporation and shall affix and attest the Seal to any and all documents specifically or generally authorized by the Board to be executed on behalf of the Corporation under its Seal. He shall have charge of the books, records and papers of the Corporation relating to its organization as a Corporation, and shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent that the same are to be kept or filed by the Chief Financial Officer. In general, he or she shall perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned to him or her by the Board and by the President and Chief Executive Officer.

ARTICLE V: COMMITTEES

Section 1: **Executive Committee**. A majority of the initial Directors set forth in the Articles of Incorporation, present at a meeting of the Board at which there is a quorum may initially appoint an Executive Committee to serve during the interim until the first Annual Meeting of the Board, and thereafter, the Executive Committee shall be appointed annually at the Annual Meeting of the Board by a majority of the Directors present at a meeting of the Board at which there is a quorum. The Executive Committee shall consist of the Chairman of the Board and at least three (3) members of the Board elected by the majority members of the Board, one of which must be a community Board member. Vacancies in members of the Committee may be filled by a majority of the Directors present at a meeting of the Board at which there is a quorum. Except for those members serving on the Executive Committee by virtue of their office, any member of the Executive Committee may be removed from membership on said Committee at any time with or without cause by a vote of the majority of the Directors present at any meeting of the Board at which there is a quorum, but only upon the recommendation of the Chairman of the Board.

The Executive Committee shall, during the intervals between meetings of the Board, possess and exercise all of the powers of the Board in the management of the affairs and property of the Corporation (i.e., medical staff matters), except that the Executive Committee may not take or possess the authority to take any of the actions proscribed in Section 7 of this Article. The presence of a majority of the members of the Executive Committee shall be necessary and sufficient to constitute a quorum, and the act of a majority of the members of the Executive Committee present at a meeting at which there is a quorum shall be the act of the Executive Committee. The Executive Committee shall keep full and fair records and accounts of its proceedings and transactions. All actions by the Executive Committee shall be reported to the Board at its next meeting succeeding such action and shall be subject to revision and alteration

by the Board, provided that no rights of third persons shall be affected by any revisions or alteration.

Section 2: **Finance/Strategic Planning Committee**. A majority of the whole Board may appoint a Finance/Strategic Planning Committee consisting of at least three (3) Directors (one of which shall be the then sitting Chief of the Medical Staff of UNM Sandoval Regional Medical Center) and such Committee shall recommend or determine the form, time, and manner in which funds of the Corporation shall be invested, as such majority shall authorize. The Board shall enact rules and regulations for governance of the Finance/Strategic Planning Committee and shall report to the Board as the Board shall require.

Section 3: **Audit and Compliance Committee**. A majority of the whole Board will appoint an Audit and Compliance Committee consisting of at least three (3) Directors, (two of which shall be Non-Positional Directors and one of which shall be a Positional Director) appointed pursuant to Section 8(a) through (g) of Article III. The basic purpose and responsibility of the Audit and Compliance Committee shall be to advise and assist the Board in fulfilling its responsibilities to the Corporation and the Member in connection with monitoring the integrity of this Corporation's financial statements, financial and accounting practices, internal controls, business ethics, and compliance with laws, regulations, and policies that may have a material impact on the financial statements of the Corporation. In this connection, the Audit and Compliance Committee will review and assess the qualitative aspects of financial reporting, the Corporation's processes to manage business and financial risk, and compliance with significant applicable legal, ethical, and regulatory requirements. The Audit and Compliance Committee shall, when necessary, work in collaboration with the Internal Audit Department of the Member and shall report to the Board as the Board shall require and to Audit Committee of the Regents as the Regents may require.

Section 4: **Other Committees**. A majority of the Directors present at a meeting of the Board at which there is a quorum may from time to time, by Resolution, create such other Committees of Directors, Officers, or other faculty members or employees, with such functions, powers, and duties as the Board shall determine. The Board shall enact rules and regulations for the governance and authority of any such Committee; provided, however, that any Committee appointed pursuant to this Section which is not comprised of all Directors shall not have the power of the Board.

Section 5: **Minutes of Committees**. Each Committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required. All actions by any Committee formed as provided in this Article V, other than the actions by the Audit Committee, shall be reported to Executive Committee of the Board at its next meeting succeeding such action and shall be subject to revision and alteration by the Executive Committee of the Board and ultimately, the Board.

Section 6: **Meetings and Action of Committees.** Meetings and actions of Committees shall be governed by, and held and taken in accordance with, the provisions of Section 5 of Article III (place of meetings), Section 15 of Article III (by telephone), Section 6 of Article III (notice and waiver of notice), Section 7 of Article III (quorum), and Section 14 of Article III (action without a meeting) of these Bylaws, with such changes in the context of such provisions as are necessary to substitute the Committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of Committees may be determined either by resolution of the Board of Directors or by resolution of the Committee, that Special Meetings of Committees may also be called by resolution of the Board of Directors and that notice of Special Meetings of Committees shall also be given to all alternate members, who shall have the right to attend all meetings of the Committee. With the exception of the Audit Committee, the Board of Directors may adopt rules for the governance of any Committee not inconsistent with the provisions of these Bylaws.

Section 7. **Limitations of Powers of Committees.** None of the Committees of the Board created as provided in this Article V shall have the power or authority to (a) amend, alter or repeal these Bylaws, (b) elect, appoint or remove any member of any Committee or any Director or Officer of the Corporation, (c) amend the Articles of Incorporation, restate the Articles of Incorporation, adopt a plan of merger, or adopt a plan of consolidation with another corporation, (d) authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation, (e) authorize the voluntary dissolution of the Corporation or revoke proceedings thereof, (f) adopt a plan for the distribution of the assets of the Corporation, (g) amend, alter or repeal any resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by a Committee, or (h) as otherwise provided by law, these Bylaws or by resolution of the Board. The presence of a majority of the members of any such Committee formed by the Board as provided in this Article V shall be necessary and sufficient to constitute a quorum, and the act of a majority of the members of any such Committee present at a meeting at which there is a quorum shall be the act of such Committee.

ARTICLE VI:
AUDIT

An annual audit of unlimited scope of all of the operations of the Corporation shall be conducted by a Certified Public Accountant, and a copy of that audit report and any support documents requested shall be made available to the Member, the President of the University, the Vice-President for Finance and Administration of the University, the Health System CEO, the Dean of the UNM SOM, the Audit Committee of the Regents, and the New Mexico Public Regulation Commission.

ARTICLE VII:
MISCELLANEOUS PROVISIONS

Section 1: **Offices**. The Board may establish, from time to time, one or more offices of the Corporation at any place or places within the State of New Mexico, and may maintain such office or offices for such period or periods of time as it may deem expedient.

Section 2: **Fiscal Year-End**. The Fiscal Year of the Corporation shall end on June 30 in each year.

Section 3: **Commercial Paper**. All checks, drafts and other orders for the payment of money out of the funds of the Corporation shall be executed on behalf of the Corporation by such Officer or Officers, or employee or employees, as the Board may, by Resolution, from time to time determine.

Section 4: **Deposits**. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust company or other depositories as the Board may from time to time select or as may be selected by any Officer or employee of the Corporation to whom such power may from time to time be delegated by the Board; and for the purpose of such deposit, any Officer or any employee to whom such power may be delegated by the Board may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the Corporation.

ARTICLE VIII:
SEAL

The Corporation shall have no corporate seal.

ARTICLE IX:
AMENDMENT OF BYLAWS

The Bylaws may be amended by the Board of Directors at any Annual, Quarterly, or Special Meeting. Directors shall be entitled to at least ten (10) days' notice in writing by mail, or in person of the meeting time and place at which the amendment is to be voted upon. The written notice must include a copy of the proposed amendment. No amendment to the Bylaws shall be effective until approved by the Regents. These Bylaws may also be amended in whole or in part by formal action of the Regents acting as the Member.

We certify that the original Bylaws of the Corporation were adopted by the Board of Directors on September 30, 2009, and approved by the Regents on August 11, 2009 and the above and foregoing ~~Third-Fourth~~ Amended and Restated Bylaws of the Corporation were ~~adopted by the Board of Directors on October 25, 2017, and~~ approved by the Regents on ~~February 18~~, ~~2017~~2020, and ~~adopted and executed by the Board of Directors on February __, 2020.~~

Chairman of the Board

Secretary

APPROVED BY THE REGENTS OF THE
UNIVERSITY OF NEW MEXICO ON
_____, ~~2017~~2020

President of the Board of Regents of the
University of the New Mexico



UNM Sandoval Regional Medical Center, Inc. Audit results

Financial statements for the year ended June 30, 2019

December 19, 2019

Introduction

To the Board of Directors of UNM Sandoval Regional Medical Center, Inc.

We are pleased to have the opportunity to meet with you on December 19, 2019 to discuss the results of our audit of the financial statements of UNM Sandoval Regional Medical Center, Inc. (the Medical Center) as of and for the year ended June 30, 2019. Our audit was conducted in accordance with the terms established in the audit engagement letter dated June 12, 2019. We received the OK-to-Print letter from the NM State Auditor on December 3, 2019 and issued the reports on December 10, 2019.

We met with the Audit Committee on October 9, 2019 and presented the audit results in detail at that time. This presentation is a summary of the items discussed with the Audit Committee, updated for certain events that occurred between the date of our meeting with the Audit Committee and today.

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This presentation to the Board of Directors is intended solely for the information and use of the Board of Directors and management and use of the Board of Directors and management and is not intended for general use, circulation, or publication and should not be published, circulated, reproduced or used for any purpose without our prior written permission in each specific instance.



Audit results, required communications, and other matters summary

Communication topic	Response
Scope of audit	Our audit of the financial statements of the Medical Center as of and for the year ended June 30, 2019 was performed in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.
Changes to our planned risk assessment and planned audit strategy	There were no significant changes to our planned risk assessment and planned audit strategy presented to you on April 22, 2019.
Auditors' report	We issued an unqualified opinion on the financial statements of the Medical Center. Consistent with prior years, the opinion contains other matters paragraphs related to required supplementary information, supplementary and other information, and other reporting required by Government Auditing Standards. We also issued a compliance letter related to the Medical Center's debt agreement with the Secretary of Housing and Urban Development.
Significant accounting policies	<p>Significant accounting policies and practices relate to:</p> <ul style="list-style-type: none"> Accounting policies and estimates <ul style="list-style-type: none"> Allowance for uncollectible accounts and contractual adjustments Estimated third-party settlements Related-party transactions Debt covenant compliance NM State Audit Rule compliance

Audit results, required communications, and other matters summary (continued)

Communication topic	Response
Significant accounting estimates	Significant accounting estimates relate to: <ul style="list-style-type: none"> • Allowance for uncollectible accounts and contractual adjustments • Estimated third-party settlements
Significant risks and other significant audit matters	Significant risks and other significant audit matters relate to: <ul style="list-style-type: none"> • Allowance for uncollectible accounts and contractual adjustments (significant risk) • Management override of controls (significant risk) • Estimated third-party settlements and other third-party liabilities (other matter) • Related party transactions (other matter) • Debt covenant compliance (significant accounting policy) • New Mexico State Audit Rule compliance (significant accounting policy)
New accounting pronouncements	The Medical Center adopted GASB Statement No. 83, <i>Certain Asset Retirement Obligations</i> , and GASB Statement No. 88, <i>Certain Disclosures Related to Debt</i> , in fiscal year 2019. The adoption of these standards had no material impact on the financial statements.
Control deficiencies	Refer to slide 7 for further details pertaining to the control deficiencies identified.
Related parties	Refer to slide 7 for further details pertaining to the control deficiency identified over related party transactions.

Audit results, required communications, and other matters summary (continued)

Communication topic	Response															
Uncorrected misstatements	<p>Uncorrected misstatements pertained to the following:</p> <ul style="list-style-type: none">• Bond interest payable is recorded on a cash basis rather than an accrual basis (non-GAAP policy)• Adjustment for final 2016 DSH Audit Survey Results received in late November 2019 <p>The financial statement captions below provide the absolute understatement/(overstatement) amount of the uncorrected misstatement, and the percentage of the balance constituted by that misstatement:</p> <table><tr><th>Financial Statement Caption</th><th>\$ (millions)</th><th>%</th></tr><tr><td>Interest payable bonds</td><td>\$0.3</td><td>10.6%</td></tr><tr><td>Interest on bonds</td><td>(\$0.3)</td><td>5.2%</td></tr><tr><td>Estimated third party settlements (liability)</td><td>\$0.9</td><td>29.4%</td></tr><tr><td>Net patient service revenue</td><td>(\$0.9)</td><td>1.1%</td></tr></table>	Financial Statement Caption	\$ (millions)	%	Interest payable bonds	\$0.3	10.6%	Interest on bonds	(\$0.3)	5.2%	Estimated third party settlements (liability)	\$0.9	29.4%	Net patient service revenue	(\$0.9)	1.1%
Financial Statement Caption	\$ (millions)	%														
Interest payable bonds	\$0.3	10.6%														
Interest on bonds	(\$0.3)	5.2%														
Estimated third party settlements (liability)	\$0.9	29.4%														
Net patient service revenue	(\$0.9)	1.1%														
Corrected misstatements	No matters to report															
Financial presentation and disclosure omissions	No matters to report															

Audit results, required communications, and other matters summary (continued)

Communication topic	Response
Illegal acts or fraud	No actual or suspected fraud involving management, employees with significant roles in internal control, or instances where fraud results in a material misstatement in the financial statements were identified during the audit.
Noncompliance with laws and regulations	No matters to report
Going concern	No matters to report
Non-GAAP	The Medical Center records bond interest payable on a cash basis rather than on an accrual basis. See passed adjustment related to this non-GAAP policy on slide 4.
Subsequent events	No matters to report
Group audit considerations	No matters to report
Other findings or issues	No matters to report

Communication topic	Response
Significant difficulties encountered during the audit	No matters to report
Disagreements with management	No matters to report
Significant findings or issues discussed, or the subject of correspondence, with management	No matters to report
Management's consultation with other accountants	No matters to report
Material written communications	Engagement letter and management representation letter distributed under separate cover

Internal control related matters

KPMG responsibilities

- The purpose of our audit was to express an opinion on the financial statements.
- Our audit included consideration of internal control over financial reporting 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 internal control.
- We are not expressing an opinion on the effectiveness of internal control.
- Our consideration of internal control was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Material weakness

A deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable. Reasonably possible is defined as the chance of the future event or events occurring is more than remote but less than likely. Probable is defined as the future event or events are likely to occur.

