

AGENDA OF THE MEETING OF  
THE REGENTS OF THE UNIVERSITY OF NEW MEXICO  
January 11, 2011, Tuesday

9:00 a.m. – 11:30 a.m. 1:00 p.m. – 3:00 p.m. Student Union Ballroom C  
Regents Executive Session/Luncheon, 11:30 a.m. – 1:00 p.m. Cherry Silver Room

TAB

I.	Confirmation of a Quorum: Adoption of the Agenda, <i>Raymond G. Sanchez, President, BOR</i> .....	1
II.	Approval of Summarized Minutes of the December 14, 2010 BOR Meeting. ....	2
III.	Administrative Report, President David J. Schmidly.....	3
IV.	Comments from Regents' Advisors.....	4
	<i>Faculty Senate President, Richard Wood</i> <i>Staff Council President, Merle Kennedy</i> <i>GPSA President, Lissa Knudsen</i> <i>ASUNM President, Lazaro Cardenas, Jr.</i> <i>Alumni Association President, Steve Chreist</i> <i>UNM Foundation Chair, Anne Yegge</i> <i>Parent Association President, Maria Probasco</i> <i>Retiree Association President, Cynthia Stuart</i>	
V.	Regent's Comments	
VI.	Public Comment-Agenda Items	
VII.	Lobo Development Corporation, Meeting of the Member, <i>Steven R.Beffort, Secretary/Treasurer</i> .....	5
	A. Approval of the Summarized Minutes of the March 20, 2009 Meeting	
	B. Approval of the FY 2009/2010 Audit	
VIII.	Lobo Energy Inc. Meeting of the Member, <i>Steven R.Beffort, President, C.E.O.</i> .....	6
	A. Approval of the Summarized Minutes of the March 20, 2009 Meeting	
	B. Approval of the FY 2009/2010 Audit	
	C. Energy Conservation Presentation , <i>Steven R. Beffort/Jason M. Strauss</i> .....	7
IX.	Regent Committee Reports	
	Finance and Facilities Committee, Regent Don Chalmers, Chair	
	A. <u>Action Items:</u>	
	1. Approval of Chemistry Department Renovation Project Scope and Financing .....	8
	<i>Andrew Cullen, AVP Budget, Robert Doran, University Architect</i>	
	B. <u>Consent Items:</u>	
	2. Disposition of Surplus Property on list dated 12/23/2010, <i>Bruce Cherrin, Chief Procurement</i> ...	9
	3. Approval of Contracts:	
	<i>Steve McKernan, CEO, UNM Hospital &amp; Bruce Cherrin, Chief Procurement Officer</i> .....	
	1) UNMH – Nuance	
	2) UNMH – Cerner Corporation	
	3) Office of VP for Research-Kratos Analytic	
	4. Approval of Nominations for Hospital Board of Trustees, <i>Steve McKernan, CEO UNM Hospital</i>	11
	<i>Dr. Warren Laskey, Joyce Naseyowma, -Chelan</i>	

C. Information Items:

5. Monthly Consolidated Financial Report for Month ended October 31, 2010 ..... 12  
*Ava Lovell, VP, HSC, UNM Controller*

6. CEO Report & Dashboard Report UNM Hospital, *Steve McKernan, CEO UNM Hospital*..... 13

Academic/Student Affairs & Research Committee, Regent Carolyn J. Abeita, Chair, No Report

Audit Committee, Regent Gene Gallegos, Chair

A. Controller's Highlights of the FY10 Audited Financial Statements..... 14  
*Ava Lovell, VP HSC, UNM Controller*

HSC – Health Sciences, Regent Jack Fortner, Chair

A. Approval of Directors, UNM Medical Group, *Paul B. Roth, MD, Chancellor, HSC*..... 15

X. Public Comment

XI. Vote to close the meeting and to proceed in Executive Session

XII. Executive Session will be held from 11:30 a.m. – 1:00 p.m. in the Cherry Silver Room

A. Discussion where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H (7) NMSA (1978).

B. Discussion where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2), NMSA (1978),

XIII. Vote to re-open meeting.

C. Certification that only those matters described in Agenda Item XII. were discussed in Executive Session. If necessary, final action with regard to those matters will be taken in Open Session.

XIV. Adjournment

*File: BOR Agenda 1.11.2011*

Materials will be provided at the BOR meeting.

Materials will be provided at the BOR meeting.

Board of Regents  
Regent Advisor Comments  
Faculty Senate President Richard L. Wood  
January 11, 2011

Welcome back to President Schmidly, with best wishes for your continuing recovery. On behalf of the Faculty, I would like to offer our profound thanks to all those who stepped in during the President's medical leave, and particularly to Dr. Paul Roth for his dedicated work as Acting President.

My remarks today will be brief, not because there are few things to be said, but because all of us within the University have been working so hard on various fronts that I have simply not had time to prepare more extensive remarks. Amid a lot of distractions – distractions we would rather not be dealing with – most of what the Faculty Senate has been working on has to do directly with my theme today. I would like to say just a few words about how all of us in the room today are called to one goal in the coming weeks: to protect this institution. The great recession, political pressures, past decisions, and other factors have combined to put the University of New Mexico at real risk, and we must have no other goal in mind – as faculty, as staff, as regents, as students, and as administrators – than protecting the university and its core mission. We can no longer pretend – any of us – that doing so is the same thing as protecting a particular job, a particular discipline, or a particular department, nor the same thing as following the political dictates of external constituencies. As we have talked about in previous meetings, it means making every decision serve the academic mission of the University.

I would like to cite two examples of what that looks like:

First, you have on your agenda today an initial outline of a plan to address the urgent needs of the UNM Department of Chemistry. That department has faced critical erosion of its physical infrastructure in recent years, and the University had planned to address those needs through the recent GO bond. But the failure of Bond D in the November election ruined those plans, and the Department faces a real risk of meltdown. The College, the Office of the Provost, and the Office of the Vice Provost for Research have committed faculty lines and start-up moneys to address one dimension of the problem, but simply could not find immediate funding to address the urgent physical needs. But faculty from across the University – Chemistry, of course, but also faculty from Biology, Engineering, and Medicine, and the faculty leadership through the Operations Committee of the Faculty Senate – came together and took the problem to the Office of the EVP for Administration. Andrew Cullen and David Harris immediately recognized the need, took it to President Schmidly, and are developing a plan to come up with funds to address the most immediate needs. Together, we took the urgent situation to the Finance and Facilities Committee of the Regents, which also strongly endorsed the urgency of the project and its relationship to our mission. You are asked today to endorse conceptually the urgency of that plan, and I note that it has the full backing of the Faculty.

Second, the Faculty Senate held a special meeting to focus on the UNM budget yesterday, with strong participation from the Offices of the EVP for Administration (David Harris); the Office of Planning, Budget, and Analysis (Andrew Cullen); the Office of the Provost (Kate Moore); and the Office of Governmental Relations (Marc Saavedra). This was a successful event, helping spread understanding of our budgetary challenges out into broad segments of the faculty,

and advancing the faculty-administration dialogue about how we can address those challenges while protecting our academic mission.

These are the kinds of partnerships we need. I want to thank all those who have been involved in these endeavors, and in the important work going forward to design a FY 2012 budget recommendation to President Schmidly. In these hard times, only through such endeavors will we protect our students interests and the institution we call The University of New Mexico.

Merle Kennedy

President of Staff Council

The Staff Council welcomes President Schmidly back to work. We also thank Dr. Roth for his service as acting President.

The Staff Council continues to work with the Office of Government and Community relations to ensure that we have a presence during the 2011 Legislative Session. During the past month, the Staff Council leadership has met with many individuals across campus to discuss budget scenarios in anticipation of reduced funding. We also continue to work toward ensuring that budget reductions are implemented strategically and that all constituent groups on campus bear an equitable and fair burden of the impact of the reduced funding. We are very pleased that we have been included on the Budget committee that is reviewing the PSAT recommendation. The university staff understand the seriousness of our budget problems and we intend to do our part in finding solutions.

On December 17, 2010, several Staff Council representatives attended the Educational Retirement Board meeting and were pleased when the ERB revised most of their original recommendations for reaching pension solvency. The Staff Council supports the final recommendations that were sent to the Legislative Finance Committees by the ERB. Our thanks to President Schmidly, Dr. Roth, VP Helen Gonzales, and Marc Saavedra for their support during the proposal process. We understand that the New Mexico Legislature has final input into how the pension fund will reach and maintain solvency and therefore, the Staff Council will continue to follow this issue closely.

In December, for the third year in a row, the Staff Council Work+Life Committee embarked on a community service project called PAWS Charity Drive. The PAWS Drive collected pet items for the Animal Humane Association and the City of Albuquerque Animal Welfare Department. Staff across campus collected numerous items and received many accolades from both of the shelters for our generosity and community spirit. Over the past three years, UNM has collected over 19 truckloads of items for these two animal welfare organizations.

At our December business meeting, the Staff Council presented two UNM staff employees with our newly created, Staff Hero Award. Kim Kloeppel received the award for her generous financial donation that helped us ship over 700 pounds of candy to California for Operation Gratitude, which provides care packages for troops serving overseas. Dean Jojola received the award for his assistance with our PAWS Charity Drive. Dean helped collect, haul and deliver all of the pet items to the shelters. Thank you Kim and Dean!

Finally I want to thank each one of you for your service to The University of New Mexico. I do not believe most people understand the commitment of time and caring you give to guide and lead the university. So until you are better paid, Thank You from the University of New Mexico Staff Council!

**UNIVERSITY OF NEW MEXICO  
ALUMNI ASSOCIATION  
BOARD OF REGENTS REPORT  
January 11, 2011**

**Vision** (Why we exist): *The Alumni Association is a vital partner in the continued excellence of the University of New Mexico through the significant engagement of alumni.*

**Mission** (What we are striving for): *To serve as a bridge between alumni and the university ensuring the continued success of the university and enriching the lives of alumni.*

<p>Strengthen collaboration with campus constituents to meet the needs of UNM.</p>	<p>The UNM Alumni Association's Lobos for Legislation held a reception to <b>welcome the new legislators</b> prior to the legislative session. The event was held at The Range Café in Bernalillo on January 6, 2011. Invited guests included the following new representatives: Alonzo Baldonado (Los Lunas), Cathrynn Brown (Carlsbad), David Chavez (Los Lunas), George Dodge, Jr. (Santa Rosa), David Doyle (Albuquerque), Nathaniel Gentry (Albuquerque), Timothy Lewis (Rio Rancho), Yvette Herrell (Alamogordo), Conrad James (Albuquerque), Ricky Little (Chaparral), Terry McMillan (Las Cruces) and James Smith (Sandia Park). Other legislators invited were: Senators John Sapien, Sander Rue and Sue Wilson Beffort and Representatives Jane Powdrell-Culbert and Thomas Anderson.</p> <p>The Alumni Association's annual <b>Legislative Appreciation Reception</b> will be on Monday, January 31, 2011 at La Fonda Hotel in Santa Fe from 6:00 to 7:30 p.m. We hope all the Regents and Regent Advisors will mark their calendars to attend.</p>
<p>Foster enduring involvement with, pride in and commitment to UNM, its colleges, schools and programs.</p>	<p>The Association's Chapters have begun planning for the <b>Lobo Day</b> season which commemorates the University's founding on February 28, 1889. Each Chapter will have an opportunity to host a UNM Speaker—from professors to administrators. The following Chapters have scheduled events in the next two months: Atlanta, Seattle, Norcal, Austin, Los Angeles and Washington D.C.</p> <p>The Association's <b>Dinner for 12 Strangers</b> event has been scheduled for Friday, February 25, Saturday, February 26 and Monday, February 28. This event is for alumni, faculty and students to come together for a casual dinner and leave as friends from UNM. The Association is looking for staff, faculty or students to attend. If interested, please contact the office at (505) 277-5808.</p> <p>The <b>Alumni Association Scholarship</b> application process will be launched January 24 through February 14. Approximately twelve undergraduate scholarships and three graduate scholarships will be given to students for the 2011-2012 academic school year.</p>
<p>Engage students in ways that will develop lifetime ties to UNM.</p>	<p><b>The Young Alumni</b> group introduced Fall Grads to the many programs and services provided by the Alumni Association by hosting a <b>Welcome New Grad Wine &amp; Cheese reception</b> at the University House on December 16, 2010 from 5:30-7:00 p.m. Approximately 75 new graduates, along with family and friends attended the event.</p>



Encourage community service and leadership among alumni and students.