Significant deficiency

A deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Other matters deficiencies

All other deficiencies in ICFR or in the New Mexico State Audit Rule compliance tests are required to be reported as “other matter” findings in accordance with the New Mexico State Audit Rule.

Description	Potential effects	Status
<i>Related party transaction policies and procedures</i>	<p><i>In 2019 the Medical Center created and adopted written policies and procedures governing related party transactions. Because the policies and procedures were adopted in the latter half of the year, certain aspects of the policies and procedures were not fully implemented in fiscal year 2019. For example:</i></p> <ul style="list-style-type: none"> <i>We identified a related party agreement between University of New Mexico Hospital and the Medical Center that was not timely approved in fiscal year 2019 and was only finalized in late September 2019.</i> 	<i>Management addressing</i>
<i>Charity care</i>	<i>Of the five charity care samples we tested during the fiscal year 2019 audit, we identified one patient charge adjustment that was incorrectly coded to charity care rather than to allowance for contractual adjustments. The Medical Center had inappropriately classified the allowance for this patient charge as being related to charity care, which could result in an overstatement of charity care.</i>	<i>Management addressing</i>

Independence

In our professional judgment, we are independent with respect to the Medical Center as that term is defined by the professional standards.

KPMG maintains a comprehensive system of quality controls designed to maintain our independence and to comply with regulatory and professional requirements.

- Pre-approval of all worldwide engagements by the audit engagement team through Sentinel, a KPMG independence and conflict checking system (includes services for/relationships with the audit client, its affiliates, and its affiliated persons)
- Tracking partner rotation requirements using PRS, the firm's automated partner rotation tracking system
- Automated investment tracking system used by all KPMG member firms (KICS)
- Training and awareness programs, including a required annual independence training deployed globally
- Annual independence confirmation required for all partners and employees and for all new joiners to the firm
- Compliance testing programs
- Formal disciplinary policy and process
- Annual reporting to the Audit Committee regarding independence



Questions?

For additional information and Audit Committee resources, including National Audit Committee Peer Exchange series, a Quarterly webcast, and suggested publications, please visit KPMG's Audit Committee Institute (ACI) at www.kpmg.com/ACI.

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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

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**UNM Hospital Board of Trustees
Recommendation to HSC Committee
January 2020**

Approval

Ownership

Huron Consulting Services LLC
550 West Van Buren Street
Chicago, IL 60607

Source of Funds: UNM Hospitals Operating Budget

Requested action: As required by Section 7 of the Board or Regents Policy Manual, consent item approval is requested. For the project described below, UNM Hospitals requests the following actions, with action requested upon requisite sequential approval and recommendation by any and all committees and bodies:

- Board of Trustee Finance Committee approval of and recommendations of approval to the UNMH Board of Trustees.
- UNMH Board of Trustees approval of and recommendation of approval to the UNM Board of Regents HSC Committee.
- UNM Board of Regents HSC Committee approval and recommendations of approval to the UNM Board of Regents.
- UNM Board of Regents approval.

Description: Request approval to amend the current engagement letter with Huron Consulting to add additional programs designed to assist the UNM Health System in improving clinical faculty and physician satisfaction and efficiency and improving access to care and satisfaction for UNMHS's patients and customers. The work with Huron will focus on:

1. Governance and Accountability
2. Access Optimization and Standardization
3. EMR/Cerner Optimization
4. Leadership Development
5. Physician Engagement and Resilience

During the initial part of the engagement, Huron will be embedded, driving the activities and deliverables set forth in the scope, while ramping up the Health System's internal team to move towards sustainability and continued rollout by the internal team for the remainder of the engagement.

Projected Contract Cost: \$12,580,000

Process: Sole Source, posting concluded January 2020 with no protests



Ad Hoc Governance Committee

Information Item:

Update on the work of the Committee

(No pre-meeting documents are provided for this item.)



Audit & Compliance Committee

Information Item:

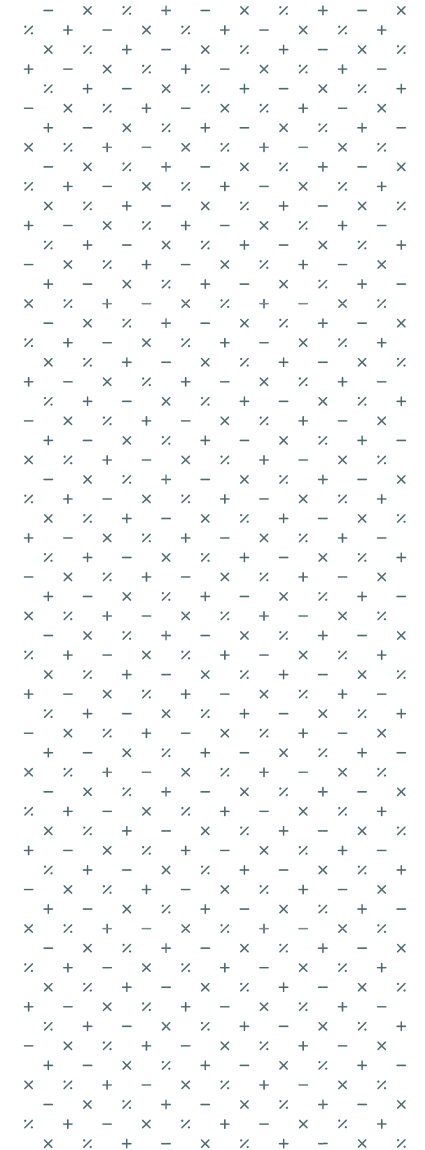
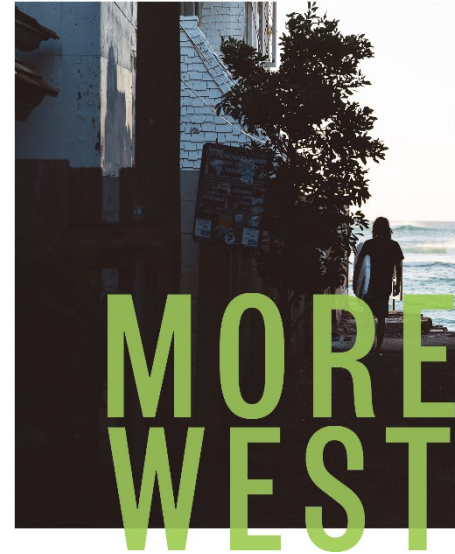
*Presentation of the FY19 University Consolidated
Financial Statements External Audit Report*

Link to the report: <https://fsd.unm.edu/resources/audrep19.pdf>



2019 Audit Results

Better Together: Moss Adams & University of New Mexico





Agenda

1. Auditors' Role
2. Summary of Audits
3. Auditor Opinions and Reports
4. Communication with Those Charged with Governance
5. Other Information



Auditor's Role

Roles of Moss Adams and KPMG

Moss Adams is responsible for:

UNM main campus and branches financial statement audit— Single Audit of Federal Expenditures – entity-wide— for all non-clinical component units and departments— The Moss Adams reports on consolidated financials and internal controls refer to portions clinical operations that are audited by KPMG.

KPMG is responsible for:

UNM Clinical Operations (UNM Hospital, UNM Behavioral Operations, UNM Medical Group, and SRMC)

Financial Statement Audits – Audits performed in accordance with:

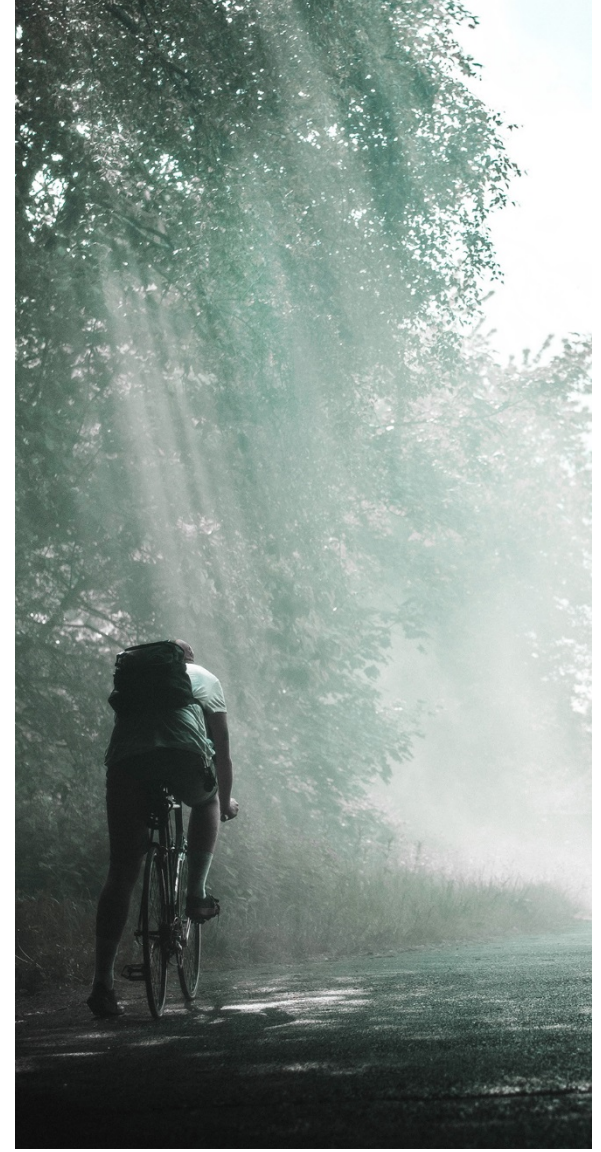
- Generally Accepted Auditing Standards
- Government Auditing Standards
- New Mexico State Auditor Rule 2.2.2 NMAC

Federal Grant Compliance Audit – audits of federal grants performed in accordance with OMB Uniform Guidance (Single Audit)

- Major programs tested: Research and Development – Various CFDA; Medicaid Cluster – CFDA 93.778; Higher Education Institutional Aid – CFDA 84.031



Summary of Audits





Auditor Opinions & Reports



Unmodified Opinion

Financial statements are presented fairly and in accordance with US GAAP (pg. 3)

Unmodified Opinion

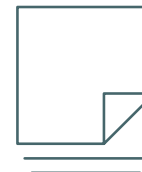
GAGAS Report on Internal Control Over Financial Reporting and on Compliance and Other Matters (pg. 154)
(GAGAS reports issued at the component levels vary from the consolidated report)

Unmodified Opinion

Report on Compliance with Requirements that could have a Direct and Material Effect on the Major Federal Programs and on Internal Control Over Compliance in accordance with the Uniform Guidance for Federal Awards (2 CFR Part 200) (pg. 156)



Prior Year Audit Findings (summary on pg. 161)



Finding 2018-001. Related Party Transaction Policies and Procedures – UNM Hospital, UNM Behavioral Health Operations, Sandoval Regional Medical Center, and UNM Medical Group – Significant Deficiency

Current Status: Modified and repeated as 2019-003.

Finding 2018-002. Financial Close and Reporting – Innovate ABQ, Inc. – Finding that Does Not Rise to the Level of a Significant Deficiency at the Institution Level – Significant Deficiency at the Individual Component Unit Level

Current Status: Resolved

Finding 2018-003. Account Analysis and Review Control – UNM Hospital – Finding that Does Not Rise to the Level of a Significant Deficiency at the Institution Level – Significant Deficiency at the UNM Hospital Level

Current Status: Resolved

Finding 2018-004. User Access Review (Modified and repeated – 2017-001) – UNM Hospital, UNM Behavioral Health Operations, and UNM Medical Group – Finding that Does Not Rise to the Level of a Significant Deficiency

Current Status: Modified and repeated as 2019-004.