**The Alumni Association's annual Awards Banquet** will be held **Thursday, February 24<sup>th</sup>** at 6:00 p.m. The location has not yet been determined. The following individuals are being honored:

**Henry Crumpton, BA '78, JAMES F. ZIMMERMAN AWARD.** Henry Crumpton served as Coordinator for Counterterrorism from 2005-2007. He is a US Ambassador and a former CIA operative who served as the State Department's leader in combating international terrorism. He has advocated a "micro" focus to fighting terrorists by knowing and responding to the history, culture, geography, needs and motivations behind local terrorist or potential-terrorist groups. In Washington, he held senior management positions, including a one-year assignment at the FBI as Deputy Chief of International Terrorism Operations. Henry Crumpton is a member of the UNM Alumni Association Board of Directors.

**Nelson Valdes, BA '70, PhD '78, BERNARD S. RODEY AWARD.** Dr. Nelson arrived as a refugee from Cuba in 1961 and began work as a janitor at UNM. He was offered a scholarship to study history at UNM after a discussion with the chair of the department about the Cuban Revolution. He later earned a dual PhD in Sociology and History. He helped develop the Latin American Database, which offers numerous institutions around the world comprehensive information through the LADB Newsletter. He was recently awarded the Ford Foundation Grant to begin the Cuba-L project which will serve as a clearinghouse for information on Cuba through news from around the world.

**John Brown, BBA '72, ERNA S. FERGUSON AWARD.** Mr. Brown was a co-founder and the Managing Director of the Philadelphia First Group, Inc. from 1983-1993. From 1993-2000, he held various positions as a Managing Director, Partner and Chief Operating Officer with Coopers and Lybrand. He then led a 30-banker industry group focused on executing merger and acquisition, debt and equity financing and buyout transactions. During this time he coordinated the merger and integration of the investment banking groups from Price Waterhouse and Coopers & Lybrand and then coordinated the global marketing of PricewaterhouseCoopers Financial Advisory Sector. In 2003, he co-founded and is managing partner of Sandia Capital Partners, LLC, a corporate finance advisory and direct investment firm.

**Mary Domski, FACULTY TEACHING AWARD.** Assistant Professor & Undergraduate Advisor in the Department of Philosophy at the University of New Mexico. Professor Domski teaches the following Undergraduate courses: Introduction to Philosophy, Descartes to Kant, Philosophy of Science. She also teaches graduate seminars on Descartes, Kant's Critique of Pure Reason, and Seventeenth Century Math and Metaphysics. She recently received the 2009 Award for Teaching Excellence from UNM's College of Arts & Sciences

The Association's **Board of Directors' meeting** is scheduled for **Friday, February 25<sup>th</sup>** at from 8:30 a.m.-3:30 p.m. Location is not yet determined.



# THE UNIVERSITY of FOUNDATION NEW MEXICO

## UNM Foundation, Inc. UNM Regent's Advisor Report January 11, 2011

December is typically the most active time of year for securing gift commitments as donors most often make their philanthropic decisions late in the calendar year. National giving remains flat or up modestly and we will not close out December until mid-January. The following table compares the results through December 27<sup>th</sup> for the current and past fiscal years.

Gift Commitments	FYTD 10/11	GOAL	FYTD 09/10
Main Campus	\$ 11,780,995	\$ 22,376,084	\$ 9,514,297
HSC	18,545,386	24,855,733	16,786,927
Athletics	3,631,471	7,000,000	779,144
Other Campus Units	5,418,365	23,768,183	6,470,546
<b>Total</b>	<b>\$ 39,376,217</b>	<b>\$ 78,000,000</b>	<b>\$ 33,550,914</b>

### Specific highlights:

- ❖ 17.4% (\$5.9 million) ahead of last year's progress.
- ❖ On pace to meet or exceed the \$78 million goal for the fiscal year.
- ❖ 11 gift commitments received to date each with a value of \$1 million or more and a total value in excess of \$22.5 million.
- ❖ Not yet included in the tabulation above are three additional seven-figure gift commitments with a total value in excess of \$6 million.
- ❖ 85 proposals each with a value of at least \$50,000 have been submitted to prospective donors with a total value in excess of \$55 million.
- ❖ The Cancer Research & Treatment center recently received two gift commitments; a \$1,600,000 bequest pledge for general cancer research and a \$1,500,000 bequest pledge to cancer center for an endowed chair in clinical oncology.
- ❖ The Donald W. Reynolds Foundation has gifted \$1M to the School of Medicine to strengthen physicians' geriatrics training across the state. The grant will support comprehensive projects to better train medical students, residents and practicing physicians in geriatrics.

- ❖ The W.K. Kellogg Foundation donated \$1.65 million to fund a chair in Sustainability Studies at the College of Arts & Sciences.
- ❖ The Bernard Osher Foundation donated \$1,050,000 to establish an endowment in support of the Osher Lifelong Learning Institute for the Division of Continuing Education.

We are continuing to plan and organize regional campaign stewardship activities. We have events planned for Taos and Houston in late winter and spring, and planning is underway for an event in Denver before 2011 closes.

The public launch for the *Changing Worlds* campaign is scheduled for April 14, 2011. Please mark your calendars.

The Consolidated Investment Fund (CIF) market value as of November 30, 2010 was \$309.4 million. This is an increase over the market value at September 30, 2010 (\$307.8 million) and the market value at June 30, 2010 (\$282.2 million). The return on investment for 5 months of FY 2010-11 was 8.56%. A Request for Proposal for investment advisory services was issued on December 1, 2010 with a due date of February 1, 2011. The current investment consultant, Hammond Associates, has been under contract since January 1, 2005.

It has been a productive end of the year. Thank you for your leadership on behalf of the University and the Foundation.

The University of New Mexico



**PARENT ASSOCIATION REPORT TO THE BOARD OF REGENTS  
BY: PRESIDENT, MARIA PROBASCO  
JANUARY 11, 2011**

---

**WISHING EVERYONE A HEALTHY, HAPPY, AND PROSPEROUS NEW YEAR!**

- 1. UNM 2010 Official Holiday Ornament:** This year's official holiday ornament, featuring UNM's Alumni Memorial Chapel and benefiting the University of New Mexico Parent Association sold out before the Holiday Break! A special thanks goes to all the friends of the Parent Association for supporting us and for being proud owners of this beautiful ornament.
- 2. 3<sup>rd</sup> Annual Parent-Day-at-the-Pit and Silent Auction:** Our parents are busy planning and organizing this event. This event is scheduled for Saturday, March 5, 2011. This will be a great opportunity for our parents and supporters to enjoy the **Lobos vs Air Force** basketball game in the newly renovated Basketball Arena "The Pit." A Silent Auction and reception will be held at the End Zone Club (also known as the President's Pavilion).
- 3.** The Parent Association and the UNM-Foundation will be meeting on Friday, January 6<sup>th</sup> to discuss fundraising opportunities and support benefiting UNM-students.
- 4.** Our Scholarship Committee will begin meeting this month to update the Parent Association's scholarship application form and criteria as we prepare to seek scholarship applications for academic year 2011/2012.
- 5.** The next Parent Association Board of Directors meeting is scheduled for February 3, 2011.

University of New Mexico Retirees' Association Report  
January 11, 2011

First, I would like to wish everyone a Happy New Year.

We know that this will be another year of difficult financial decision-making at all levels of government which in turn will impact how the University is able to move forward to fulfill its mission and meet its goals. The Retirees Association appreciates the advisory role it has been extended and the ability to participate in various Committees that have been charged with assisting in making the decisions necessary for the University to respond to current economic conditions. We look forward to continuing that role in the upcoming year.

2010 ended with much attention focused on the ERB recommendations that would be made to the Legislative Solvency Task Force for the pension fund. The Retirees Association Benefits Committee met with representatives of the ERB, asked questions, forwarded recommendations to the ERB and were, generally, pleased to be involved in the process that resulted in what we believe is a more acceptable recommendation for changes to the fund than had originally been proposed. The Association and its members are planning to play a very active role in issues affecting current and future retirees in the upcoming legislative session.

The Association continues to have an active program planning committee. The next program will be a tour of the Maxwell Museum and its' archives conducted by Dave Phillips on January 12<sup>th</sup>. To date 22 members have signed up to attend. The Association is also in the planning process for a February event, which has not yet been confirmed.

Our Communications Committee has been very active the past several months. They engaged a UNM graduate student to assist the Association in upgrading its web site. We now have the ability to include more information for members which is password protected as well as the ability to pay membership dues on line. This will be extremely helpful as the Association continues to struggle without office support.

The Associations financial audit has been completed and will be presented at the next Retirees Association Board meeting in February.

We are pleased to report that the Retirees Association's Presidential scholarship is now fully funded for next year.

# LOBO DEVELOPMENT CORPORATION

801 University Blvd. SE, Suite 207  
Albuquerque NM 87106-4345

Phone: 505/272-7118  
Fax: 505/272-7072

January 3, 2011

Mr. David W. Harris  
E.V.P. for Administration, COO, CFO  
The University of New Mexico  
Albuquerque NM 87131-0001

Dear Executive Vice President Harris:

Lobo Development Corporation requests that the annual meeting of the member be held during the Board of Regents' meeting on January 11, 2011. There are two action items to be presented to the Board of Regents for approval: the Minutes from the prior meeting and the FY 2010-11 audit.

An annual report may be presented at the request of the Board of Regents.

Thank you.

Sincerely,



Steven R. Beffort  
Secretary/Treasurer

Lobo Development Corporation, Meeting of the Member January 11, 2011

A. Approval of the Summarized Minutes of the March 20, 2009 Meeting  
First Annual Meeting of the Members  
Meeting called to order by Regent Raymond G. Sanchez

B. Approval of FY 2007-08 Audit, Regent Don Chalmers.

Presentation of audit report, "Did not identify and deficiencies in internal control over Financial reporting they considered to be material weaknesses as defined by the normal accounting standards." The results of testing with compliance disclosed no Instances of non-compliance or other matters that are required to be reported under government auditing standards.

Motion approved unanimously to approve audit findings (1<sup>st</sup> Eaves, 2<sup>nd</sup> Abeita).  
Regent Sanchez adjourned the meeting of Lobo Development Corporation.

LOBO  
DEVELOPMENT  
CORPORATION  
(A COMPONENT  
UNIT OF THE  
UNIVERSITY OF  
NEW MEXICO)

FINANCIAL STATEMENTS

JUNE 30, 2010



# TABLE OF CONTENTS

## LOBO DEVELOPMENT CORPORATION (A Component Unit of The University of New Mexico)

OFFICIAL ROSTER.....	1
INDEPENDENT AUDITORS' REPORT.....	2
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	4
FINANCIAL STATEMENTS	
Balance Sheets .....	8
Statements of Revenues, Expenses and Changes in Net Assets .....	9
Statements of Cash Flows .....	10
Notes to Financial Statements.....	11
SUPPLEMENTARY INFORMATION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	16
Schedule of Findings and Responses .....	18
Exit Conference.....	19

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**Official Roster**  
**June 30, 2010**

**OFFICERS**

David W. Harris  
Paul B. Roth, M.D.  
Steven R. Beffort  
Kim D. Murphy

**MEMBERS**

Don L. Chalmers  
James H. Koch  
David J. Schmidly  
David W. Harris  
Paul B. Roth, M.D.  
Steven R. Beffort  
Michael D. Daly  
Robert M. Murphy  
Maria Griego-Raby

## **Independent Auditors' Report**

The Board of Directors  
Lobo Development Corporation  
and  
Hector H. Balderas  
New Mexico State Auditor

We have audited the accompanying basic financial statements of Lobo Development Corporation, a component unit of The University of New Mexico (Lobo Development), as of and for the years ended June 30, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Lobo Development's management. Our responsibility is to express an opinion 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 statement 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lobo Development as of June 30, 2010 and 2009 and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2010, on our consideration of Lobo Development's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is

The Board of Directors  
Lobo Development Corporation  
and  
Hector H. Balderas  
New Mexico State Auditor

to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Mess Adams LLP*

Albuquerque, New Mexico  
October 12, 2010

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2010, 2009 and 2008**

This discussion and analysis of Lobo Development Corporation (Lobo Development) and its financial performance provides an overview of Lobo Development's financial activities for the fiscal years ended June 30, 2010, 2009 and 2008. All accounting transactions for fiscal years 2010, 2009 and 2008 are considered to be governmental activities for purposes of applying the Governmental Accounting Standards Board's accounting standards.

**Financial Highlights**

- The cash position decreased in 2010 by \$220,824, resulting in cash on deposit with fiscal agent and cash on hand at close of 2010 of \$187,791. The decrease during 2010 is primarily due to an increase in project expenses. During the prior year, the cash position decreased by \$18,659, resulting in cash on deposit with fiscal agent and cash on hand at the close of 2009 of \$408,615. The decrease during 2009 is primarily due to the fact that as of the beginning of March 2008 \$427,784 was being held by UNM in Lobo Energy's account and was classified as a restricted asset on Lobo Energy's balance sheet. The funds were being held for this Corporation. Lobo Development was incorporated during the fiscal year in 2008 and a UNM account was set up for the new corporation. The funds were transferred to Lobo Development's account from Lobo Energy's account during March 2008. The cash balance at June 30, 2008 was \$427,274.
- Interest earned during 2010 decreased \$4,931 from \$10,038 to \$5,107 due to a decrease in the amount of cash being held by UNM, the fiscal agent. Interest earned in 2008 amounted to \$44,019 due to the large amount of cash held by UNM, the fiscal agent. The cash held by fiscal agent decreased as monies were transferred to the Compass bank account to pay for increasing project costs.
- Lobo Development's net assets decreased \$290,924 as a result of the startup of the South Campus Student Housing Project from \$376,793 in 2009 to \$85,869 in 2010. During 2009, Lobo Development's net assets decreased \$50,427 from \$427,220 in 2008 to \$376,793 in 2009 because project expenses increased during the year.
- During the year, operating revenue increased by \$492,327 and operating expenses increased by \$727,893, resulting in an increase in net operating loss of \$235,566. During 2009 there was no operating revenue. During 2008 there was \$385,000 in operating revenue from contributions received from affiliate for startup. During 2009, operating expenses increased by \$58,666, from \$1,799 to \$60,465, respectively, resulting in a decrease in net operating income of \$443,666.

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2010, 2009 and 2008**

**Using This Annual Report**

This annual report consists of a series of financial statements. The Balance Sheets, Statements of Revenues, Expenses, and Changes in Net Assets, and Statements of Cash Flows provide information about the activities of Lobo Development.

***Overview of the Financial Statements***

The Balance Sheets of Lobo Development provide information about Lobo Development's overall financial status. The Statements of Revenues, Expenses, and Changes in Net Assets provide information about the operating revenues and expenses and the non-operating revenues and expenses of Lobo Development. The Statements of Cash Flows provide information about the sources and uses of cash by Lobo Development.

***Reporting on Lobo Development's Activities***

**Financial Information**

Lobo Development's condensed financial information as of and for the years ended June 30, 2010, 2009 and 2008 are provided in the following table:

	2010	2009	2008
Current assets	<u>\$ 680,118</u>	408,615	427,274
<b>Total assets</b>	<u><b>\$ 680,118</b></u>	408,615	427,274
Current liabilities	<u>\$ 594,249</u>	31,822	54
Net assets	<u>85,869</u>	376,793	427,220
<b>Total liabilities and net assets</b>	<u><b>\$ 680,118</b></u>	408,615	427,274
Operating revenue	<u>\$ 492,327</u>	-	385,000
Operating expenses	<u>788,358</u>	60,465	1,799
<b>Operating (loss) income</b>	<u><b>(296,031)</b></u>	(60,465)	383,201
Nonoperating revenue	<u>5,107</u>	10,038	44,019
<b>Change in net assets</b>	<u><b>(290,924)</b></u>	(50,427)	427,220
Net assets, beginning of year	<u>376,793</u>	427,220	-
<b>Net assets, end of year</b>	<u><b>\$ 85,869</b></u>	376,793	427,220

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2010, 2009 and 2008**

*Statement of Net Assets*

*Assets* – A large portion of the June 30, 2010 and 2009 assets are in the form of cash in the amount of \$187,791 and \$408,615, respectively; of which \$181,137 and \$386,831, respectively, is held by Lobo Development's fiscal agent, The University of New Mexico (UNM), and \$6,654 and \$21,784, respectively, is held in an operating bank account at Compass Bank. Cash decreased primarily as a result of the increase in project expenses. A large portion of the June 30, 2008 assets were in the form of cash in the amount of \$427,274 of which \$377,309 was held by Lobo Development's fiscal agent and \$49,965 was held in an operating bank account at Compass Bank..

*Liabilities and Net Assets* – A majority of the June 30, 2010, 2009 and 2008 net assets are held as equity in the form of unrestricted net assets of \$85,869, \$376,793 and \$427,220, respectively. The remaining balance is in form of current liabilities for 2010, 2009 and 2008.

*Statement of Revenues, Expenses, and Changes in Net Assets*

*Revenues* – During the year ended June 30, 2010, Lobo Development generated operating revenue in the amount of \$492,327 as result of the student housing project that began during the year. There were no operating revenues during the year ended June 30, 2009. Startup cash in the amount of \$385,000 was transferred to Lobo Development during the year ended June 30, 2008. Other income amounted to \$5,107, \$10,038 and \$44,019 and was the result of interest earned from UNM during the years ended June 30, 2010, 2009 and 2008, respectively.

*Expenses* – Total operating expenses increased \$727,893 during the year ended June 30, 2010 due to an increase of \$722,687 in project expenses and an increase of \$5,206 in operating expenses. This change was primarily due to the increasing project costs in connection with the student housing project. Total operating expenses increased \$58,666 during the year ended June 30, 2009 due to an increase of \$29,221 in project expenses and an increase of \$29,445 in operating expenses.

UNM is the fiscal agent of Lobo Development. UNM holds the majority of Lobo Development's net assets and invests the holdings in a commingled account with UNM's other investments. The pro rata interest earnings are credited to Lobo Development's account monthly. Lobo Development transfers funds to its checking account as needed.

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2010, 2009 and 2008**

**Contacting Lobo Development's Financial Management**

This report is meant to accurately describe the financial condition and position of Lobo Development.

If you have questions about this report or need additional financial information, contact Lobo Development Corporation at 801 University Boulevard SE, Suite 207, Albuquerque, New Mexico 87106-4345.



**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of the University of New Mexico)**  
**BALANCE SHEETS**  
**June 30, 2010 and 2009**

<b>ASSETS</b>	<b>2010</b>	<b>2009</b>
Current Assets		
Cash on deposit with fiscal agent	\$ 181,137	386,831
Cash on deposit with bank	6,654	21,784
Accounts receivable, net	492,327	-
<b>Total current assets</b>	<u>680,118</u>	<u>408,615</u>
<b>Total assets</b>	<u>\$ 680,118</u>	<u>408,615</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Payable to fiscal agent	\$ 280,784	-
Accounts payable	73,465	31,822
Advance payable to fiscal agent	240,000	-
<b>Total current liabilities</b>	<u>594,249</u>	<u>31,822</u>
Net Assets		
Unrestricted	<u>85,869</u>	<u>376,793</u>
<b>Total liabilities and net assets</b>	<u>\$ 680,118</u>	<u>408,615</u>

*See Notes to Financial Statements.*

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of the University of New Mexico)**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Years Ended June 30, 2010 and 2009**

	2010	2009
Operating Revenue		
Project revenue	\$ 492,327	-
	<hr/>	<hr/>
<b>Total operating revenue</b>	<b>492,327</b>	<b>-</b>
	<hr/>	<hr/>
Operating expenses		
Project expenses	751,908	29,221
Administrative expenses	36,450	31,244
	<hr/>	<hr/>
<b>Total operating expenses</b>	<b>788,358</b>	<b>60,465</b>
	<hr/>	<hr/>
<b>Operating loss</b>	<b>(296,031)</b>	<b>(60,465)</b>
Nonoperating revenue		
Interest income	5,107	10,038
	<hr/>	<hr/>
<b>Change in net assets</b>	<b>(290,924)</b>	<b>(50,427)</b>
Net assets, beginning of year	376,793	427,220
	<hr/>	<hr/>
<b>Net assets, end of year</b>	<b>\$ 85,869</b>	<b>376,793</b>
	<hr/> <hr/>	<hr/> <hr/>

*See Notes to Financial Statements.*

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of the University of New Mexico)**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2010 and 2009**

	2010	2009
Cash Flows From Operating Activities		
Payments to other suppliers of goods or services	\$ (465,931)	(28,697)
<b>Net cash used by operating activities</b>	<u>(465,931)</u>	<u>(28,697)</u>
Cash Flows From Noncapital Financing Activities		
Advance from fiscal agent	240,000	-
<b>Net cash provided by noncapital financing activities</b>	<u>240,000</u>	<u>-</u>
Cash Flows Provided by Investing Activities		
Interest received on deposits with fiscal agent	5,107	10,038
<b>Net cash used by investign activities</b>	<u>5,107</u>	<u>10,038</u>
<b>Net decrease in cash and cash equivalentls</b>	<b>(220,824)</b>	<b>(18,659)</b>
Cash and cash equivalentls, beginning of year	<u>408,615</u>	427,274
<b>Cash and cash equivalentls, end of year</b>	<u><u>\$ 187,791</u></u>	<u>408,615</u>
Reconciliation of Operating Income to Net Cash Used (Provided)		
By Operating Activities		
Operating loss	\$ (296,031)	(60,465)
Adjustments to reconcile operating income to net cash used by operating activities		
Change in accounts receivable	(492,327)	-
Change in accounts payable	322,427	31,768
<b>Net cash used by operating activities</b>	<u><u>\$ (465,931)</u></u>	<u>(28,697)</u>

*See Notes to Financial Statements.*

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010 and 2009**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

*Business.* Lobo Development Corporation, a component unit of The University of New Mexico (Lobo Development), is owned, controlled, and was established by The University of New Mexico's (UNM) Board of Regents.

Lobo Development was incorporated in the State of New Mexico on October 4, 2007 under the State of New Mexico's University Research Park and Economic Development Act. Towards the end of fiscal year 2009, Lobo Development filed for exemption from federal income tax on income related to its exempt purposes under Section 501(a) of the Internal Revenue Code (Code) as an organization described in Section 501(c)(3) of the Code. Tax exemption status was granted by the Internal Revenue Service effective October 4, 2007.

Lobo Development was established to benefit the UNM Regents by relieving UNM of responsibilities for management and development of University-owned real estate in a commercially reasonable manner and to maximize the University's return from these assets; by contributing all of the corporation's net revenues to UNM for the support of the teaching, research and service mission of the University; and by creating learning opportunities for students in this development activity. The activities of the corporation shall include the acquisition, development, disposition and rental of University real estate.

Under the Memorandum of Agreement between the UNM Regents and Lobo Development signed in the first quarter of fiscal year 2009, Lobo Development may plan, direct and coordinate its business activities in accordance with a mutually agreed upon development proposal and development agreement between Lobo Development and the University. Lobo Development operations will be funded by an administrative fee assigned to approved projects. If Lobo Development revenues are more than sufficient to meet its anticipated financial obligations based on a mutually approved annual budget, it is the intent of the parties that excess revenue shall be distributed back to the University.

During the year ended June 30, 2010, Lobo Development proceeded to work on three projects assigned to the Corporation by UNM.

The first project was negotiated on behalf of UNM with American Campus Communities (ACC) for the construction and operation of a new student housing development on the University campus. In the Master Agreement effective November 1, 2009, ACC assumes all of the costs associated with the designing, development, management and operating of student housing projects on campus as determined by each Ground Lease. At the termination of the lease, the improvements would revert to the University. The project is divided into three components and a separate ground lease will be negotiated for each.

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010 and 2009**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

Component I consists of an apartment-style student housing project located on UNM's South Campus. Component II includes new student housing to be constructed on UNM's main campus. Component III is for additional student housing to be built as set forth in UNM's Strategic Housing Plan which is currently being developed. Ground was broken on Component I on June 17, 2010.

The second project Lobo Development has undertaken on behalf of UNM is to begin negotiations with Hunt Development for commercial development of various properties; both on and off the campus. As of June 30, 2010 contract negotiations were ongoing.