2019 Audit Findings- Financial Statement and Compliance



Basic financial statements (pg. 159) - None

Federal Award Findings and Questioned Costs (pg. 160) – None



2019 Audit - Section 12-6-5 NMSA 1978 Findings



2019-001. General Ledger Reconciliation/Financial Close and Reporting Process – UNM Lobo Club – Finding that Does Not Rise to the Level of a Significant Deficiency at the Institution Level –Material Weakness in Internal Controls at the Individual Component Unit Level (p. 162)

During our test work over the Due to University of New Mexico balance we noted a material variance of \$322,932, between what was recorded on the Lobo Club books and the confirmation received from UNM. We noted \$100,000 related to scholarship accruals and \$222,932 related to Sports Enhancement Fund budget overages for various sports programs. The requests for payment were received by Lobo Club on June 30, 2019 and were subsequently paid on July 2, 2019, however, the payment requests were not properly accrued as of June 30, 2019.



2019 Audit - Section 12-6-5 NMSA 1978 Findings



2019-002. Financial Close and Reporting – Lobo Development Corporation – Finding that Does Not Rise to the Level of a Significant Deficiency at the Institution Level – Material Weakness at the Individual Component Unit Level – (p. 163)

During our audit, we noted that during the fiscal year ended June 30, 2019, Lobo Development received an insurance check in the amount of \$269,143 for smoke damage at a building that they own and lease to UNM. Lobo Development booked this check as revenue; however, they did not incur expenses to remove the smoke damage to the building. Building repairs were paid for by UNM. This required an audit adjustment to reclassify the \$269,143 from revenue to a due to UNM.



2019 Audit - Section 12-6-5 NMSA 1978 Findings



2019-003. Related Party Transaction Policies and Procedures (Modified and repeated – 2018-001) – UNM Hospital, UNM Behavioral Health Operations, Sandoval Regional Medical Center, and UNM Medical Group – Control Deficiency – Finding that Does Not Rise to the Level of a Significant Deficiency (pg. 164)

In the 2018 audit, finding 2018-001 identified that the organizations did not have specific written policies and procedures governing related party transactions, including associated internal controls. The finding identified that the organizations should have written policies and procedures that address the topics in the “Criteria” section, and such policies and procedures should incorporate expectations about documentation standards for timeliness of related party agreements.

In 2019 the organizations created and adopted written policies and procedures governing related party transactions. These policies and procedures were adopted in the latter half of fiscal year 2019, with the result that many related party transactions occurred prior to the policies and procedures taking full effect. The findings provided to each entity describe specific examples of areas for continued attention.



2019 Audit - Section 12-6-5 NMSA 1978 Findings



2019-004. User Access Review (Modified and repeated – 2017-001 and 2018-004) – UNM Hospital, UNM Behavioral Health Operations, and UNM Medical Group – Control Deficiency – Finding that Does Not Rise to the Level of a Significant Deficiency (pg. 165)

In 2018 and 2017, we identified that controls over user access reviews are not operating effectively. In 2019, management adopted procedures to do an annual 100% account review for non-elevated accounts. These policies and procedures were implemented in the latter half of the fiscal year, and we noted in 2019 the controls over user access reviews were not operating sufficiently throughout the year. We verified that the small number of employees whose access was not removed timely did not access the Lawson system subsequent to their termination.

2019-005. Charity Care – Sandoval Regional Medical Center – Finding that Does Not Rise to the Level of a Significant Deficiency (pg. 166)

Of the five charity care samples we tested during the fiscal year 2019 audit, we identified one patient charge adjustment that was incorrectly coded to charity care rather than to allowance for contractual adjustments.



Summary of Audit Results, continued



NM State Audit Rule (NMAC 2.2.2) Testwork

No deficiencies were noted in our samples selected for testwork

Other Supplemental Testwork

- P-Card controls and compliance
- Intercompany Eliminations
- Indigent Care schedules
- Related Party Transactions (clinical operations)
 - Testing approach
 - Summarized accounting and auditing literature for related party transactions
 - Inquired of management regarding policies and controls for related party transactions
 - Inquired of CFO's and controllers about transactions recorded during the year
 - Statistical sampled related party transactions for each clinical entity under audit and tested the transactions had supporting agreement, timely signed, and properly accounted and/or disclosure. See finding 2019-003

Other Matters

- UNM Hospital and SRMC – Debt Covenant Compliance



Contact Us



Moss Adams – Main Campus and Non-Clinical Operations:

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505-837-7653
- Scott Simpson, Concurring Partner
- Chris Noyes and Sujana Bhandari, Managers
(UNM financial statement audit)
- Katie Durham, Manager (UNM Single Audit)
- Sheila Herrera, Senior Manager
(STC.UNM, Lobo Development, Lobo Energy, KNME, KUNM, and NCAA)
- Corrine Zajac-Clarkson, Manager
(UNM Foundation, Anderson Schools of Management Foundation, Innovate ABQ, Alumni Association)

KPMG–Clinical Operations (UNM Hospital, UNM Behavioral Health, UNM Medical Group, SRMC):

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- Jaime Cavin, Managing Director
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THANK
YOU



UNIVERSITY WIDE RISK ASSESSMENT

Presenters

Victor Griego	Interim Director	Internal Audit Department
Francie Cordova	Interim Chief Compliance Officer	UNM Compliance Office
Rob Burford	Compliance Director	UNM Compliance Office
Purvi Mody	Executive Director	HSC Health Systems
Arthur Culpepper	Chief Compliance Officer	HSC Compliance Program



PURPOSE

- UNM's Internal Audit and Compliance Programs are performing a joint risk assessment through gathering information from University colleges, schools, branches, departments, and programs, and operations areas to develop work plans
- Collaborative efforts will prevent duplication, while increasing effectiveness and efficiency
- The Risk Assessment will spotlight various levels of risks:
 - Institutional risks (IT, Strategic)
 - Department/unit level risks (operational, compliance, and financial)

RISK ASSESSMENT PROCESS

- Each unit in the University-Wide risk assessment will receive a questionnaire through Opinio (Opinio is a software developed by UNM)
- Internal Audit, UNM and HSC Compliance Programs will use their chosen methodology for developing work plans
- Work plan development will include, but not limited to:
 - Discussion with various university officials, senior leadership, and Board Members
 - Development of heat maps
 - Individual work plans will be presented to Audit and Compliance Committee for feedback/approval



QUESTIONNAIRE

- Department of Institutional Analytics will provide best practice and guidance methods in questionnaire development, distribution, and data analysis
- A customized questionnaire will be distributed to each segment of the University:
 - Main campus, branches, and affiliated organizations
 - Health Sciences Center (HSC)
 - UNMH, UNMMG & SRMC (Health System)

TIMELINE

- University-Wide questionnaire will be distributed in April 2020
- A customized letter will be sent ahead of the questionnaire launch, to increase likelihood of staff participation and completion
- Individualized risk assessment reports and work plans will be presented to Audit and Compliance Committee at August scheduled meeting
- Health System and HSC Compliance risk Assessment reports and work plans also presented to applicable Committees and Boards

QUESTIONS?



MULTI-MEDIA RIGHTS MANAGEMENT AND SALES AGREEMENT

This MMR Management and Sales Agreement (“**Agreement**”) is made and entered into as of the Effective Date, by and between the Regents of the University New Mexico, a constituent institution of the State of New Mexico, specifically for the Department of Athletics (hereinafter referred to as “**UNM**”) and OUTFRONT Media Sports, Inc., a Delaware Corporation (hereinafter referred to as “**OUTFRONT**”).

RECITALS

WHEREAS, University maintains and operates an athletics program which includes each and every varsity sport and other intercollegiate sports and activities in which University participates;

WHEREAS, UNM owns various intellectual property rights including its various trademarks and logos, as well as multi-media and sponsorship rights such as audio and video content distribution rights, digital and social media rights, facility naming rights, print programs, corporate sponsorships, signage, event marketing and related publications, fan data, promotions, events, activities, and broadcasts pertaining to UNM and wishes to arrange for the marketing and merchandising of such rights and other similar activities; and

WHEREAS, these multi-media rights are being licensed to OUTFRONT pursuant to RFP-2108-19 (“Request for Proposal”) and OUTFRONT’s response to Request for Proposal.

WHEREAS, OUTFRONT is in the business of and possesses experience in merchandising, promoting, management and marketing of sports properties, and in commercially disseminating traditional and digital content of athletic events; and

NOW, THEREFORE, in further consideration of the obligations and covenants to be kept and performed by the parties hereto, UNM and OUTFRONT agree as follows:

1.0 Definitions:

1.1 “**Agreement Year**” or “**Fiscal Year**” shall mean from July 1, 2019 through June 30, 2020, and from July 1 through June 30 of each succeeding year of this Agreement.

1.2 “**Athletics Department**” shall mean the department of University that manages and operates University’s intercollegiate athletics program, which participates in Mountain West Conference and NCAA sanctioned events.

1.3 “**Athletics Events**” shall mean all UNM intercollegiate athletic activities held in competition and practice Athletics Facilities as well as such other athletic related events

related to the merchandising, promoting and marketing by the Athletics Department of University Athletics Program.

1.4 **“Athletics Facilities”** shall mean any building or structure on the UNM campus in which Home Games are played or other Athletics Events are ordinarily conducted by the Athletics Department.

1.5 **“Athletics Teams”** shall mean the teams of UNM that participate in intercollegiate athletics programs.

1.6 **“Applicable Privacy and Data Security Laws”** shall mean: (i) all privacy, security, and data protection laws, rules, and regulations of any applicable jurisdiction (including, without limitation, the United States, the State of New Mexico and the European Union), (ii) generally accepted industry standards and practices with respect to privacy, security and data protection including but not limited to the collection, processing, storage, protection and disclosure of personal information, and (iii) the applicable privacy policies and agreements of UNM, OUTFRONT and any third party from whom such data is received.

1.7 **“Dedicated Staff”** shall mean those employees and contractors of OUTFRONT whose sole roles and responsibilities are to service and support the fulfillment of this Agreement.

1.8 **“Effective Date”** shall mean the date this Agreement is executed by both parties and a fully executed original is delivered to each party.

1.9 **“Gross Revenue”** shall mean all income and revenues of any nature or kind including but not limited to consideration or payment to OUTFRONT in the form of cash actually collected by OUTFRONT which are paid to or for the benefit of OUTFRONT whether paid to OUTFRONT timely, in advance, or in arrears, or are credited to any account of OUTFRONT during the Term arising pursuant to or with respect to any rights granted by or pursuant to authority granted by UNM under this Agreement in any Agreement Year, less only New Mexico Gross Receipts tax if any. Gross Revenue shall not be reduced by any commissions other than by actual advertising commission paid to bona fide third-party agencies neither owned by nor otherwise affiliated with OUTFRONT, its managers, members, parents, subsidiaries or the corporate affiliates of any of them, not to exceed fifteen percent (15%).

1.10 **“Licensed Marks”** shall mean trademarks and brands of UNM.

1.11 **“Net Revenue”** shall mean Gross Revenue minus Property Operating Expenses.

1.12 **“Property Operating Budget”** shall mean a detailed line item budget prepared by OUTFRONT in consultation with UNM within a time period mutually agreed upon between both parties in advance of the start of each Agreement Year.

1.13 **“Property Operating Expenses”** shall mean those expenses as detailed in the Property Operating Budget that shall be deducted from Gross Revenue for the purpose of calculating Net Revenue.

1.14 **“Term”** shall mean the number of years in which this agreement is in effect, including any extensions, outlined in section 4.0.

2.0 Grant of Rights: UNM hereby grants to OUTFRONT the exclusive right to manage, distribute, and monetize those multimedia and sponsorship rights and privileges outlined in Exhibit A and other similar rights developed throughout the term of the Agreement. OUTFRONT shall have the right to enter into direct agreements with sponsors and media partners (“Sponsorship Agreements”) and shall be assigned the rights to all Existing Sponsorship Agreements that extend beyond the Fiscal Year prior to the Effective Date (“Long Term Sponsorship Agreements”) as set forth in Exhibit B attached hereto, including the right to collect revenue in connection therewith. OUTFRONT shall invoice and collect all cash revenues from those agreements.

3.0 Scope of Services: OUTFRONT shall implement and deliver a comprehensive and quality content distribution and marketing program and shall create opportunities at various levels of marketing rights and sponsorships in order to maximize Gross Revenue. UNM will be responsible for the implementation and execution of all customary media relations and marketing support services, to include but not limited to all in-venue event marketing and promotional programs; the production of in-venue content, digital signage and graphics; social media and mobile application content production, and advertising and marketing initiatives tied to Athletics Teams and Events. UNM and OUTFRONT will collaborate on the implementation and execution of all sponsorship fulfillment and integration into customary media and marketing platforms. All services under the Agreement must be performed and delivered in compliance with all United States and New Mexico law and applicable NCAA, Mountain West, and UNM rules and regulations, and OUTFRONT must ensure that all of its employees and agents are adequately instructed and knowledgeable of the applicable rules and regulations, provided that UNM has provided OUTFRONT with such rules and regulations in advance of OUTFRONT’s performance of services. OUTFRONT represents that it shall exercise all rights and perform all obligations hereunder in accordance with all applicable laws, rules, regulations and industry standards, including, without limitation, all published policies of UNM (found at <https://policy.unm.edu/>); all published rules, regulations and bylaws of the National Collegiate Athletic Association (“NCAA”); and Applicable Privacy and Data Security Laws. UNM prohibits any use of its mark in any publicity efforts, notices, releases, statements, or publications without its prior written approval; such approval not to be unreasonably approved, conditioned or delayed.