A third project entails construction of the first building on the University's Rio Rancho Campus. Lobo Development Corporation signed a Memorandum of Understanding (MOU) with the City of Rio Rancho, the UNM Board of Regents and the Sandia Foundation to develop UNM property in Rio Rancho. The MOU was effective June 17, 2009 and provides the following:

- The Sandia Foundation obtained a loan to construct the building.
- Lobo Development will arrange financing in the approximate amount of \$13,200,000 and will acquire the completed building from the Sandia Foundation.
- The City of Rio Rancho will provide the University with annual payments of \$1,513,000 for a period of 5 years upon substantial completion of the building to assist in initial infrastructure and building costs.

As of June 30, 2010, a purchase agreement was being negotiated.

Lobo Development provides services only to UNM.

*Basis of Accounting.* As a component unit of UNM, Lobo Development follows proprietary fund accounting as set forth in Statement No. 20 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. Under

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010 and 2009**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

the provisions of that standard, Lobo Development has elected to not apply Statements of Financial Accounting Standards issued by the Financial Accounting Standards Board after November 30, 1989.

As a proprietary fund, Lobo Development's financial statements are reported using a flow of economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred. Operating revenues and expenses are those incurred that relate directly to project management services. All other revenues and expenses are considered nonoperating.

The accompanying financial statements include only the accounts of Lobo Development which has no component units.

*Cash and Cash Equivalents.* For purposes of the Statement of Cash Flows, Lobo Development considers cash and cash equivalents to be cash deposits and amounts held by its fiscal agent.

*Accounts Receivable.* All receivables are reported net of estimated uncollectible amounts. At June 30, 2010, Management considered receivables to be 100% collectible.

*Estimates.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Revenue Recognition.* Lobo Development recognizes operating revenue as project-specific fees for services earned under the terms of the Memorandum of Agreement for each project.

*Net Assets.* Net assets are classified as unrestricted. Unrestricted net assets represent liquid assets available for use.

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010 and 2009**

**NOTE 2. CASH**

Lobo Development's cash balances include cash on deposit with fiscal agent and an operating account. Lobo Development has no statutory policy requirements related to cash deposits. UNM serves as the fiscal agent for Lobo Development through which Lobo Development participates in a pooled bank account maintained by UNM. At June 30, 2010 and 2009, Lobo Development had a balance in that pooled account of \$181,137 and \$386,831. As fiscal agent, UNM requires the financial institution holding these pooled funds to maintain minimum collateral amounts. Interest is allocated monthly to Lobo Development's account based on its balance in the pooled bank account at the end of the preceding month.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. At June 30, 2010 and 2009 both the bank balance and the book balance in Lobo Development's separate checking account with Compass Bank was \$6,654 and \$21,784. Of the bank balance, the entire amount (up to \$250,000) is insured by the Federal Deposit Insurance Corporation.

**NOTE 3. RELATED-PARTY TRANSACTIONS**

Effective August 12, 2008, UNM and Lobo Development entered into a Memorandum of Agreement (MOA) containing the expectations and performance obligations that UNM is seeking from Lobo Development.

Pursuant to the MOA, UNM provides to Lobo Development, at no cost to Lobo Development, facilities support and general business office and associated workspace. Under the agreement, UNM provides cash and investment management activities for Lobo Development, at no cost to Lobo Development.

The MOA may be terminated by UNM, effective upon written notice to Lobo Development. Upon termination, all property of Lobo Development shall be transferred to the University or other successor organization designated by resolution of the UNM Board of Regents.

A project-specific Memorandum of Agreement between UNM and Lobo Development shall be executed in connection with each project assigned to Lobo Development by the University.

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010 and 2009**

**NOTE 4. CONTINGENCIES**

Lobo Development, through UNM, participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability, auto liability, physical damage and workers' compensation insurance. The Risk Management program liability insurance coverage includes most employee liability claims; those claims falling outside this state program are in limited amounts and are covered by UNM from its operating budget. UNM's exposure is limited to \$1,000 per any first party incurred property loss, with the exception of theft, which has a \$5,000 deductible.



**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  
Lobo Development Corporation  
and  
Hector H. Balderas  
New Mexico State Auditor

We have audited the basic financial statements of Lobo Development Corporation, a component unit of the University of New Mexico (Lobo Development), as of and for the year ended June 30, 2010, and have issued our report thereon dated October 12, 2010. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lobo Development's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lobo Development's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lobo Development's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

The Board of Directors  
Lobo Development Corporation  
and  
Hector H. Balderas  
New Mexico State Auditor

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lobo Development's financial statements are free of material misstatement, we performed tests of its compliance with certain provision 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*.

This report is intended solely for the information and use of the board of directors, management, and the New Mexico State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Mess Adams LLP*

Albuquerque, New Mexico  
October 12, 2010

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**June 30, 2010 and 2009**

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

**PRIOR YEAR FINDINGS**

None

**CURRENT YEAR FINDINGS**

None

**LOBO DEVELOPMENT CORPORATION**  
**(A Component Unit of The University of New Mexico)**  
**EXIT CONFERENCE**  
**June 30, 2010 and 2009**

We discussed the recommendations contained in this letter during the exit conference held October 12, 2010. The exit conference was attended by the following individuals:

**Lobo Development Corporation**

Steven R. Beffort, Secretary/Treasurer  
Kim D. Murphy, Associate Vice President  
Jewel M. Glavey

**Moss Adams LLP**

Jason Galloway, Manager

# *LOBO ENERGY, INC.*

---

January 3, 2011

David W. Harris  
E.V. P. for Administration, COO, CFO  
The University of New Mexico  
Albuquerque NM 87131-0001

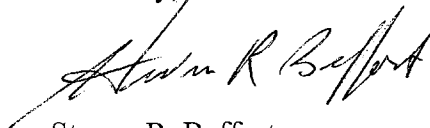
Dear Executive Vice President Harris:

Lobo Energy, Inc. requests that the annual meeting of the member be held during the Board of Regents' meeting on January 11, 2011. There are two action items to be presented to the Board of Regents for approval: the Minutes from the prior meeting and the FY 2009-10 audit.

A report on the progress of UNM's energy conservation program may be presented at the request of the Board of Regents.

Thank you.

Sincerely,



Steven R. Beffort  
President/C.E.O.

Lobo Energy, Inc. Meeting of the Member January 11, 2011

- A. Approval of the Summarized Minutes of the March 20, 2009 Meeting  
Annual Meeting of the Member  
Meeting called to order by Regent Raymond G. Sanchez  
Approval of Summarized Minutes of the December 6, 2007 Meeting.  
(1<sup>st</sup> Chalmers, 2<sup>nd</sup> Eaves)

- B. Approval of the FY 2007-2008 Audit, Regent Don Chalmers

Presentation of audit report, "Did not identify and deficiencies in internal control over Financial reporting they considered to be material weaknesses. Under compliance and other matters, the results of their tests disclosed no instances of non-compliance or other matters that are required to be reported under government auditing standards. Very much like Lobo Development, their balance sheet is very clean and all their money is tied up in cash.

Motion approved unanimously to approve audit findings (1<sup>st</sup> Eaves, 2<sup>nd</sup> Abeita)

Regent Sanchez adjourned the meeting of Lobo Energy. Inc.



## ***A Decade of Energy Conservation at UNM***

- **DURING THE PAST DECADE, UNM HAS PURSUED DOZENS OF PROJECTS AIMED AT REDUCING ENERGY CONSUMPTION ON CAMPUS. THOSE PROJECTS INCLUDE:**
  - ✓ **INCREASED PRODUCTION EFFICIENCY FROM THE CAMPUS ENERGY PLANT (DISTRICT ENERGY SYSTEM)**
  - ✓ **SMART METERING SYSTEMS (EMCS - ENERGY MANAGEMENT CONTROL SYSTEM)**
  - ✓ **IMPROVED BUILDING SYSTEM CONTROL (RETRO-COMMISSIONING)**
  - ✓ **THE ENERGY CONSERVATION PROGRAM**



## ***A Decade of Energy Conservation at UNM***

- **THE CULMINATION OF ALL OF THESE PROJECTS HAS RESULTED IN AN OUTSTANDING SUCCESS STORY.**
  
- ✓ **A NET REDUCTION IN ENERGY DENSITY OF 30% (BTU/SQUARE FOOT) FROM OUR DISTRICT ENERGY SYSTEM**
  
- ✓ **\$4.1 MILLION NET AVOIDED COST OVER THE PAST 30 MONTHS FROM OUR ENERGY CONSERVATION PROGRAM**

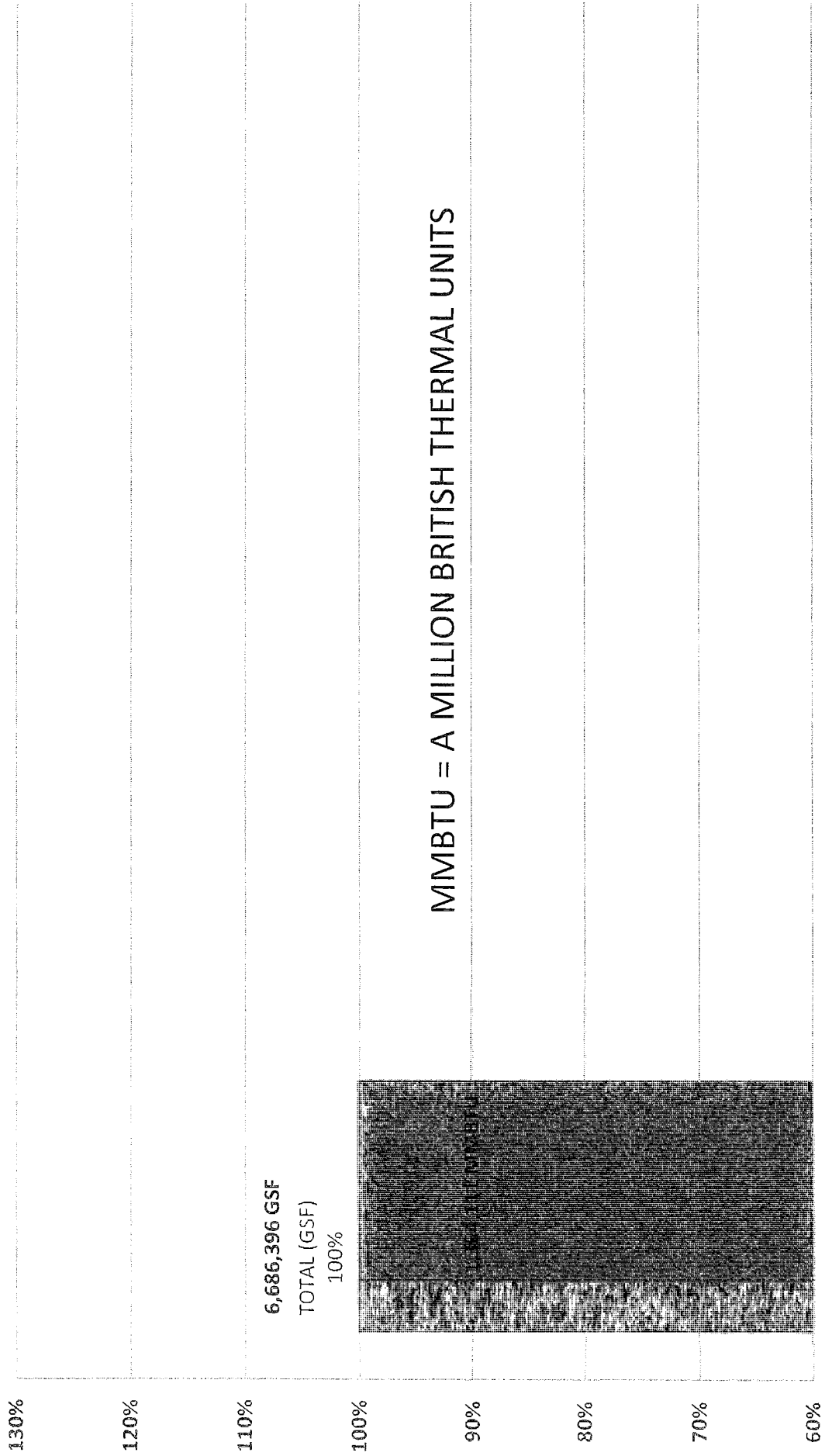




## ***A Decade of Energy Conservation at UNM***

- **To further understand the success of the energy conservation program, we must first look at our District Energy System.**
  
- **The D.E.S. represents approximately 85% of the entire campus square footage.**
  
- **We will examine the:**
  - ✓ **total energy consumed by the DES over the last decade and**
  - ✓ **total gross square footage served by the District Energy System.**