4.0 Contract Term:

4.1 **Term.** The initial Term of this Agreement shall be for ten (10) years beginning as of July 1, 2019, and ending June 30, 2029 unless terminated at an earlier date as provided herein. OUTFRONT shall have the right, at its sole discretion, to extend the Term for an additional two

(2) years (through June 30, 2031) by providing written notice to UNM no later than September 1, 2027.

4.2 Exclusive Negotiation Period. OUTFRONT shall have an exclusive right to negotiate an extension to this agreement. The negotiation period shall be for six months, commencing on April 1 of the year prior to the expiring contract year and ending on October 1 of the expiring contract year.

4.3 Reversion of Rights. Upon the expiration or earlier termination of this Agreement, all of the rights licensed or granted to OUTFRONT under this Agreement shall terminate and immediately revert back to and vest with UNM.

5.0 Financial Terms:

5.1 Capital Investment. OUTFRONT agrees to invest a total of \$650,000 in new assets and programs that generate incremental Gross or Net Revenue over the first three Fiscal Years of the Agreement.

5.2 Program Investment. OUTFRONT agrees to pay UNM a one-time program investment of \$750,000; \$375,000 payable within thirty (30) days of the execution of this Agreement and \$375,000 payable on May 1, 2020.

5.3 Net Revenue Share. In addition to the capital investment and program investment set forth above, OUTFRONT shall also pay to UNM 85% of Net Revenue during each Agreement Year. Net Revenue Share payments are due to UNM within 15 days of the Agreement Year's End of Year Reconciliation, including the Agreement Year in which this Agreement terminates. OUTFRONT shall provide quarterly forecasts to UNM throughout each Agreement Year.

5.4 Net Revenue Share Guarantee. Starting with Fiscal Year 2022, OUTFRONT shall guarantee UNM at a minimum 50% of UNM's actual NET REVENUE SHARE distribution in the prior Fiscal Year. Payments to UNM shall be made quarterly and due on September 1, December 1, March 1 and May 1 of each Agreement Year. For the purpose of clarity and by example, if UNM's NET REVENUE SHARE was \$3,400,000 in Fiscal Year 2021, then OUTFRONT would guarantee UNM \$1,700,000 in Net Revenue Share in Fiscal Year 2022. Four (4) payments of \$425,000 each per the schedule above would be made to UNM by OUTFRONT in Fiscal Year 2022; with that amount netted out of UNM's Actual NET REVENUE SHARE during the End of Year Reconciliation.

6.0 Property Operating Expenses: OUTFRONT will be responsible for paying all Property Operating Expenses and for providing all management oversight, reporting and accounting functions. OUTFRONT and UNM will work together to develop a detailed Property Operating Budget in advance of the start of each Agreement Year tied directly to the fulfillment of this Agreement and to maximizing the value of each expenditure to drive Gross and Net

Revenue. The Property Operating Budget shall include (1) OUTFRONT recoup of the Program Investment amortized over the Term at zero interest; (2) OUTFRONT recoup of any Capital Investments made pursuant to 5.1 amortized over the Term (or remaining Term for investments made after year one of the Agreement) at zero interest; (3) Dedicated Staff costs, including recruiting costs, salaries, commissions and benefits at a 27% rate; (4) an allocation for OUTFRONT business operations and sales creative services support; (5) Sales and Marketing costs, to include Dedicated Staff travel, entertainment, gifts and sales materials; (6) an allocation for OUTFRONT Senior Management travel and entertainment; (7) an allocation for OUTFRONT corporate overhead support costs (Finance, In-House Legal, Insurance); (8) Production costs, to include radio clearances, talent, talent travel, television and video board production, and print and web production; (9) Fulfillment costs, to include signage, tickets, suites, hospitality, and other costs tied exclusively to the fulfillment of a Sponsorship Agreement; and (10) local office administrative support costs (office space, phone lines, parking, IT support, copier, office supplies, etc.) not to exceed \$10,000 per Agreement Year. A Property Operating Budget template including baseline OUTFRONT allocation assumptions are attached in Exhibit C. If the scope of work and services associated with those OUTFRONT allocations materially changes at the request of UNM or as mutually agreed between the parties, then OUTFRONT and UNM agree to work together to make the appropriate changes to the allocation amounts, however at no time will these allocations change without prior written notice and agreement between both parties.

7.0 Dedicated Staff Plan: OUTFRONT will recruit, hire, train and lead a Dedicated Staff (one General Manager, two to three Sales Executives, one Director of Client Services, one Account Executive of Client Services and various part-time, paid student interns and independent contractors) whose sole roles and responsibilities are to service and support the fulfillment of this Agreement. No member of the Dedicated Staff will be deemed to be an employee of UNM for any purpose, including without limitation remuneration, unemployment compensation, minimum wage laws, income tax withholding, and social security or for any other purpose. Duties performed by the Dedicated Staff or any other employee of OUTFRONT are not performed as employees, agents or representatives of UNM, but in performance of OUTFRONT'S obligations under this Agreement and are performed under OUTFRONT'S supervision. The UNM marketing, promotions and media relations staff will work closely with the Dedicated Staff in support of all media and content production services and in the fulfillment of all sponsorship agreements. UNM will provide appropriate office space within the Athletic Department for all Dedicated Staff (to include at a minimum private office space for the General Manager and one additional Dedicated Staff member) for OUTFRONT to fulfill the obligations of this Agreement.

8.0 End of Agreement Year Reconciliation: Within 60 Days of the end of each Agreement Year or on a date mutually agreed upon between the parties, OUTFRONT will provide UNM a complete end of year accounting of actual Gross Revenue, Property Operating Expenses,

a complete listing of current sponsorship agreements, Net Revenue and UNM's Net Revenue Share.

9.0 Trade / Value in Kind: OUTFRONT recognizes that an existing base of trade/value-in-kind agreements exist as detailed in Exhibit D that support ongoing UNM operations and programs and that may mitigate Property Operating Expenses. OUTFRONT and UNM agree to review the existing agreements to insure that maximum value is being realized in exchange for the assets being provided. OUTFRONT shall use commercially reasonable efforts to maintain the current Trade/Value-in-Kind deals that are estimated at \$350,000 in annual value (the "Current Trade Value"). OUTFRONT will secure new and pre-approved Trade/Value-in-Kind Agreements on behalf of UNM upon request and as mutually agreed upon. OUTFRONT shall receive a mutually agreed upon cash commission on all new Trade /Value-in-Kind agreements to the extent such new Trade/Value-in-Kind agreements bring the total value of all Trade/Value-in-Kind agreements above the Current Trade Value and the new Trade/Value-in-Kind agreements do not directly mitigate a budgeted Property Operating Expense. The specific terms of each trade, the specific supplier, the trade value of each trade and the amount counted towards a separate OUTFRONT cash commission shall be subject to the prior written approval of UNM. Prior to entering into any contract which would result in UNM or OUTFRONT receiving goods or services in-kind, OUTFRONT shall submit to UNM the material terms, including but not limited to the description of the goods or services, the quantity, and the estimated market value of each element of the proposed in-kind arrangement. UNM shall review the proposed arrangement and promptly advise OUTFRONT whether or not the proposal is acceptable. OUTFRONT agrees that the rejection or disapproval of a proposed in-kind arrangement by UNM shall not constitute a breach of this Agreement or an interference by UNM with the rights granted to OUTFRONT.

10.0 Intellectual Property. Pursuant to this Agreement, UNM is licensing to OUTFRONT, specified uses of the Licensed Marks as detailed in Exhibit E and certain other intellectual property and assets during the Term of this Agreement, as contemplated herein. UNM is licensing the Licensed Marks to OUTFRONT on a non-exclusive basis. Notwithstanding the foregoing, the parties acknowledge that OUTFRONT may use the Licensed Marks royalty free in connection with certain exclusive rights granted to OUTFRONT hereunder; to include granting the royalty free, non-exclusive use of the Licensed Marks to sponsors and media partners that have entered into Sponsorship Agreements. For the purpose of clarity, UNM agrees that OUTFRONT shall have the exclusive right to grant the use of Licensed Marks to corporations for use in any and all sponsorship, marketing and promotional programs. For the purpose of clarity, OUTFRONT acknowledges that UNM shall have the right to grant the use of Licensed Marks for consumer products to third parties through its licensing agency and OUTFRONT shall ensure that any sponsors and media partners utilize UNM's licensing agent and/or approved vendors when purchasing any promotional products bearing the Licensed Marks. UNM shall, in all cases, retain exclusive ownership of any and all such Licensed Marks and other intellectual property and assets, including any and all derivative property and assets developed during the Term of the Agreement. OUTFRONT hereby acknowledges UNM's ownership of the Licensed Marks and agrees to relinquish to UNM all licensed rights to any and all such intellectual property at the expiration or

termination of this Agreement. All uses of the Licensed Marks shall be subject to UNM policies and procedures regarding the protection and use of its trademarks. The Parties acknowledge that it may be necessary to revise the provisions of this Section in order to comply with changes to NCAA regulations from time to time and agree to cooperate in good faith to promptly negotiate required changes to maintain compliance with such regulations.

11.0 Equipment Failure. UNM will operate and maintain all video boards, signage and other equipment that are utilized on a day-to-day basis by the University (“Equipment”) required for OUTFRONT to fulfill upon the obligations of this Agreement during events related to the University Athletics Program. In the event that the Equipment is not functional during one or more events related to the University Athletics Program which occurrence results in a reduction in Gross Revenue, and such event is not due to the fault or negligence of OUTFRONT, then OUTFRONT may utilize the provisions of Section 12.0, which shall be OUTFRONT’s sole and exclusive remedy against UNM for any such failure to keep the Equipment functional as required above

12.0 Material Impairment to Rights: UNM and OUTFRONT agree that the terms and conditions of this Agreement are based upon (i) the availability of those assets and rights outlined in Exhibit A, (ii) the ability of both parties to work together to generate maximum value, Gross Revenue and Net Revenue from those rights, and (iii) the accuracy and assignability of the Long Term Sponsorship Agreements detailed in Exhibit B. In the event the accuracy of the information provided is proven to be materially invalid, then both parties agree to negotiate in good faith an equitable adjustment to the financial terms and conditions to reflect such changes. Examples of such events shall include the following.

12.1 If the MMR Rights inventory described herein is materially changed, or adversely and materially impacted by subsequently entered agreements which UNM must honor or by directives implemented by or affecting UNM. Notwithstanding the foregoing, nothing set forth in this Section 12.1 shall be deemed to allow UNM to enter into an agreement (i) with any third party that is competitive with OUTFRONT, or (ii) would have the effect of decreasing OUTFRONT’s rights granted hereunder without mutual written agreement of both parties.

12.2 If the sponsorship agreements detailed in Exhibit B are not contracted and/or collected.

12.3 If there is a change in “Restricted Sponsorship Categories.” A listing of any restricted categories in which OUTFRONT may not solicit and implement Sponsorship Agreements is outlined in **Exhibit F**. OUTFRONT may pursue sponsorship agreements in all other industries and categories.

12.4 If there shall occur any Material Adverse Publicity after the execution of this agreement. “Material Adverse Publicity” shall mean public attention or scandal in the form of television, print media, Internet news reports, or other public news reporting that arises from and relates to activities, conduct, investigations and/or situations affecting or relating to UNM or UNM’s programs and which public attention or scandal is of such a negative or adverse nature that

sponsors or potential sponsors considering sponsoring UNM are prompted to discontinue sponsorships or the pursuit of new or replacement sponsorships as a result of not wanting to be associated with the negative image or scandal; provided, however, that such Material Adverse Publicity must not have been directly caused by any act or omission of OUTFRONT or its employees or subcontractors. "Material Adverse Publicity" shall also mean public attention or scandal in the form of television, print media, Internet news reports, or other public news reporting that arises from and relates to activities, conduct, investigations and/or situations affecting or relating to OUTFRONT, or OUTFRONT's parents, subsidiaries or affiliates and which public attention or scandal is of such a negative or adverse nature that UNM's reputation is damaged by its association with OUTFRONT; provided, however, that such Material Adverse Publicity must not have been directly caused by any act or omission of UNM or its employees.

12.5 In the event of a major disaster, national emergency, or Act of God.

12.6 If there is a change in the schedule of Athletics Events which materially and adversely alters the marketable inventory described in this Agreement.

12.7 If a negative Net Revenue position occurs for two (2) consecutive Agreement years pursuant to 8.0.

Both parties further recognize that the aforementioned factors do not constitute an event of default by either party under this Agreement, but could result in a need for remedial changes in the Agreement including but not limited to a change in the UNM Share of Net Revenue or such other changes as are reasonably necessary and mutually agreed.

Accordingly, each party acknowledges and accepts an affirmative obligation, when so notified in writing by the other, to use reasonable good faith efforts to seek mutually beneficial solutions when a need for changes are indicated, provided, however, that in no event shall failure to reach mutually beneficial solutions constitute a default of this Agreement if both parties have used reasonable good faith efforts to seek mutually beneficial solutions when changes are indicated. To the extent that any such change requires an amendment to the Agreement, such amendment shall be in writing executed by the appropriate representative of each party hereto.