# District Energy System Total Energy & Service Area During the Base Year of 2000



2003

2002

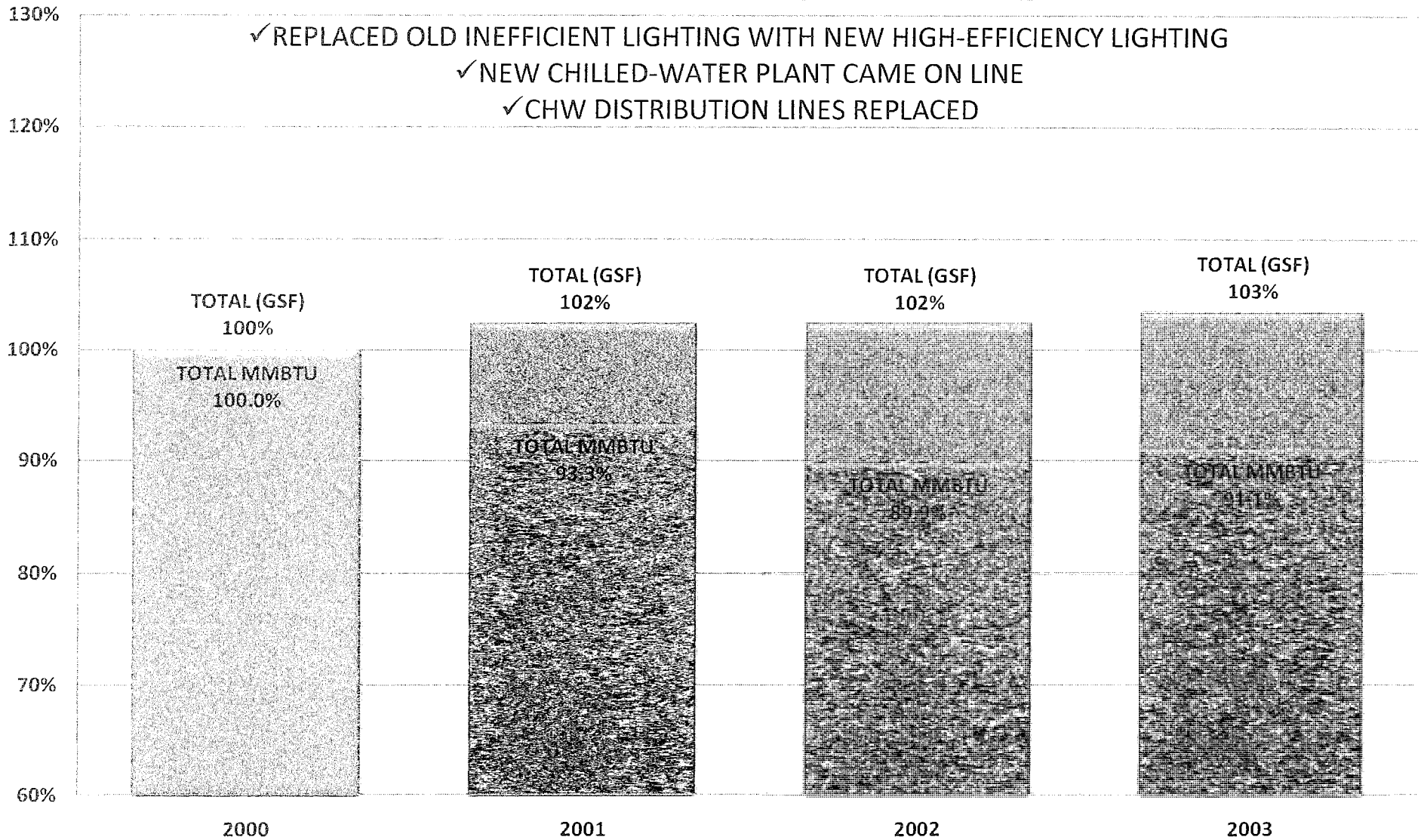
2001

2000

Title

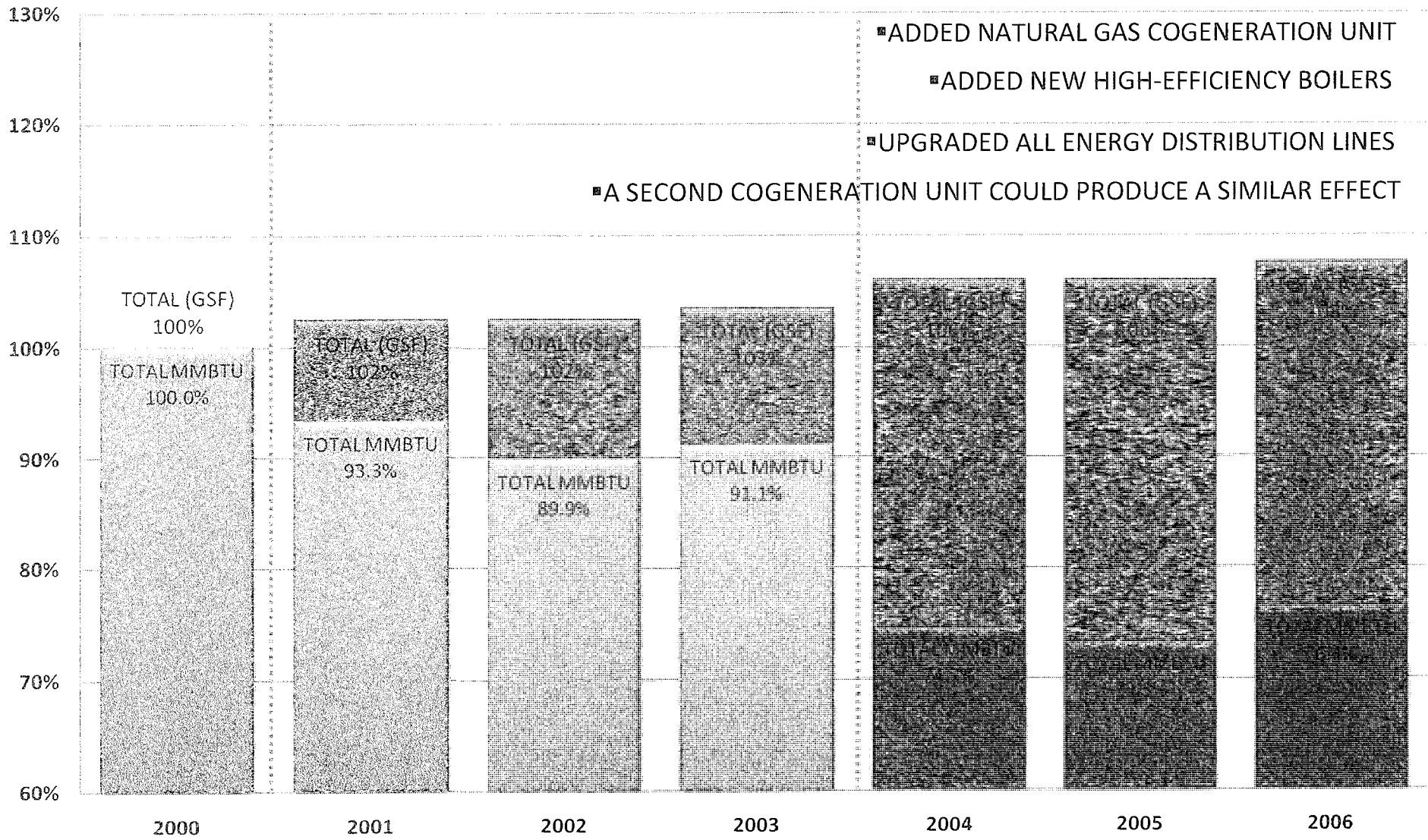
# ✓ Campus Lighting Project

## ✓ Chilled-Water System Upgrade



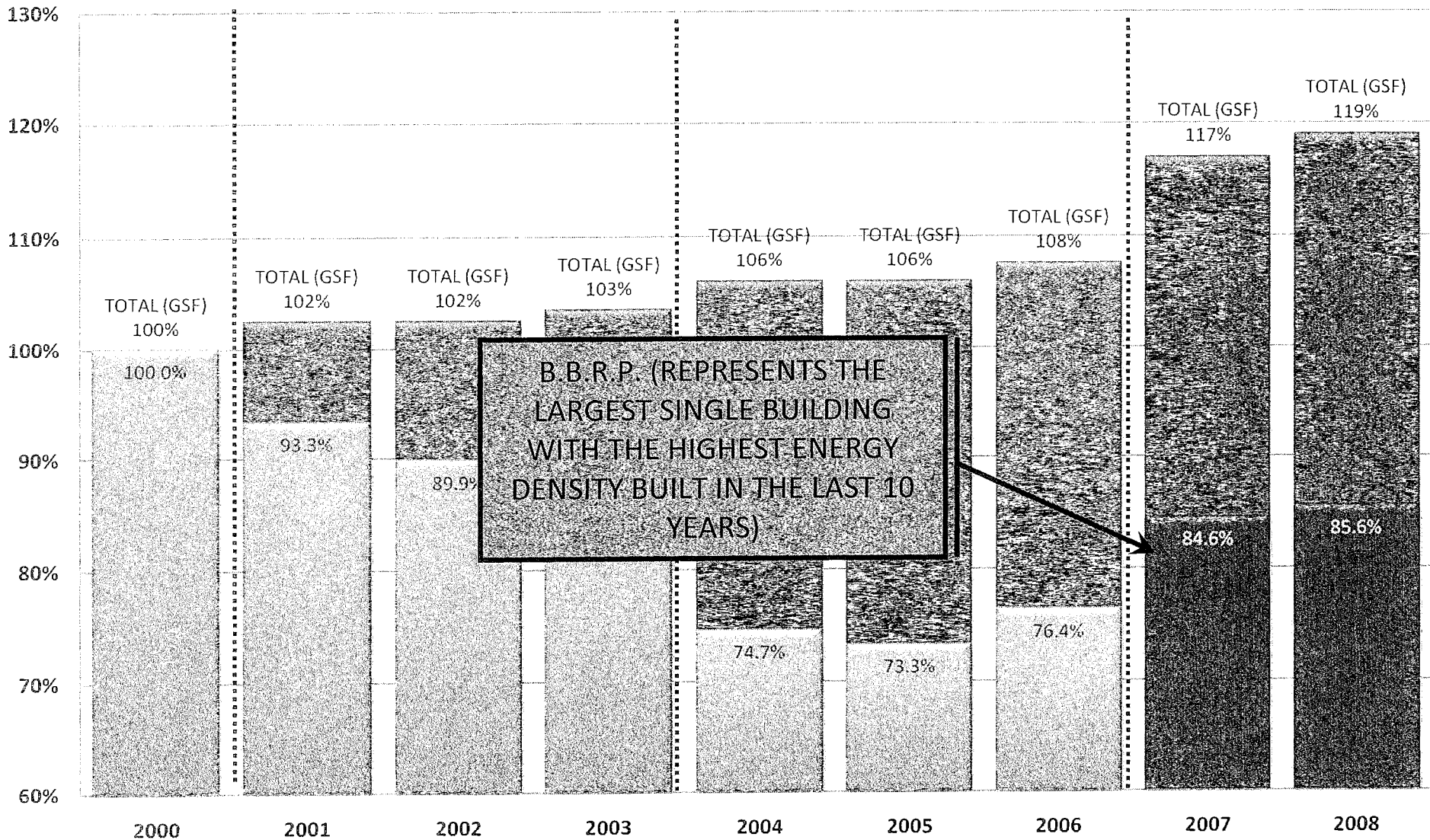
**DISTRICT ENERGY SYSTEM TOTAL ENERGY & SERVICE AREA**

# ✓ UTILITIES RENEWAL PROJECT



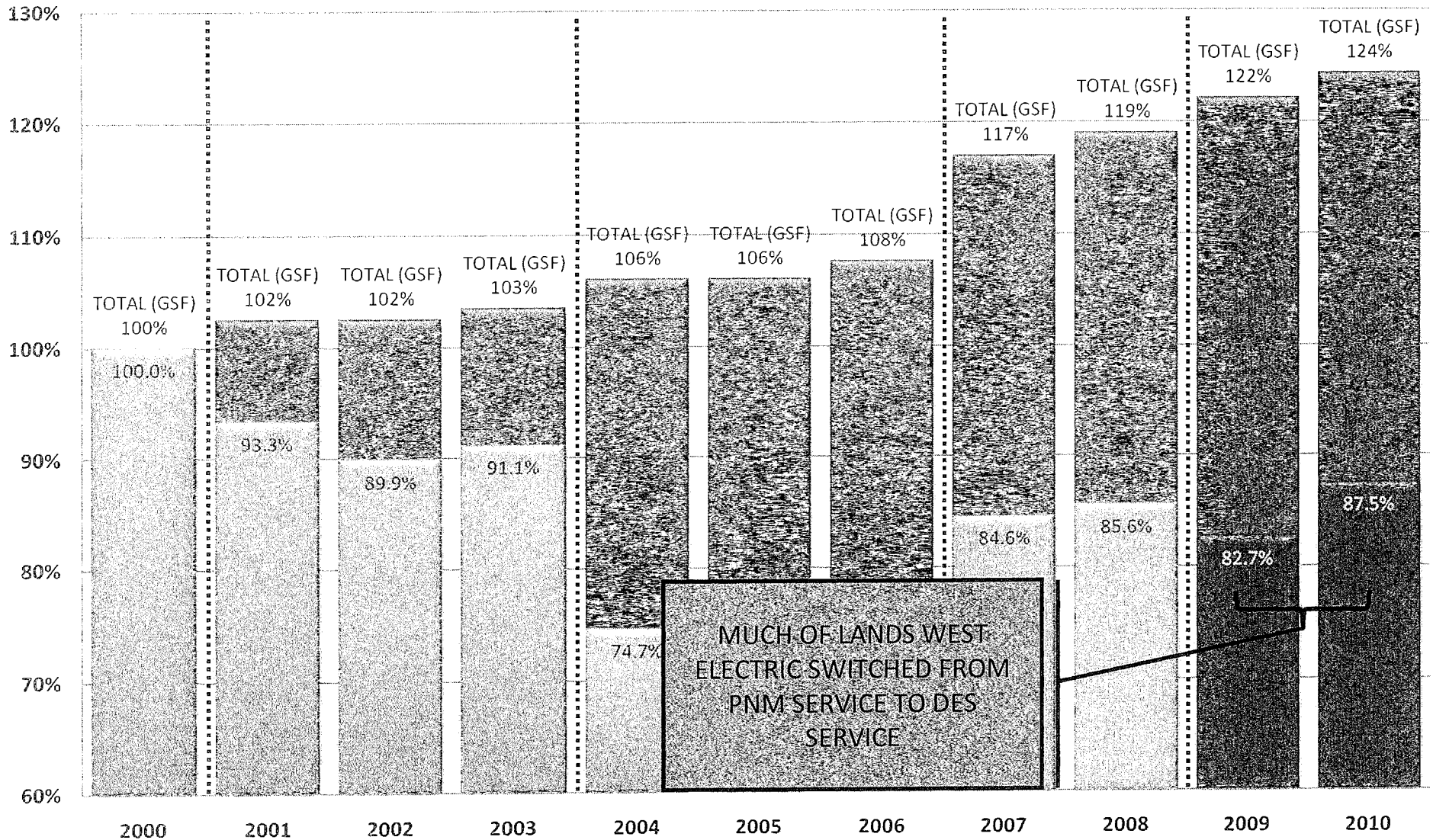
**DISTRICT ENERGY SYSTEM TOTAL ENERGY & SERVICE AREA**

✓ RETRO-COMMISSIONING  
 ✓ SMART METERING PROJECT (EMCS)



DISTRICT ENERGY SYSTEM TOTAL ENERGY & SERVICE AREA

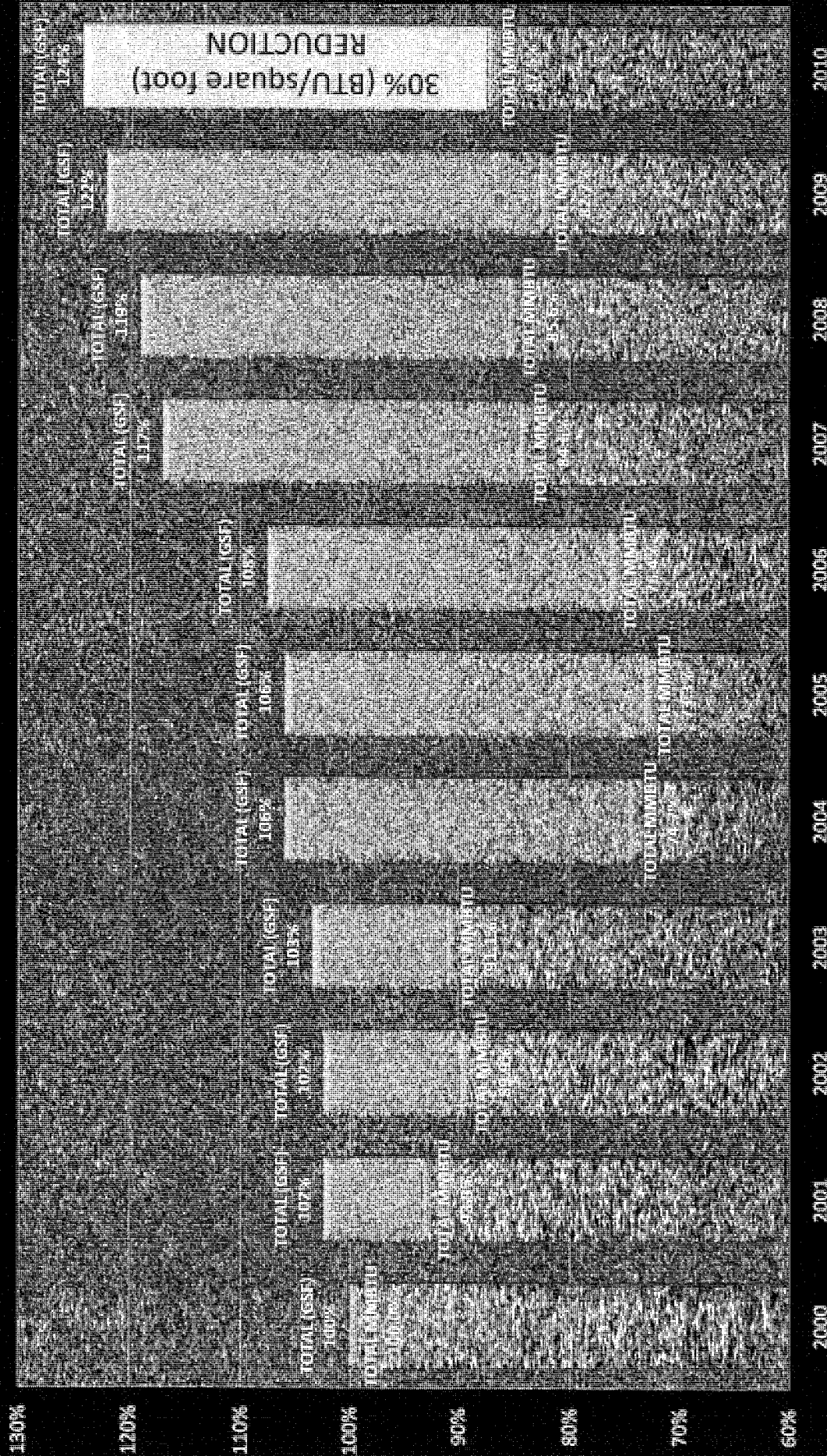
# ✓ ENERGY CONSERVATION PROGRAM



MUCH OF LANDS WEST  
ELECTRIC SWITCHED FROM  
PNM SERVICE TO DES  
SERVICE