Failure of the parties to reach agreement with respect to these issues after reasonable good faith efforts will authorize either party to cancel this Agreement; provided, however, such cancellation shall require no less than six months' notice and may only result in cancellation on June 30 of any year of this Agreement. In the event that either party cancels this agreement in

accordance with the terms of this Section 12, OUTFRONT shall be entitled to the reimbursement payments set forth in Section 23.0 of this Agreement.

Both UNM and OUTFRONT agree to fulfill their respective obligations under this Agreement through the date of any renegotiation or termination of this Agreement under this Section 12.

All amendments to this Agreement whether for the purposes set forth above or otherwise must be in writing executed by both parties hereto.

13.0 Insurance Requirements:

13.1 During the term of this Agreement OUTFRONT shall procure and maintain insurance for its activities under this Agreement in the following types and amounts:

13.1.1 Commercial general liability insurance which insures against claims for bodily injury, personal injury, advertising injury, and property damage. Such insurance shall afford, at a minimum, the following limits:

Each Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury Liability	\$1,000,000

Any general aggregate limit shall apply on a per location basis, if aggregate limit is not per location basis, then they must be doubled (i.e. \$4,000,000). OUTFRONT's commercial general

liability insurance shall include UNM, its trustees, officers, directors, members, agents, and employees, as additional insured.

13.1.2 Business automobile liability insurance covering owned, hired and non-owned vehicles with \$1,000,000 combined single limit per occurrence

13.1.3 Employer's liability insurance in the amount of \$1,000,000.

13.1.4 Workers' compensation insurance in accordance with the laws of the state of New Mexico.

13.1.5 Umbrella/excess liability insurance, on an occurrence basis, that applies excess of the required commercial general liability, business automobile liability, and employer's liability policies with the following minimum limits:

Each Occurrence	\$3,000,000
Annual Aggregate	\$3,000,000

Umbrella/Excess liability policies shall contain an additional insured endorsement to follow form of underlying insurance coverage.

13.2 UNM shall be provided with a Certificate of Insurance evidencing the above required insurance at the time the policies are required to be obtained and thereafter with certificates evidencing renewals or replacements of said policies prior to the expiration or cancellation of any such policies.

13.3 OUTFRONT shall cause each policy carried by OUTFRONT to be written in a manner so as to provide that OUTFRONT's insurer waives any right to subrogation which such insurer may have against UNM in connection with any loss or damage covered by any such policy. OUTFRONT agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

13.4 OUTFRONT's insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-:VII, unless otherwise agreed by UNM.

14.0 UNM's Authorized Representatives: The only persons who are or will be authorized to speak or act for UNM in any way with respect to this Agreement are those whose positions or names that have been specifically designated in writing to OUTFRONT by the Administrator of this Agreement.

15.0 Changes to Agreement: No amendment of this Agreement will be effective unless it is reduced to writing and executed by an authorized representative of UNM and by the individual

signing this agreement for and on behalf of OUTFRONT or by other individuals named by either party as specified in the Section herein entitled "Notices."

16.0 Right of Audit: UNM, or an independent, certified accountant designated by UNM, shall have the option to audit all books, records and accounts of OUTFRONT directly pertaining to the Agreement and/or to OUTFRONT's compliance with its obligations under this Agreement (the "OUTFRONT Records"), including all past and current sponsorship agreements, at any time during the Term, but not to exceed three (3) audits within one Agreement Year; and for a period of two (2) years after expiration or termination of the Agreement or as required by applicable State or Federal law. Upon receipt of reasonable notice of not less than ten (10) business days, records shall be made available at OUTFRONT's place of business during normal working hours for this purpose. UNM, or its independent, certified accountant, shall not remove the original OUTFRONT records from OUTFRONT's office (but may make and retain copies as required for the performance of their work) and, to the extent permitted under applicable law shall keep all terms of OUTFRONT's records confidential. This confidentiality obligation shall survive the expiration or termination of this Agreement.

17.0 Assignment: Neither party to this Agreement will have the right to assign this Agreement in whole or in part without the prior written consent of the other. Such consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing OUTFRONT, upon providing UNM thirty (30) days' advance written notice, shall have the right to assign this Agreement to an entity that controls, is controlled by or under common control with OUTFRONT without obtaining consent from UNM.

18.0 Status of Parties:

18.1 Nothing in this Agreement shall be deemed to constitute either party, or any employee, agent or representative of either party, an employee, agent, or representative of the other party.

18.2 Nothing in this Agreement shall be deemed to confer any express or implied right, power, or authority to enter into any agreement or commitment, express or implied, or to incur any obligation or liability on behalf of the other party except as expressly set forth herein.

18.3 Nothing in this Agreement shall be deemed to make OUTFRONT an employee of UNM. OUTFRONT is engaged as an independent contractor. OUTFRONT will indemnify and hold harmless UNM and its employees and agents, with respect to all withholding, Social Security, unemployment compensation and all other taxes or amounts of any kind relating to OUTFRONT's employees in connection with the performance of this Agreement.

18.4 The parties acknowledge that because OUTFRONT is an independent contractor, OUTFRONT has the sole responsibility for its activities and operations in the execution and delivery of services outlined in this Agreement; provided, however, UNM reserves the right to be involved in the interview and decision making process of the Dedicated Staff that

OUTFRONT may hire to work solely on the UNM relationship for the purpose of protecting the name, goodwill and reputation of UNM.

19.0 Indemnification:

19.1 OUTFRONT shall, at its sole cost and expense, defend, indemnify and hold UNM each of its managers, officers, employees and agents ("UNM Indemnitees") harmless against any loss or damage (including attorneys' fees and disbursements, costs of investigations, litigation, settlement or judgment) incurred in connection with any demand, or any civil, criminal or investigative claim, action or proceeding asserted or threatened ("Claims") made or brought by any third party arising out of: (i) damage to property and injury to persons (including death) arising out of the negligence, willful misconduct or other legal fault of OUTFRONT and OUTFRONT's officers, contractors or subcontractors, employees, advertisers, corporate sponsors and agents in performing OUTFRONT's obligations or exercising OUTFRONT's rights pursuant to this Agreement, (ii) defamation, libel, slander, violation of rights of privacy or publicity or infringement of copyrights and trademarks arising out of any advertising or content supplied by OUTFRONT hereunder. Notwithstanding the foregoing, OUTFRONT shall have no obligation to indemnify UNM Indemnitees to the extent that any Claims arise out of or in connection with (i) the negligence or willful misconduct of any of the UNM Indemnitees; and/or (ii) OUTFRONT's authorized use of any data, content or Licensed Marks provided by UNM under this Agreement. UNM shall notify OUTFRONT in writing promptly upon learning of any Claim for which indemnification is due from UNM. UNM shall have the right to participate in such defense or settlement.

20.0 Notices: Any notice required or permitted to be given under this Agreement will be in writing and will be deemed duly given: (1) if delivered personally, when received; (2) if sent by recognized overnight courier service, on the date of the receipt provided by such courier service; or (3) if sent by registered or certified mail, postage prepaid, return receipt requested, on the date shown on the signed receipt. All such notices will be addressed to a party at such party's address or facsimile number as shown below.

If to UNM: The University of New Mexico Lobos
Athletic Director
Colleen J. Maloof Administration Building
1414 University Boulevard SE
Albuquerque, New Mexico 87106

If to OUTFRONT: OUTFRONT Media Sports Inc.
President
One Village Green Circle
Charlottesville, Virginia 22903

21.0 Governing Law; Venue: The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of New Mexico. Venue for any action brought under this Agreement shall lie exclusively in the state or federal courts located in the state of New Mexico.

22.0 Termination for Breach:

22.1 Default By OUTFRONT. The following action or events shall constitute an event of default or material breach of this Agreement by OUTFRONT. Notices of Default shall be sent by registered or certified mail, return receipt requested.

22.1.1 Failure of OUTFRONT to timely pay all or any installment of the OUTFRONT Guarantee and the continuation of such failure for a period of twenty (20) business days after written notice of such failure is given to OUTFRONT;

22.1.2 Failure of OUTFRONT to timely pay the Net Revenue Share and continuation of such failure for a period of twenty (20) business days after written notice of such failure is given to OUTFRONT;

22.1.3 Failure of OUTFRONT to deliver or to maintain throughout the Term the insurance coverage required by Section 10 hereof and continuation of such failure for a period of twenty (20) business days after written notice of such failure is given to OUTFRONT;

22.1.4 A voluntary petition in bankruptcy is filed by OUTFRONT or an involuntary petition is filed to place OUTFRONT in bankruptcy and the matter is not dismissed within ninety (90) calendar days of the filing;

22.1.5 OUTFRONT makes a general assignment for the benefit of its creditors, or takes the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for OUTFRONT.

22.1.6 Failure or refusal by OUTFRONT to observe or perform any material covenant, condition, or agreement on its part to be observed or performed under this Agreement for a period of thirty (30) calendar days after written notice is given to OUTFRONT by UNM specifying such failure and requesting that it be remedied; provided that there shall be no default or event of default, if within thirty (30) calendar days after the date such written notice of default is given, OUTFRONT institutes steps to effectuate compliance with this Agreement and proceeds diligently and continuously to effect compliance until the same is completed, and the same to be completed within a period of not more than sixty (60) calendar days

from the date of the notice or such other reasonable time period under the circumstances.

22.2 Failure to Cure. In the event of a default by OUTFRONT that is not cured timely, UNM may in its sole discretion, and in addition to all other rights and remedies herein or by law provided, terminate this Agreement by giving at least ten (10) business days' written notice to OUTFRONT by registered mail, return receipt requested, of the date on which the Agreement will terminate. Termination of this Agreement by UNM based on a default by OUTFRONT shall not prejudice or otherwise operate as a waiver of UNM's rights to (a) retain any portion of the OUTFRONT Guarantee received by UNM prior to termination of this Agreement; and (b) sue for, collect and retain any additional amounts due and owing as of the date of termination.

22.3 Default by UNM. The following action or events shall constitute an event of default or material breach of this Agreement by UNM. Notices of Default shall be sent by registered mail, return receipt requested.

22.3.1 Failure or refusal by UNM to observe or perform any covenant, condition, or agreement on its part to be observed or performed under this Agreement for a period of (i) ten (10) business days in the case of monetary default, and (ii) thirty (30) calendar days in the case of non-monetary default after written notice is given to UNM by OUTFRONT specifying such failure and requesting that it be remedied; provided that there shall be no default or event of default, if for any non-monetary default, for a period of thirty (30) calendar days after the date such written notice of default is given, UNM institutes steps to effectuate compliance with this Agreement and proceed diligently and continuously to effect compliance until the same is completed, and the same to be completed within a period of not more than sixty (60) calendar days from the date of the notice or such other reasonable time period under the circumstances.

22.4 Failure to Cure. In the event of a default by UNM that is not cured timely, OUTFRONT may, at its sole option, terminate this Agreement by giving at least ten (10) business days' written notice to UNM, by registered mail, return receipt requested, of the date on which the Agreement will terminate. Termination of this Agreement by OUTFRONT based on a default by UNM shall not prejudice or otherwise operate as a waiver of OUTFRONT's rights to (a) reimbursement for any Operating Expenses paid by OUTFRONT for the period extending beyond the date of termination of this Agreement; and (b) sue for, collect and retain any additional amounts due and owing as of the date of termination.

22.5 OUTFRONT's Rights. In the event of default by UNM, OUTFRONT shall have all rights and remedies provided herein and/or available to it at law or in equity.

22.6 Limitation of Damages. Except for (i) a party's breach of its confidentiality obligations hereunder; and/or (ii) a party's intentional acts exercised knowingly with intent to benefit, OUTFRONT and UNM hereby agree that no party shall have any liability to another for

indirect, incidental, punitive, special (including loss of profits, business or goodwill) or consequential damages arising from or related to this Agreement, whether or not liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, even if it is advised of the likelihood of such damages.

23.0 Effect of Termination or Expiration: Either termination or expiration of this Agreement, by lapse of time, early termination or otherwise, shall not modify the obligations of a party to be performed by it after such termination as provided by this Agreement. Upon termination, OUTFRONT shall deliver and assign to UNM all printed publications, all sponsorship, broadcasting, advertising, vendor and other written agreements which relate to any of the licenses, rights, properties and Licensed Marks of University; and OUTFRONT shall immediately and forever hereafter cease all uses of all of the Licensed Marks. Upon termination or expiration of this Agreement by OUTFRONT pursuant to subsection 12.0 (Material Impairment) or pursuant to subsection 22.3 (Default by UNM) above, or upon any termination of this Agreement by UNM of this Agreement other than pursuant to subsection 22.1 (Default by OUTFRONT), UNM shall pay OUTFRONT (i) the amount equal to the unamortized capital expenditures remaining on all Capital Investments made throughout the Term; (ii) the amount equal to the unamortized program investment paid by OUTFRONT; and (iii) an amount equal to 15% of the contracted Gross Revenue from contracted Sponsorship Agreements that extend beyond the termination date of this Agreement for the remaining terms of each of those Sponsorship Agreements

24.0 Confidentiality: Both parties acknowledge that in the negotiation and performance of this Agreement, confidential and proprietary information of each (the “**Disclosing Party**”) has been and will be made available to the other (the “**Receiving Party**”). The parties agree to use reasonable efforts to maintain the confidentiality of such material, but in no event lesser than was used with like material of the receiving party, and not to make any internal use of such material not required under this Agreement. Neither party will disclose the information to any third party without prior written authorization from the disclosing party, and will not use the information received by it, except to those of its employees, agents, and consultants whose duties justify the need for access to the information provided that such individuals are subject to obligations of secrecy and limited use commensurate in scope with this Agreement. Notwithstanding the foregoing, information disclosed shall not be deemed to be confidential if such information is (i) known to the general public, (ii) developed by the Receiving Party independently and without use of information required to be confidential hereunder, (iii) is disclosed to the Receiving Party by a third party who to the best knowledge of Receiving Party is under no obligation to keep such information confidential, or (iv) is required by law, or the order

of a court of law to be disclosed. The Parties acknowledge that UNM is a public entity and subject to the New Mexico Inspection of Public Records Act (N.M.S.A. 1978 §§ 14-2-1, *et seq.*).

25.0 Counterparts: This Agreement may be executed in multiple counterparts, each of which shall be declared an original.

IN WITNESS WHEREOF, UNM and OUTFRONT by their duly authorized representatives have executed this agreement on the dates indicated below their respective signatures.

OUTFRONT Media Sports Inc.

University of New Mexico

_____ (signature)

_____ (signature)

_____ (printed name)

_____ (printed name)

_____ (title)

_____ (title)

_____ (date)

_____ (date)

Exhibit A
UNM Multimedia and Sponsorship Rights and Privileges

1.0 Marketing Rights and Endorsements

Use of UNM Marks

OUTFRONT shall be granted the exclusive right to grant royalty-free use of Licensed Marks to entities for use in marketing and promotional programs, advertising campaigns, and retail promotions that are separate from the licensed sales of officially licensed product. Prior written approval is required from UNM for all use of Licensed Marks by OUTFRONT or its advertisers or sponsors. The production of all promotional goods bearing the Licensed Marks will be royalty free but must be produced by a licensed UNM vendor. These rights for promotional items are to be distributed free of charge and do not extend to items that are intended to be resold.

Endorsement Rights:

OUTFRONT will have exclusive right to grant corporations the use of any endorsement or official designation as it relates to UNM Athletics. These designations shall include, but not be limited to the following:

- “Proud Sponsor of University of New Mexico Athletics”
- “Proud Partner of University of New Mexico Athletics”
- “Official Sponsor of University of New Mexico Athletics:
- “Official {insert product category} of University of New Mexico Athletics”
- “Official Provider of University of New Mexico Athletics”
- “Official Supplier of University of New Mexico Athletics”
- “Proud Supporter of University of New Mexico Athletics”

For the purpose of clarity, University of New Mexico Athletics may be replaced with other designations that refer to the athletic teams of UNM, to include but not limited to: Lobo, Lobos, or any combination that links to a specific team; such as “Proud Sponsor of UNM Football.”

Coaches and Administrators Rights and Sponsorship Solicitation Support

OUTFRONT shall be granted the exclusive right to the name, likeness and image of all UNM coaches and administrators; subject to the terms and conditions of their individual employment agreements; for inclusion in corporate sponsorship agreements. UNM represents that it will not permit any UNM coach or administrator to enter into a corporate sponsorship agreement or any corporate relationship that implies or grants the use of the coach or administrator’s name, likeness, image or endorsement of any kind; to include advertising imagery where no official UNM marks are included, but the coach or administrator is represented in colors and/or settings whereby an implied relationship with UNM is made.

Subject to the time constraints inherent in their roles as coaches and administrators for UNM, and in consultation with UNM athletic administration, UNM agrees to make coaches and administrators available to OUTFRONT for sponsorship solicitation activities, including, but not

limited to making phone calls, meeting with prospects on and off campus, signing merchandise, writing personal notes, hosting events before or after practices or games, and attending dinners and other social functions created by OUTFRONT for the purpose of sponsorship solicitation.

2.0 Signage, Video Boards and Scoreboards

OUTFRONT will have the exclusive sales right and authorization to use permanent, temporary and electronic signage, and space on video boards and scoreboards (current and new) available for display of third party advertising that is located in and around Athletic Facilities during Athletics Events. Signage opportunities shall include, but not be limited to the following:

- UNM Athletic Department
 - Marquee (Located on the corners of Avenida Cesar Chavez and University Boulevard)
 - Linda Estes Tennis Complex Billboard Signage
- Dreamstyle Stadium (Football)
 - LED
 - North End Video Board Rotational
 - North End Video Board Promotions
 - TV Viewable LED Signage
 - Non- TV Viewable LED Signage
 - Permanent Signage
 - Traffic Facing Banner Permanents
 - North End Zone Backlit Billboard
 - North Sideline Banner Permanents
 - Field Level Banners
 - Field Level Dasherboards
 - North End Zone Scoreboard Permanents
 - South End Zone Scoreboard Permanents
 - Field Goal Net
 - Field Naming
 - Field Logo
 - Flag Pole Paddings
 - Upright Pad wraps
 - West End Zone Corner Pads
 - West End Sideline Fascia Signage
 - Southeast Corner Hill Signage
 - North End Concession Signage
 - Southwest Corner Concession Signage
 - South End Zone Concession Signage
 - South End Zone Hospitality Tent Signage

- Media Backdrop

Dreamstyle Arena – The Pit (Basketball)

- LED
 - West Sideline Courtside Rotational
 - East Sideline Courtside Rotational
 - Baseline Rotational
 - Sideline Fascia LED Ribbon Boards
 - North End Fascia LED Ribbon Boards
 - South End Fascia LED Ribbon Boards
 - Basket Stanchion LED
- Video Displays
 - Concourse TV Displays
 - Concession TV Displays
- Permanent Signage
 - Floor Logo
 - Floor Naming
 - Apron Signage
 - West Sideline Courtside LED Rotational Padding Signage
 - East Sideline Courtside LED Rotational Padding Signage
 - Courtside Endcaps
 - Team Entrance tunnel Signage
 - Team Bench Chairbacks
 - Team Bench Kickplates
 - Basket Logo Placements
 - Basket Stanchion Permanent Wrap
 - Main Entrance Gate Wraps
 - Main Concourse Level Wraps
 - Suite Level Lobby Wraps
 - Club Level Lobby Wraps
 - Media Backdrop
 - Concession Area Signage
- Santa Ana Star Field (Baseball)
 - Scoreboard Permanents
 - Outfield Wall Signage
 - Foul Pole Signage
 - Club House Hospitality Deck Signage
 - Dug Out Signage – Rooftop, Bench Backs, Railing
 - On Deck Circle
 - Backstop Signage

- TV Viewable Permanent and LED Signage
 - Concourse
 - Stadium Windscreens
 - Press Box Signage
 - Temporary Banners
- UNM Soccer Complex (Women's Soccer)
 - Field Level Dasher boards
 - Scoreboard Permanents
 - Temporary Banners
- Johnson Center
 - Scoreboard Permanents
 - Temporary Banners
- Lobo Softball Field
 - Scoreboard Permanents
 - Temporary Banners
 - Outfield Wall Signage
 - Foul Pole Signage
 - Dug Out Signage – Rooftop, Bench Backs, Railing
 - On Deck Circle
 - Backstop Signage
 - Concourse
 - Stadium Windscreens
 - Press Box Signage
 - Temporary Banners
- McKinnon Family Tennis Center
 - Scoreboard Permanents
 - Temporary Banners
 - Entry Fence Wraps
- Linda Estes Tennis Complex
 - Scoreboard Permanents
 - Temporary Banners
 - Entry Fence Wraps
- UNM Track Stadium

- Scoreboard Permanents
 - Temporary Banners
 - Entry Fence Wraps
-
- South Championship Golf Course (Only During UNM Athletic Events)
 - Temporary Banners
 - Dasherboard Signage
-
- Seidler Natatorium
 - Scoreboard Permanents
 - Temporary Banners
-
- Athletic Performance Center
 - Permanent Signage
 - Temporary Banners
 - Entry Wraps
-
- Rudy Davalos Practice Center
 - Scoreboard Permanents
 - Temporary Banners
 - Entrance Wraps

OUTFRONT shall have the exclusive rights to create and sell corporate entitlements, naming and fully-integrated brand immersion opportunities in certain areas in and around UNM Athletics Facilities. These areas include, but are not limited to concourse sections, entry plazas and gates; public and private entertainment and hospitality spaces (such as Club Level in basketball arena and suite levels of football stadium tower); and all parking areas and garages. It is understood that UNM retains the naming rights to its campus physical facilities, interior office spaces, landscapes, roads, programs, endowed positions, and all other properties enumerated or referred to in UNM Regent Policy 2.11.

OUTFRONT shall have the right to negotiate and enter into limited term corporate sponsorship agreements granting naming rights (“Naming Rights Agreements”) to third-parties with respect to UNM Athletic Facilities subject at all times to the prior written approval of UNM.

OUTFRONT’s pursuit of any Naming Rights Agreements will be reviewed and approved on a case-by-case basis by UNM. For Naming Rights Agreements approved by UNM, the revenue generated will be subject to the revenue share detailed in the “Agreement” (e.g. 85% to UNM, 15% to OUTFRONT). Costs associated with obtaining Naming Rights Revenue (e.g., signage, insurance, maintenance and other costs) shall be deducted from the Naming Rights Revenue. If a portion of any Naming Rights Revenue is dedicated to a particular purpose (e.g., fulfillment of existing UNM obligations including but not limited to debt service for facilities), that portion shall

be deducted from the total Naming Rights Revenue prior to calculation of the amounts due to the parties under this Section.

3.0 Game Sponsorships and Event Marketing

OUTFRONT will have the exclusive rights and authorization to all Game Sponsorships and Event Marketing activities in and around UNM Athletic Events and Programming including, but not limited to the following:

- Game sponsorships and entitlements, including the inclusion of game sponsor branding in all UNM produced marketing materials and advertising
- On-field and on court promotions and presentations
- Public address announcements
- Product sampling
- Premium item distribution
- Activities and events within game day Fan Fest and tailgate areas
- Pregame, halftime and post-game entertainment, including live music performances
- On-site display: During any Athletics Event, OUTFRONT will have the exclusive rights to sell or approve any on-site corporate display, including vehicle displays, or tabling inside or outside the Athletics Facility (to include the footprint of all University athletics parking lots and common areas used on game days), product sampling and promotional giveaways

4.0 Luxury Suites and Hospitality

OUTFRONT shall be granted the right to certain premium areas and luxury suites in and around all Athletic Facilities to conduct corporate hospitality events prior to, during and after Athletic Events. Those exclusive rights and opportunities to monetize these assets include, but are not limited to:

4.1 Dreamstyle Stadium (Football)

Use of the Howl Zone - pre-game on football game days to conduct pre-game hospitality and sell other private corporate hospitality events

Six (6) luxury suites located on the West Side (tickets included), including first right of refusal to purchase tickets and parking passes for non-Athletic events, such as concerts and other sporting events held in Dreamstyle Stadium.

Field Level Hospitality Tents - In stadium, game viewable space on the South End Zone Field Level Area designated for up to eight (8) premium hospitality tent locations.

4.2 Basketball Arena

Two (2) luxury suites (tickets included) for all Athletic events. OUTFRONT shall have the first right of refusal to purchase tickets and parking passes for non-Athletic events, such as concerts and other sporting events held in Basketball Arena.

Integration into any other premium or club style lounge projects that are undertaken.

4.3 Baseball Stadium

Club House Hospitality Deck (non-exclusive rights for access)

4.4 Other Athletic Facilities

One (1) luxury suite in any Athletic Facility for teams other than football or basketball where suites exist now or at any time during the term.

5.0 Premium Unique Access Rights

UNM agrees to provide OUTFRONT unique and behind the scene access opportunities for radio/on-air talent, sponsorship solicitation and for inclusion in sponsorship agreements, to include but not limited to:

- Seats on team charter flights when available, pursuant to UNM policy
- Access to team hotel and other road game amenities
- Dinner and/or special events at UNM staff and coaches houses
- Unique experiences with UNM staff and coaches
- Behind the scenes access to UNM Facilities, such as locker rooms, media rooms and team meeting rooms at mutually agreed upon dates/times.

6.0 Audio Content Rights

OUTFRONT shall have the exclusive worldwide licensed right to all audio broadcasts of all UNM Athletics Events, coaches shows, athletics directors shows, and associated UNM programming to all audio broadcast signal coverage areas via any means of distribution whether now known or developed in the future, including without limitation: terrestrial, cable systems, phone lines, mobile, streaming, podcasts, digital or satellite. As part of the annual Property Operating Budget process, OUTFRONT will develop, in collaboration with UNM, a comprehensive audio content production and distribution plan and supporting line item budget that deliver broadcasts consistent with industry standards and maximizes Gross and Net Revenue. The plan will include details on the type and number of programs, format, production specifications, on air talent, support personnel, and distribution outlets.