**DISTRICT ENERGY SYSTEM TOTAL ENERGY & SERVICE AREA**

# NET REDUCTION IN ENERGY FROM 2000-2010 OF APPROXIMATELY 30% (BTU/square foot)



District Energy System Total Energy & Service Area

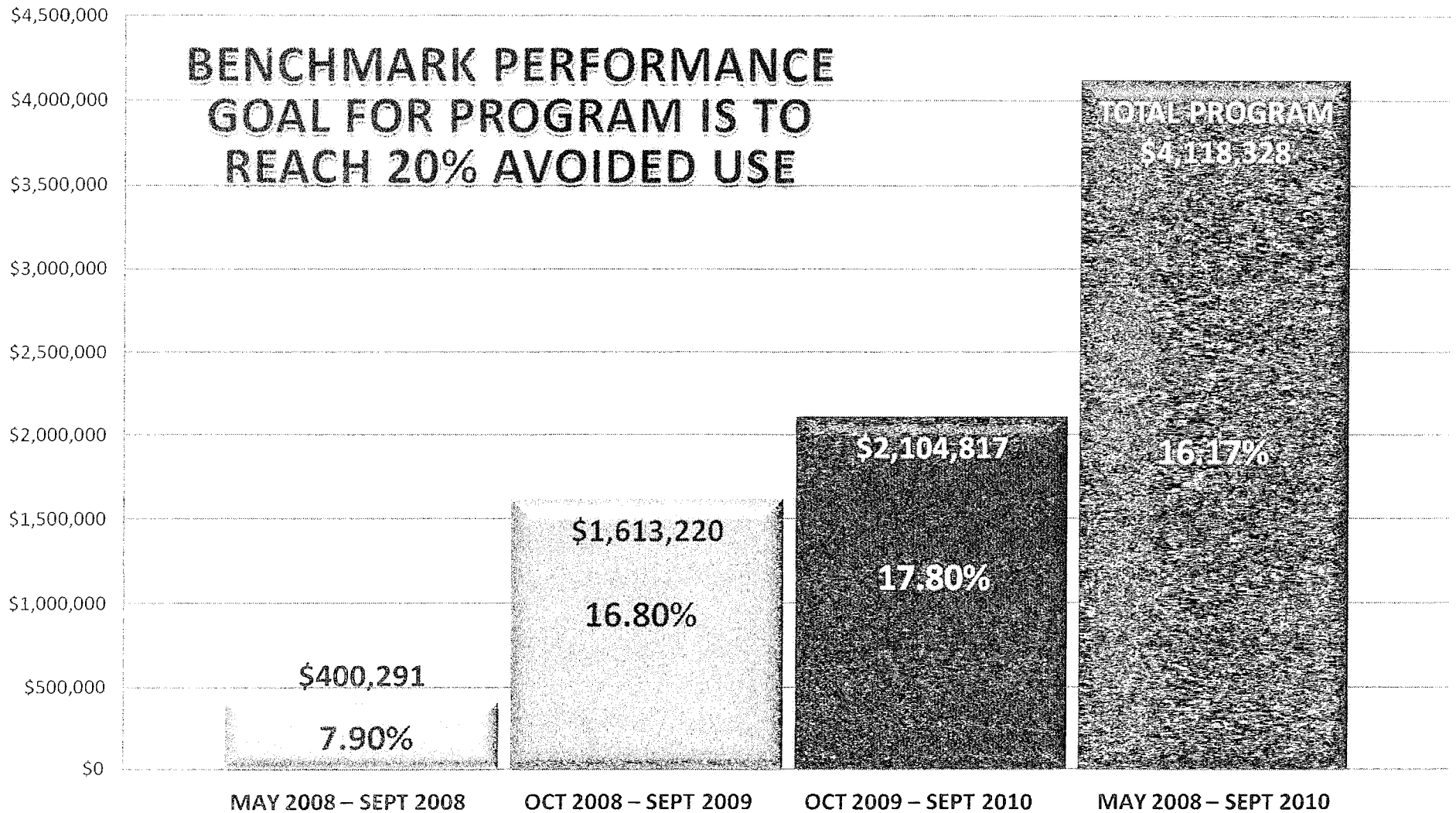


## Energy Conservation Project

- In 2008, UNM entered into a contract with Energy Education, Inc. (EEI).
- EEI and UNM developed a broad program to reduce energy consumption by focusing on modifying the systems of the campus community and refining the management of the buildings.
- Six Energy Conservation Educators were hired to aggressively seek ways to reduce energy consumption.
- Consumption reduction: allowed postponement of \$2.5 million chiller purchase.
- Earned the University several Energy Star Awards.



## AVOIDED USE & NET AVOIDED COST BY PERFORMANCE YEAR





# UNM

## Energy Conservation

ASSUMES NO INCREASE IN GROSS SAVINGS PER YEAR; SIMPLY MAINTAINS PY#02

### SAVINGS MATRIX

	FAST TRACK	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
GROSS COST AVOIDANCE	\$660,361	\$3,954,256	\$4,500,527	\$4,500,527	\$4,500,527	\$4,500,527	\$4,500,527	\$4,500,527	\$4,500,527	\$4,500,527	\$4,500,527	\$44,458,999
UNIVERSITY'S TOTAL INVESTMENT	\$260,070	\$2,341,036	\$2,395,710	\$2,409,838	\$2,424,389	\$514,576	\$530,014	\$545,914	\$562,292	\$579,160	\$596,535	\$12,899,464
NET AVOIDED COSTS	\$400,291	\$1,613,220	\$2,104,817	\$2,090,689	\$2,076,188	\$3,985,951	\$3,970,513	\$3,954,613	\$3,938,235	\$3,921,367	\$3,903,992	\$31,559,535

NON-CONTRACT EXPENSES INCREASE BY 3% ANNUALLY

A SECOND COGENERATION UNIT COULD ENHANCE PROGRAM SIGNIFICANTLY

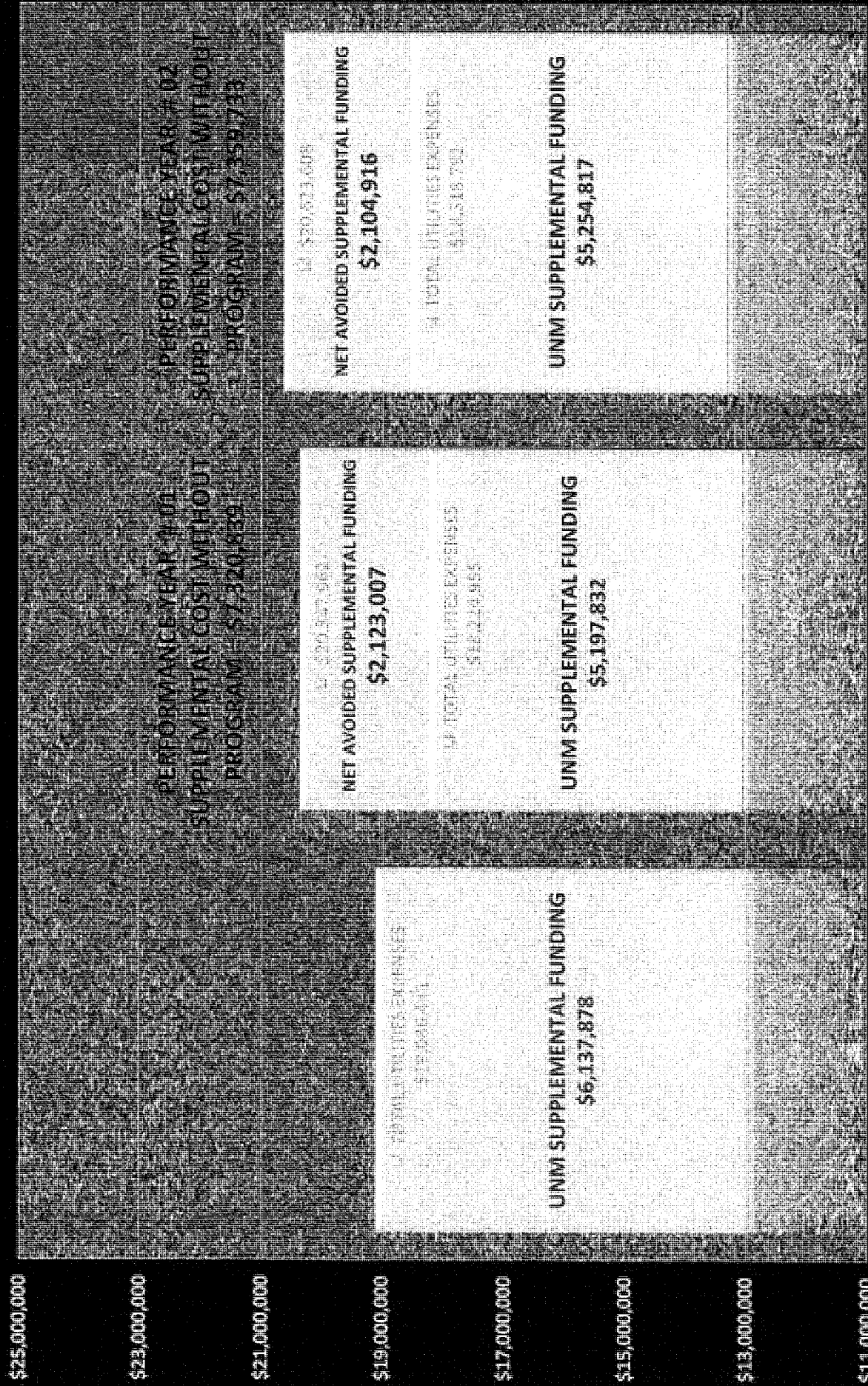
CONTRACT PAYMENTS WITH EEI END



## UTILITY OBSTACLES:

- DURING THE PAST DECADE ENERGY COSTS HAVE INCREASED BY 39%
- UNM HAS INCREASED ITS SQUARE FOOTAGE BY 24%
- STATE UTILITY FUNDING HAS INCREASED BY 17%
- UNM HAS ASKED FOR AN ELECTRIC RATE INCREASE OF APPROXIMATELY 25% OVER THE NEXT TWO YEARS

# TOTAL I&G UTILITY EXPENSES vs. STATE UTILITY FUNDING



FY08

FY09

FY10

■ NET AVOIDED COSTS

■ TOTAL UTILITIES EXPENSES

■ STATE FUNDING



*Department of Planning, Budget & Analysis*

**MEMORANDUM**

TO: Members of the Board of Regents

THRU: David J. Schmidly, President  
David W. Harris, EVP for Administration, COO and CFO

FROM: Andrew Cullen, Associate VP, Office of Planning, Budget & Analysis

DATE: January 11, 2011

**SUBJECT: Approval of Chemistry Department Renovation Project Scope and Financing**

---

As a follow-up to last week's Finance and Facilities meeting, the Administration recommends moving forward immediately with deferred maintenance and lab renovation work for the Chemistry Department (see attached memo from Interim Dean David Bear). The work will take place in various sections of Riebsomer and Clark Halls and includes the following:

- Maintenance Related Issues - ***\$500K Emergency BR&R Funds***
  - Roof Renewal
  - Bathrooms Modification and Renewal
  - Interior Improvements (paint, flooring, ceiling tiles, doors, locksets)
  - Exterior Renewal (window and window sills replacement/maintenance)
- Lab Renovations and Limited Building Systems Improvements - ***\$2.5M UNM 2007 Bond Funds (Reallocations and Interest Earnings)***
  - Solar Energy Lab and Associated Office Space
  - Drug Discovery Lab and Associated Office Space
  - Organic Chemistry Teaching Lab
  - Laboratory Instrumentation
  - Ventilation Controls

The above scope of work will immediately improve numerous safety and deferred maintenance issues and provides suitable lab space for researchers, as well as teaching space for organic chemistry lab classes that allow students to move forward with their studies in chemistry and related fields.

Thank you for your consideration.

## UNM Chemistry and Chemical Biology – A Department in Crisis

The Department of Chemistry and Chemical Biology (C&CB) is one of the oldest and most well established departments at the University of New Mexico, having become a separate academic unit in 1913. In FY2010, the Department served over 7,000 undergraduate and graduate students from more than 20 different UNM degree-granting programs, and generated over 16,000 student credit hours. Many of these students apply to the UNM Health Sciences programs including medicine, pharmacy, nursing, dental hygiene, physical therapy, occupational therapy, radiological sciences, and medical laboratory sciences. Virtually all students in the College of Engineering take two or more semesters of chemistry, and chemistry courses are also part of the requirements for College of Arts and Sciences programs in the Departments of Physics and Astronomy, Earth and Planetary Sciences, and Biology. Despite more than 10% growth in the number of undergraduate students served by C&CB over the past two years, the number of tenure track faculty has declined to unprecedented levels due to unfilled positions that were left vacant by retirements and resignations. Over the past five years the number of tenure-track faculty dwindled from 21 in FY2005 to 13.5 in FY2010. However, four of the 13.5 are on administrative assignments to other units within UNM, leaving the department effectively with 9.5 tenure-track faculty members in FY2010. These 9.5 faculty members brought in over 2.9 million dollars in external grant support. Two new Assistant Professors were recruited to the Department in the summer of 2010, and a third search was initiated in the fall of 2010.

However, the main stumbling block to the further recruitment of new faculty and the replacement of retiring faculty is the present state of the buildings that house the research and teaching laboratories. The main chemistry building, Clark Hall, was erected in 1952. A "newer" laboratory facility, the Riebsomer Wing, was erected in 1969. In 1994, NSF awarded a small grant to the Department to repair the H-VAC system and fume hoods in the freshman chemistry teaching laboratory in Clark Hall, however there were not enough funds to carry out any repairs to the Riebsomer wing, where the faculty research laboratories and the upper-division undergraduate teaching laboratories are located, including the organic chemistry teaching laboratory that serves almost 1,000 students per year – almost all of which apply to UNM including the programs medical and pharmacy schools.

Since that time, three separate external reports have been issued (1988-89, 1992 and 2003) that have expressed the critical need to renovate or reconstruct the Riebsomer Wing in order to ensure the safety and welfare of students, staff and faculty. **The physical environment and lack of proper equipment make the undergraduate organic chemistry laboratory unsafe and, if left unaddressed, this situation could result in student and instructor injuries.** Despite the pleas from the Department in its annual reports for the past decade, little effort has been made to develop a comprehensive plan for the improvement of the facilities. The continued deterioration of both Clark Hall and the Riebsomer Wing over the past decade have come to the point where many laboratories in the two buildings are no longer fit for research or teaching.

In September of 2009, the HED Finance Committee and the University of New Mexico recommended that the renovation of Riebsomer Wing be the highest priority capital project for the 2010 State of New Mexico General Obligation Bond initiative, and the State Legislature approved the recommendation. On the basis of the high rate of success, the faculty was optimistic that the Department would finally obtain the resources for renovation and repairs. However, Bond D failed by less than 1200 votes out of more than 500,000 votes cast.

At this point, the Department of Chemistry and Chemical Biology is on the brink of an academic catastrophe. Faculty morale is extremely low with several of the most productive members actively searching for positions at other institutions. The start-up package and laboratory renovations for one of the two new faculty members was based on obtaining funds from the Bond D; we are thus at real risk of losing that faculty member unless we can address his urgent needs. A number of graduate students originally recruited by the department's graduate program are choosing academic advisors outside the Department. If these problems are not addressed, in less than five years the undergraduate major and the graduate program will no longer be viable and the Department will lose its capacity to function as an academic unit. If the most productive members of the faculty in the Department were to leave the institution over the next few years, it is estimated that it would take more than \$25,000,000 in building renovations, equipment, additional salaries, and research start-up costs to rebuild the department.



**University Services**

University Services Business Operations    UNM Surplus Property  
UNM Copy Center                                    UnivServ Shipping and Receiving  
UNM Mailing Systems                              UNM Inventory Control  
UNM Records Management                      Chem Stores  
<http://www.unm.edu/~univserv/>

Date:                    December 23, 2010

To:                      Bruce Cherrin, Chief Procurement Officer  
                                 Purchasing Department

From:                   Debra L. Fondino *D. Fondino*  
                                 Associate Director, University Services

Subject:                Equipment Disposition – December 2010

Attached for your review and submission to the Board of Regents is the Surplus Property Disposition Detail list for items needing immediate disposition for the month of December, 2010. The listing is not the complete list for December.

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

Surplus Property Department  
Disposition Detail List  
as of 12/23/10

P-Tag #	Department	Asset Description	Manufacturer	Model	Serial Number	Cap Date	Cost	NBV	Disp Method	Disp Date
240994	Intercollegiate Athletics	Basketball Backstop-Portable	BASKETBALL PRODUCTS	Spalding	N/A	2000	9,172.00	2,191.08	Obsolete	12/23/2010
240995	Intercollegiate Athletics	Basketball Backstop-Portable	BASKETBALL PRODUCTS	Spalding	N/A	2000	9,171.00	2,191.08	Obsolete	12/23/2010
240996	Intercollegiate Athletics	Basketball Backstop-Portable	BASKETBALL PRODUCTS	Spalding	N/A	2000	9,172.00	2,191.08	Obsolete	12/23/2010

Disposal Count: 3

Disposition Asset Value: 27,515.00

Disposition Book Value: 6,573.24



December 23, 2010

Assets Notes to Surplus listing dated 12/23/10:

**1 – Assets# 240994, # 240995 and # 240996** are three Spalding portable basketball goals that are approximately 10 years old and are no longer in production. In the renovation of the University Arena, the Intercollegiate Athletics department purchased three new portable basketball goals. The department would like to move quickly while it is still basketball season to sell the goals through Surplus Property to currently interested parties.