6.1 Coaches Interviews for Games

UNM will arrange for the head coaches to be available for an interview prior to each game (to be pre-recorded at the mutual convenience of the coaches and OUTFRONT), and immediately following each game for a post-game interview.

UNM will also make the head coaches available immediately following the first half of play or prior to the beginning of the second half of play for a half-time interview.

6.2 Coaches Availability for Coaches Shows and Broadcast Site

UNM will make available the head coaches at no additional cost to the Property Operating Budget to participate in head coaches call-in shows. Each show will be held at a mutually agreed upon location. OUTFRONT will have the exclusive right to sell the broadcast site of the show(s).

6.3 Reciprocal Rights

UNM will secure for OUTFRONT the rights to broadcast all regular season away games. When OUTFRONT is broadcasting under a reciprocal arrangement, the terms of the Agreement will continue to have full force and effect with respect to all applicable and relevant terms and conditions which are not in conflict with reciprocal host(s)' requirements.

6.4 Redistribution Rights

UNM shall have the right to reproduce, distribute, and use taped reproductions of the audio broadcasts for the purposes of marketing its Athletic programs. OUTFRONT shall retain all revenue from the redistribution or use of any audio programming.

6.5 Media Protection

UNM will ensure that coaches and other Athletics Department personnel shall not make weekly media appearances on weekly call-in shows that are produced or broadcast by non-affiliated radio stations, except for excerpts from press conferences open to the media.

7.0 **Video Content Rights**

OUTFRONT shall have the exclusive worldwide licensed right to UNM Athletics video content not under contract with the Mountain West Conference upon the execution of this Agreement and in compliance with the Mountain West Conference and NCAA rules and regulations, to all broadcast signal coverage areas via any means of distribution whether now known or developed in the future, including without limitation: over the air, cable systems, phone lines, mobile, digital or satellite. As part of the annual Property Operating Budget process, OUTFRONT will develop, in collaboration with UNM, a comprehensive video content production and distribution plan and supporting line item budget that deliver broadcasts consistent with industry standards and maximizes Gross and Net Revenue. The plan will include details on the type and number of programs, format, production specifications, on air talent, support personnel, and distribution outlets.

7.1 Coaches Availability for Coaches Shows and Broadcast Site

UNM will make available the head coaches at no additional cost to the Property Operating Budget to participate in head coaches shows. Each show will be held on a mutually agreed upon date and time at a mutually agreed upon location. OUTFRONT will have the exclusive right to sell the broadcast site of the show(s).

7.2 Redistribution Rights

UNM shall have the right to reproduce, distribute, and use taped reproductions of the video broadcasts for the purposes of marketing its Athletic programs. OUTFRONT shall retain all revenue from the redistribution or use of any video programming.

7.3 Media Protection

UNM will ensure that coaches and other Athletics Department personnel shall not make weekly media appearances on shows that are produced or broadcast by non-affiliated distributors, except for excerpts from press conferences open to the media.

8.0 Printed Material and Publication Rights

OUTFRONT will have the exclusive advertising sales rights to printed promotional materials and items produced by or for UNM to promote its athletics program, teams, or student athletes including but not limited to ticket fronts and backs, ticket brochures, will call envelopes, parking passes, direct mailing inserts, food and beverage containers, credentials, and field passes. UNM shall be liable for the production costs of printed promotional materials except for the incremental cost created by the inclusion of a sponsor on such item which, if any, would be included as part of the Property Operating Budget.

OUTFRONT will have the exclusive advertising sales rights to all UNM publications including, but not limited to game day programs (to include program vending), roster cards, yearbooks, media guides, and fan guides. As part of the annual Property Operating Budget process, OUTFRONT will develop, in collaboration with UNM, a comprehensive publication production and distribution plan and supporting line item budget that delivers high quality print publications consistent with industry standards and maximizes Gross and Net Revenue. The plan will include details on the type and number of publications, format, content, production specifications, and distribution outlets.

9.0 Digital, Social and New Media Rights

OUTFRONT shall have the exclusive right to maximize the revenue opportunities associated with the UNM official athletics web site (golobos.com) and official Mobile Application (“APP”). OUTFRONT shall have the right to manage the relationship with the host company of any affiliated official UNM Sports or team APP. UNM will be responsible for providing all content found on golobos.com, the official sports or team APP and all video content found on golobos.com or any UNM social media accounts or channels.

OUTFRONT shall have the exclusive rights to sell advertising and sponsorships in the form of company logos and messages, and other sponsorship or revenue related promotions or content on golobos.com to include but not limited to: headline stories and articles, drop down menus, banner advertisements, calendar of events, web page links for each sports team, audio broadcast of sporting events, video content, real time statistics, eCommerce ticketing solutions for sporting events and hyperlinks to sponsors’ websites, social media integration as well as promotions or content related to the streaming of video content which is not in conflict with UNM’s assignment of video rights to the Mountain West Conference.

To the greatest extent permissible under UNM Policy and Applicable Privacy and Data Security Laws, University hereby grants to OUTFRONT, and any third parties with whom OUTFRONT enters advertising, sponsorship and/or endorsement agreements hereunder, the right to collect, use, process, store and transfer data owned or controlled by University and University shall provide such data (including, without limitation, alumni lists, email marketing lists, ticketholder lists) to OUTFRONT and/or such third parties as designated by OUTFRONT promptly upon request.

In return for UNM’s provision of the data described in this Section, OUTFRONT expressly agrees that such data may contain Personally Identifiable Information that may be subject to federal and state laws (including but not limited to FERPA) (“PII”) and that OUTFRONT shall not release PII collected from UNM to any other person or organization without the prior written consent and approval of UNM. If the PII is not received directly from UNM, but is instead received directly from the information owner, OUTFRONT shall appropriately disclose the privacy rights of the individual pursuant to relevant data privacy laws and, where required by such laws, obtain the consent of the data subject.

OUTFRONT represents, warrants and certifies that it complies with NIST 800-171r1/ NIST 800-53’s “moderate” safeguards to the extent they apply to PII OUTFRONT further shall, in the event of a data incident, comply with the New Mexico Data Breach Notification Act. (“NMDBNA”). At the request of UNM and within fourteen (14) days of such a request, OUTFRONT shall provide UNM a written summary of the procedures OUTFRONT uses to safeguard PII.

OUTFRONT further represents, warrants, and certifies that it will: 1) hold PII in the strictest confidence and will not use or disclose information except as (a) permitted or required by the Agreement or these Terms and Conditions, (b) required by law, or (c) otherwise authorized by UNM and the information owner, if not the UNM, in writing; 2) implement and maintain a

comprehensive information security program that contains administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PII that it creates, maintains, receives, stores, or transmits on behalf of the UNM.

OUTFRONT shall continually monitor its operations and take any action necessary to assure the information is safeguarded in accordance with the terms of this Agreement. Where appropriate, OUTFRONT shall also contractually bind and ensure that its agents, sub-OUTFRONTs or sub-consultants adhere to the provisions set forth in this section.

Upon termination of this Agreement and at the direction of UNM OUTFRONT agrees to either: a) return in a format approved by UNM all PII provided by UNM including all PII that may be in the possession of OUTFRONT's subcontractors or agents; or, b) destroy, in a manner that permanently renders the data unusable, unreadable and undecipherable, all PII provided by UNM, including all PII that may be in the possession of OUTFRONT's subcontractors or agents.

In addition to any other indemnity provided by OUTFRONT, in the event of a security breach involving PII caused by the gross negligence of OUTFRONT, OUTFRONT agrees to indemnify, defend with counsel approved by UNM, and hold harmless UNM from, for and against any and all: losses; liabilities; lawsuits; claims; expenses (including reasonable attorneys' fees; costs; civil, regulatory and administrative penalties; and judgments incurred through third-party claims of violation of the NMDBNA, HIPPA FERPA, GLBA, GDPR. Notwithstanding anything to the contrary contained in this Agreement, the liability and indemnity obligations of OUTFRONT pursuant to this section shall be capped at \$2,000,000.00.

OUTFRONT shall have the exclusive rights to and may sell sponsored promotions or content within all official UNM social media accounts or channels to include but not limited to: Facebook, Google+, YouTube, Twitter, Instagram, Pinterest, Vine, Snapchat etc., or any other official UNM social media account currently set up or created in the future. OUTFRONT and UNM will work together on final creative and content of all social media postings as well as the posting schedule for such content. UNM will have final approval on all promotions and content with approval not to be unreasonably withheld.

10.0 Additional Rights and Benefits

- Out of Market Rights and Programs: UNM acknowledges and agrees that investing in current and creating new assets and programs in Albuquerque and across the state of New Mexico that extend and grow the UNM brand is a critical component for long term revenue growth. UNM and OUTFRONT will work together to create these programs, utilizing existing UNM assets and resources. OUTFRONT shall have exclusive rights to sell fully integrated sponsorships to these new programs, to include but not limited to:
 - Cause marketing programs
 - Community outreach programs
 - Education programs
 - Partnerships with local, regional and national philanthropic organizations
- "Day-in-the-Life" Experiences– OUTFRONT shall the the right to sell up to four (4) experiences each year. Experience assets are to include, but are not limited to access to

official UNM facilities, access to “coaches clinics”, ability for meet and greet with UNM staff, personalities and coaches, ability to conduct private tours of locker rooms, weight rooms and other UNM facilities. Day-in-the-Life experiences must be discussed and agreed upon by UNM Administration and will be scheduled on mutually agreed upon dates and times.

- Use of Athletic Facilities - UNM will allow OUTFRONT to utilize and offer to sponsors the use of selected Athletics Facilities, a minimum of five (5) times a year, for the purpose of sales meetings, promotional activities in conjunction with Athletics Events, corporate outings and other potential events approved by UNM. Facility usage shall be based on availability, with reasonable advance written request and approval, subject to UNM’s policy governing the use of Athletics Facilities and may require reimbursement of expenses (such as security, utilities, etc.). All such facility use is subject to any and all UNM policies and procedures, including any catering and equipment usage policies
- Rivalry Series – OUTFRONT shall have the exclusive right to sell a title or presenting sponsor, along with associated sponsors, to a Rivalry Series between UNM and another intercollegiate athletics program. Rivalry Series assets would include, but not be limited to the following: creation of a co-branded logo with title/presenting sponsor integration; sponsor integration into the promotion of the Series across OUTFRONT and UNM controlled media platforms; special events, to include a kick-off luncheon and end of year awards/trophy presentation; final details subject to mutual agreement.
- Use of Field Passes – UNM shall provide OUTFRONT field passes for each home football game valid at all times for client cultivation and make available additional passes upon request from OUTFRONT.
- Special events - OUTFRONT may utilize special events sponsored by the Athletics Department to provide special recognition or opportunities for sponsors for events in which UNM has the right to offer such inventory. Examples of such events include, but are not limited to the following: Spring Football game, Meet the Team Day, Lobos Football or Basketball Fan Fest, etc. OUTFRONT shall receive invitations to all Athletic Department special events, including award banquets, pre-game functions and other functions at which University supporters are entertained. OUTFRONT and UNM shall work together to maximize the value from these opportunities to drive both Gross and Net Revenue; with any costs mutually agreed upon prior to the expenditure or made part of the annual Property Operating Budget review process.
- Food Containers and Drink Cups - OUTFRONT will have the exclusive right to sell advertising for the food containers and drink cups used by the food concessionaires, food vending contractors and athletic teams at Athletic Events.
- Direct Mailings - OUTFRONT will have the exclusive right to provide inserts with corporate representation in the season ticket mailers for Athletics Events and other Athletic Department mailings.
- UNM and University Database Access – UNM will provide OUTFRONT access to send sponsor information via mail or email to the season ticket holder database and donor database as allowable by UNM policy and as defined in Section 9.0 of this Exhibit. The use of these lists must be approved by University and mailing lists or the approved use may not

be transferred or re-sold, unless the University has given its prior written approval in each case.

- Credentials - UNM shall provide the appropriate number of working all-access credentials and reserved parking passes required for all OUTFRONT working staff for each Athletic Event. This includes broadcast staff, office staff and interns.
- Athletics Department Merchandise - OUTFRONT shall have the right to purchase (as part of the Property Operating Budget) through the Athletics Department, University branded merchandise at Athletic Department rates.
- Autographed Merchandise – UNM shall provide OUTFRONT an annual allotment (as part of the Property Operating Budget) of authentic and signed Athletics Department merchandise for client cultivation (i.e. helmets, jerseys, photos).
- Food and Drink Concession Agreements – To the extent permissible under the terms and conditions of existing concessionaire agreements, UNM agrees to work in good faith with OUTFRONT to sell branded concession opportunities.
- Headsets and communications equipment - OUTFRONT may sell a highly visible logo on the headsets and associated equipment worn by all coaches and other sideline personnel for all regular season football games and to any pre or post season games in which UNM has been granted the rights to this asset by the sanctioning organization of the pre or post-season event.
- Sideline Rights – OUTFRONT shall have the exclusive right to sell branded assets along the sidelines of Athletic Events, to include but not limited to: coolers, cups, towels, fans, medical tents, misters, branding on team benches, and materials or structures utilized to shield signal callers or call in plays.
- In Venue Fan Engagement Technology – OUTFRONT shall have the exclusive right to sell sponsorship and corporate branding opportunities within and around any in venue applications designed to provide game day information, in-game stats, increase concession or merchandise sales, or otherwise improve the game day experience for UNM fans. Assets include, but not limited to entitlement/presenting sponsor assets, in APP branding, location based direct marketing, and traditional advertising.
- Media Bibs - OUTFRONT shall have the exclusive right to sell branding on all media bibs and/or other UNM distributed identification apparel provided to credentialed media operating on the sideline during an Athletics Event.

11.0 Development of New Multi-Media Rights

UNM recognizes that the development and marketing of various Multi-Media Rights by universities with major athletic programs is both dynamic and evolving and that new opportunities may be expected to become available during the term of this Agreement that are not now being implemented. Accordingly, UNM expects that OUTFRONT may seek other Multi-Media Rights from UNM for the purpose of maximizing Gross and Net Revenue, which other Multi-Media Rights may be implemented as mutually agreed upon between UNM and OUTFRONT. OUTFRONT will request in writing from UNM the authority to utilize any Multi

Media Rights that are not specified in this Agreement and UNM shall not unreasonably deny its consent to such request for authority.

Exhibit B – Long Term Sponsorship Agreements (FY19)

Sponsor	Amount	Contract End
Pepsi	\$450,000	FY28
Total	\$450,000	

Exhibit C – Property Operating Budget Template

<u>Expense Category</u>	<u>Baseline Allocation Assumptions</u>
1. OUTFRONT Signing Bonus Recoup	\$75,000
2. OUFROnt Capital Investment Recoup	\$65,000
3. Dedicated Staff	\$514,100
4. OUTFRONT Biz Ops/Creative Services Allocation	\$20,000 in FY20 growing 3% per year
5. Sales and Marketing	\$25,000
6. OUTFRONT Senior Management T&E Allocation	\$10,000 in FY20 growing 3% per year
7. OUTFRONT Corporate Support Services Allocation	\$20,000 in FY20 growing 3% per year
8. Production	\$410,000
9. Direct Ticket Spend Fulfillment	\$283,000
10. Other Fulfillment	\$120,000
11. Local Office Administrative Costs	\$40,000

Exhibit D – Existing Trade/Value-in-Kind Agreements

Total	\$350,000
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Exhibit E – Licensed Marks

To be inserted

Exhibit F – Restricted Sponsorship Categories

1. Cigarettes, Tobacco or Marijuana Advertisements
2. Sexually Explicit Advertisements
3. 900 Phone Number Advertisements
4. Contraceptive Advertisements
5. Adult Entertainment Advertisements

UNM Medical Group, Inc.

HSC Regents Committee
Annual Meeting of the Member
February 2020

Successes and Recognitions!

- **Lovelace UNM Rehabilitation Hospital (Joint Venture)**
Continues to be a successful collaboration, generating cash distributions of \$1.1M in FY19.
- **UNMMG Spine Clinic** relocated to the LUNMRH campus in May, 2019, in support of the Joint Venture.
- **Physical Medicine and Rehabilitation Residency Program**
5 individuals in each class. Residents spend more than half of their time in the Lovelace UNM Rehabilitation Hospital.
- **Rio Rancho Behavioral Health Clinic**
UNM Health Sciences Rio Rancho Campus clinic opened July 1, 2019.
- **Primary Care Incentive Program** effective July, 2019, based on quality and patient access measures
- **Family Friendly Business Awardee 2018**
- **20 “TOP DOCS”** voted on by peers and recognized by ABQ the Magazine in 2019
- **Information Technology:** Successfully migrated to a new operating platform and upgraded the medical group billing system which supports over \$500 million in professional fee charges

FY20 UNMMG Operating Plan and Operational Highlights

- **Growth**
 - Patient Visits up 12% in UNMMG Clinics
 - New Behavioral Health Clinic opened July
 - New primary care clinic planned
- **Quality**
 - Pending AAAHC Re-Accreditation visit spring of 2020
 - COLA Lab Accreditation at CRH Clinic
 - DOH Audit of School-Based Health Clinics
- **People**
 - New Interim CEO – Dr. A. Robb McLean
 - COO – Jill Klar
 - Employee Engagement and Provider Engagement Survey
- **Finance**
 - 3% average annual RVU growth for last 4 years
 - 8.4% growth in collections YOY in FY20
 - 81.8% distribution of revenues to SOM Departments
- **Service**

Press Ganey Patient Satisfaction - 24th percentile through 1/20

Revenue Cycle Operational Improvement

- Kick-off in fall 2018
- External consulting engagement
- Objective: increase cash flow, reduce payer denials, reduce write-offs
- Key areas of focus and activities
 - Redesign workflows
 - Implement reporting and workflow tools
 - Improve communication and collaboration among all UNM Health System entities
 - Improve utilization of patient accounting system
 - Establish consistent reporting of industry-standard KPIs
- Estimated benefit to UNM Medical Group of \$3.8 million since project inception



Clinic Operations – Supporting the Mission



UNM's Athletics Clinic operation moved to the Medical Group (October, 2018)

Primary Care Clinic – Sandoval County (planned opening Summer 2020)

- Limited health system primary care access and research demonstrating a shortage of more than 20 Primary Care Physicians in Sandoval County prompted the UNMMG's Primary Care Clinic Initiative in Rio Rancho. Planned clinic opening in Summer of 2020.

ACCESS TeleHealth Program (Summer 2019)

- The ACCESS TeleHealth Program transitioned from a grant-funded model to a self-sustaining fee-based service and moved to the Medical Group's Center for TeleHealth in July of 2019.
- Using telemedicine, the ACCESS Program provides urgent/emergent Neurosurgery and Neurology services to rural hospitals for the treatment of stroke and other neurological disorders and symptoms. We are working to expand this service for other needed specialties.
- Serving 22 rural hospitals, ACCESS provides early evaluation and intervention - partnering with these hospitals to keep the patients local and minimize unnecessary and costly transfers of care.

Clinic Operations – Supporting the Mission (continued)

Rio Rancho Behavioral Health – Opened July 2019

- A collaboration with Sandoval Regional Medical Center and supported by the Sandoval County Mill Levy
- The Rio Rancho Behavioral Health Clinic is an interdisciplinary training site for learners of all levels, and provides community outreach and education.
- The clinic includes telehealth services, including ECHO for opioid use disorders and depression.
- The clinic will ultimately provide patient care with physician, psychologist, social worker and counselor services



Health System Payor Contracting and Professional Services Agreements

- **Managed Care agreements**
 - 3 new agreements
 - 18 managed care amendments
 - 4 settlement agreements
 - 2 delegated credentialing agreements
 - 2 LOI/LOA
- **Provider Enrollment**
 - Medicare enrollment and revalidation - 352
 - Medicaid enrollment and turnaround - 633
- **Credentialing/Privileging**
 - Initial credentialing and privileging - 53
 - Re-credentialing and Reappointment - 125
- **Professional Services/DOH agreements:**
 - 201 Professional Service agreements executed
 - 103 Department of Health agreements
 - 10 IHS and VA agreements
 - 12 miscellaneous agreement types (BAA, Transfer Agreement, CNDA, etc.)

Population Health and Federal Program Activities

- Applying Population Health principles to broader patient populations
- Expanded UNM Team Health covered lives from 2,450 to 10,350
- Value Based Care Contracts
 - Medicare Advantage
 - Managed Medicaid
- Expanded Community Primary Care Partners
 - First Choice Community Health (FQHC)
- Developing clinical care programs that support specific patient populations and diseases
- Success in CMS 2019 Promoting Interoperability program that measures four key areas:
 - Electronic Prescribing
 - Patient Portal
 - Health Information Exchange (Sending & Receiving)
 - Public Health and Clinical Data Exchange

February 4, 2020

RE: Notice of Annual Meeting

President Doug Brown
Regents of the University of New Mexico
The University of New Mexico
Albuquerque NM 87131-0001

Dear President Brown:

UNM Sandoval Regional Medical Center, Inc., requests that the Annual Meeting of the Member be held during the Board of Regents meeting on February 18, 2020. There are three items to be presented.

- a. Approval of the Fourth Amended and Restated Bylaws of UNM Sandoval Regional Medical Center, Inc.
- b. Acceptance of the FY 2018-19 External Audit
- c. Presentation of the Annual Report

Please feel free to contact me if you have any questions.

Sincerely,



Jamie Silva-Steele
President/CEO, UNM Sandoval Regional Medical Center, Inc.

cc: Members of the Board of Regents, via electronic mail



HSC REGENTS COMMITTEE
ANNUAL MEETING OF THE MEMBER
FEBRUARY 11, 2020

Recognitions 2019

- 2018 SRMC Occupational Therapy Department
- 2019 Center of Excellence Clinical Nomination AACN
- 2019 Health Insight Quality Innovation Award and TCPI award
- 2019 Albuquerque Journal Top Workplaces
- 2019 Metabolic and Bariatric Surgery Accreditation and QI Program
- 2019 Albuquerque Top-Notch Nurses
- 2019 DAISY Award program
- 2019 Patient-Centered Medical Home (PCMH) recognition from NCQA
- 2019 Nurse Residency program
- 2019 NM Center of Nursing Excellence Awards
- 2020 CMS 4-Star Rating



FY20 SRMC Operating Plan Operational Highlights

- Growth
 - Discharges, CMI, wRVUs exceeding expectations
 - Surgeries down 131 cases impacted by seasonality and provider ramp-up
 - Clinics down 3,168 visits due to seasonality, but exceeded volumes in December. Projected to meet budget
- Quality
 - Successful Tri-Annual visit from The Joint Commission in December
 - 10/13 metrics are at or better than fiscal year targets
- People
 - New Interim CMO – Dr. Gurdeep Singh
 - Employee Engagement and Provider Engagement
- Finance
 - Breakeven through December 2019
- Service
 - 99th percentile for HCAHPS in December 2019
 - 22nd percentile CGCHAPS in December 2019

Employee and Provider Engagement Results

Location (SRMC Employees)	NOV 2019 Response Rate	NOV 2019 Engage	NOV 2019 Rank	APR 2019 Engage	APR 2019 Rank
University of New Mexico Health System (6,571)	85%	4.00	28 th	3.98	25 th
Sandoval Regional Medical Center (482)	88%	4.11	50 th	4.01	30 th

Location (SRMC Providers)	NOV 2019 Engage	NOV 2019 Rank	APR 2019 Engage	APR 2019 Rank
University of New Mexico Health System (949)	3.72	9 th	3.66	6 th
SRMC Inpatient (21)	3.76	10 th	3.98	32 nd
SRMC Outpatient (31)	4.05	42 nd	3.85	18 th

Mill Levy Update

- Behavioral Health
 - Outpatient Services - UNM Medical Group – opened July 1st
 - Crisis Intervention
 - Emergency Department Availability
 - Primary Care Social Work and Case Management
 - Oversight of Sandoval County Jail Behavioral Health Services
- Trauma
 - 24X7 Availability for Level 3 Trauma
 - Trauma Coordinator and Trauma Registrar hired
 - Submitting Data to State
- County Agreement
 - County Commission Meeting - approved 12/12/19
 - Finalizing Behavioral Health Services details for Sandoval County Jail

2016-2018

Community Health Needs Assessment



- **Behavioral Health**
- **Access to Services**
- **Chronic Disease Prevention & Management**

MENTAL AND BEHAVIORAL HEALTH



- Open a Behavioral health outpatient clinic in Fall 2019
- Expand crisis intervention teams (law enforcement collaboration)
- Establish Counselors, Social Workers and Psychologist 24x7 in the Emergency Department

ACCESS TO HEALTH CARE SERVICES



- Expand Primary Care service access
- Provide prompt availability of general surgeons, orthopedists and anesthesiologists
- Provide expanded trauma services

CHRONIC DISEASE PREVENTION &



- Increase comprehensive diabetes care
- Increase colorectal cancer screening
- Increase breast cancer screening
- Reduce hospital readmissions

SRMC Strategic Plan



SRMC, as part of UNMHS, to be the health network of choice for Sandoval County

STRATEGIC DIRECTION

Clinical Growth & Reach

Increased Reputation

Impact & Partnership

Goal 1:
Primary Care
Network

Goal 2:
Signature
Services

Goal 3:
Recruitment &
Alignment

Goal 4:
Value
Differentiation

Goal 5:
Community
Impact

Goal 6:
Partnership

Values, Culture, Community Engagement

Efficient and Effective Organization, Operating Mechanisms, and Governance

Financial Strength and Capital Formation



Regent Advisors' Comments/Reports

Reports may be included in the eBook

List of 2019-2020 Regent Advisors:

Adam Biederwolf, President, ASUNM

Finnie Coleman, President, Faculty Senate

Ryan Gregg, President, Staff Council

Muhammad Hussain, President, GPSA

Beverly (Bev) Kloeppel, President, Retiree Association

Daniel Perea, President, Parent Association

Alexis Tappan, President, UNM Alumni Association Board of Directors

Randy Velarde, Chair, UNM Foundation Board of Trustees