The University of New Mexico  
Purchasing Department  
MSC01 1240  
1 University of New Mexico  
Albuquerque, NM 87131-0001

**MEMORANDUM**

To: David Harris, Executive Vice President for Administration  
From: Bruce Cherrin, Chief Procurement Officer *BC*  
Subject: Contract Approval  
Date: December 23, 2010

The following is being submitted for approval per Regent Policy 7.4. This will need to proceed to the full Board of Regents.

**University of New Mexico Hospital**

**1. Nuance**

**Source of Funds:** UNM Hospitals Operating Budget

**Description:** Request to purchase a transcription/dictation solution that utilizes speech recognition to streamline clinical documentation. Currently, dictation is typed 100% by a transcriptionist. This system will allow digital creation of a draft document for transcription editing via speech recognition technology. The new technology will allow a transcriptionist to double their productivity. This increase in productivity will reduce document turnaround time for patient care and allow additional dictation services for illegible hand-written documents. It will also eliminate overflow outsourced work as well as replace licensing costs for the two separate systems in use.

An additional benefit is the ability for Medical Providers to use front-end speech recognition, Dragon Medical, that produces text in real-time while the provider dictates. Providers will simply dictate, review and sign the medical document in one step and eliminate the need for a medical transcriptionist. The complete documentation is ready immediately for continuing care purposes. It is estimated that initially 15% of dictation can be completed real time with potential for up to 50% over the life of the contract.

PowerScribe 360 for Radiology utilizes the same speech recognition engine, Dragon Medical, with specific radiology content. It will provide more robust resident/attending workflows and peer review workflows. It will the PACS system and integrate with it the Cerner EMR. The proposal includes Veriphy, a critical test results reporting service that is integrated with PowerScribe. Veriphy automatically notifies referring providers of critical results. Veriphy will maintain the provider database of contact information and hierarchy of contacts. RadCube will also be integrated with PowerScribe 360. RadCube will provide advance clinical data mining

tools to provide continuous clinical feedback, more effective management of costs, and support better clinical and business decisions.

**Process:** A RFP was issued in April 2010 and a total of 16 vendors issued a proposal to UNMH. A scoring team that consisted of Health Information Management, Information Technology, HIPAA Security and medical providers reviewed the proposals submitted. The determination was based on cost, product functionality, radiology functionality and compatibility with UNMH's electronic medical record.

**Cost:** Cost estimates are based on an Application Service Provider (ASP) model made up of licensing, training, installation, and per line usage of the system. The following assumptions were used:

- 10% increase in volumes of provider dictation annually;
- 10% of dictation processed by transcription only (\$0.014/line);
- 50% dictation processed by transcriptionist edited voice recognition (\$0.0460/line);
- 40% dictation processed real-time by providers.

The system will also require a PowerScribe server. The combination of increased transcription productivity along with advanced speech recognition technology will allow us to expand our services while reducing the staff needed to produce the work. The cost of continuing the current software application and outsourcing components for four years will be \$2,983,477. The remainder of the savings associated with implementing the new system will be achieved with a reduction in the level of staff needed for the new process.

Cost	UNMH	Radiology	Total/Year
1 <sup>st</sup> Year	\$1,015,050	\$ 713,523	\$1,728,573
2 <sup>nd</sup> Year	\$ 909,150	\$ 316,692	\$1,225,842
3 <sup>rd</sup> Year	\$ 820,743	\$ 316,692	\$1,137,435
4 <sup>th</sup> Year	\$ 705,563	\$ 316,692	\$1,022,255
<b>Total</b>	<b>\$3,450,506</b>	<b>\$1,663,599</b>	<b>\$5,114,105</b>

## 2. Cerner Corporation

**Source of Funds:** UNM Hospitals Capital Budget FY 11;  
UNM Hospitals Operating Budget FY 11 through FY 15

### Description:

In the UNMH electronic medical record (EMR), physicians in both inpatient and outpatient settings currently log into the EMR many times each day, both for reasons of security (patient electronic records cannot be left open under federal HIPAA) and because work process necessitates that the provider moves throughout the clinic or inpatient areas using a different computer at each patient. This is a cumbersome requirement as it requires about 90 seconds to log into the EMR at each patient.

The Single Sign-On product will provide much greater efficiency and as well as improve ease of use for the medical care provider by avoiding the need to sign on multiple times at computers each hour. The first log-in of the day will require the full credentials of username, password, and badge to insure compliance with HIPAA. After the initial sign-on, the single sign-on product will permit the physician / provider to simply "tap" the ID badge at each computer to enable access to the electronic medical record. This process will reduce the time from a 90 second complete log in to about 10 seconds and results in a largely streamlined work process. The single sign-on process also anticipates the federal requirement in 2011 for two passwords when writing a schedule II "controlled substance" prescription. The Single Sign-On badge ID will comply with that requirement.

### Process

This is a sole source procurement from Cerner Corp., the software developer of the EMR. Cerner is in partnership with both a hardware and software vendor that will provide the badge readers at the PC and the middle-ware software to enable the single sign-on process.

**Costs:**

FY 11 Capital: Software license, hardware installation and implementation fees	\$ 404,700
FY 11- FY 15 Operational: Annual license and remote hosting data center fees	<u>\$ 263,800</u>
Total projected 5 year costs	<u>\$1,319,000</u>

**University of New Mexico**

**3. Office of VP for Research – Kratos Analytic**

We are requesting approval to purchase a Kratos X-Ray Photoelectron Spectrometer (XPS) for the Surface Characterization Facility at the UNM Center for Emerging Energy Technologies. X-ray photoelectron spectroscopy is one of the only surface-specific spectroscopic techniques that provides readily interpretable, quantitative chemical information. This new XPS will allow for rapid high spatial, high energy resolution analysis in order to characterize lateral and vertical spacial chemistry in samples ranging from bio-films to catalysts.

**Source of Funding:**

Three different sources of funds:

\$322,000 from an NSF Major Research Instrumentation grant (PI Julia Fulghum)

\$150,000 from a DOE EPSCoR grant (PI Plamen Atanassov)

\$138,000 UNM F&A funds from the OVPR and CEET (the F&A component are required matching funds for the NSF MRI).

The total cost of the equipment is **\$610,000.00**

## Bio for COS announcement

WL began his duties at UNM HSC in October, 2004 as Chief of the Division of Cardiology. He arrived with 24 years of experience as an academic interventional cardiologist, having directed programs at the University of Pennsylvania, University of Maryland and the National Naval Medical Center. He brings an interest and track record in outcomes analysis in all aspects of cardiovascular medicine, which has translated into the current national presence of UNM in the quality and guidelines arena. In developing a cardiovascular product line at UNM, WL hopes to improve not only the overall quality of care but the process of care - ongoing goals for all providers at UNM. To that end, under WL's stewardship, UNMH recently received the highly-coveted certificate of advanced certification in heart failure by TJC. In addition, UNMH has consistently ranked in the top decile of "door to balloon times" for the care of patients with acute myocardial infarction.

WL has recently completed his two year term as COS. Among the many challenges facing this group, the topic of professionalism received considerable attention. WL co-authored a "white paper" on professionalism which has been incorporated into the archives of the MEC and is readily accessible. Renewed attention is being paid to this fundamental tenet of our profession and WL is proud to represent, and communicate, this commitment at the UNMH BOT level

## **Elizabeth Joyce Naseyowma-Chalan**

---

### **Education**

- Master of Public Health, University of Hawaii, Honolulu, HI; Health Education/Community Health Development. Degree Awarded in 1992.
- Bachelor of Arts, University of New Mexico, Albuquerque, NM; Sociology/Social Welfare. Degree Awarded 1986.

### **Professional Experience**

#### **University of New Mexico, Health Sciences Center Center for Native American Health (CNAH)**

##### ***Associate Director***

##### **November 2004 to August 2010**

- Assist the Director with direction and integrative coordination in the planning, development and implementation of the CNAH program goals and objectives.
- Establish and implements short- and long-range goals, objectives, policies, and operating procedures; monitors and evaluates program/project effectiveness; effects changes required for improvement.
- Represents CNAH to various UNM institutional divisions as well as externally to governmental agencies, prospective funding agencies, Tribes and tribal organizations.
- Develops and manages budgets for the program including performing periodic cost and productivity analyses.
- Oversees the supervision of personnel which includes work allocation, training, problem solving, evaluates performance and makes recommendation for personnel actions; motivates employees to achieve peak productivity and performance.
- Oversees all facets of the daily operations of the program, ensuring compliance with university, state, and federal laws, policies, and regulations.

#### **NM Department of Health, Santa Fe NM**

##### ***Director of Public Health Division***

##### **January 2003 – November 2004**

- Political appointee responsible for direct oversight and management of public health division at the NM Dept. of Health.
- Provides leadership of and directs New Mexico statewide public health agency comprised of 5 bureaus (Family Health, Health Systems, Chronic Disease, Injury Prevention and EMS Services and Infectious Disease), and 4 Districts having 57 local health offices
- Provides leadership in all areas of public health that affect the communities of New Mexico.
- Provide leadership and oversight for the management of personnel functions in the Districts, Bureaus, and offices supervised and be familiar with areas of budget and facilities for the purpose of planning and implementation.
- Oversee PHD budget of \$165 million plus with funds from state, federal and private funding.
- Provide direct supervision to 5 division leadership staff.

**Albuquerque Area Indian Health Board, Inc.**  
***Executive Director***

**October 1998 – January 2003**

- Provided direction and leadership on matters related to health by the Board of Directors of the AAIHB.
- Oversees all managerial responsibilities and activities of the Albuquerque Area Indian Health Board, Inc. (AAIHB), a non-profit Indian health organization governed by 7 Tribal communities located in NM and CO.
- Represents AAIHB to various entities including NM Tribes, tribal organizations, federal and state agencies and other health organizations.
- Develop and manage AAIHB's budget and finances including conducting periodic cost analyses and developing financial reports for the AAIHB finance committee.
- Negotiate grants and contracts on behalf of the AAIHB Inc.
- Oversee grants and other funded projects to ensure compliance. I
- Provide consistent communication with the AAIHB Directors about health policy, legislation, and other health information.
- Prepare reports and testimonies including health policy position papers, legislative analysis to the AAIHB Directors.
- Manage and direct proposal development and fundraising activities.
- Provide personnel management for 20 staff including performance appraisals.

**Albuquerque Area Indian Health Board, Inc.**  
***Acting Associate Director***

**January 1998 - September 1998**

- Worked under the direction of the Executive Director.
- Assisted the Executive Director with the administration and management of all programs.
- Provided direct supervision to 17 employees and occasional contractors in the delivery specialized program services. Implemented personnel actions and completed performance appraisals.
- Worked directly with finance department and program managers in program planning and implementation, budget development and monitoring, contract/grant compliance, and development of reports.
- Manage and direct outreach activities and information of AAIHB, Inc. Interact with other organization at all appropriate functions and develop working relationships with tribes, federal and state agencies and Indian organizations.

**Albuquerque Area Indian Health Board, Inc.**  
***Director, Behavioral Health Programs***

**January 1995 - January 1998**

- Administered and managed AAIHB Behavioral Health Programs including, HIV/AIDS Prevention, HIV/AIDS Outreach, Substance/Alcohol Use Prevention/Treatment, Intimate Partner Violence Prevention, Indian Child Counseling, and Community Based Diabetes Prevention/Intervention.
- Provided the day-to-day management of the contracts including direction and

supervision to 12 employees.

- Manage program budgets including periodic budget reviews, budget reports for the AAIHB directors, and periodic cost analyses.
- Oversee the development of community based training, preparation and delivery of program reports.
- Liaison between program coordinators, Executive Director and Board Directors.

**Albuquerque Area Indian Health Board, Inc.**

***Community Health Development Technical Advisor***

**December 1993 – December 1995**

- Administered community program assessment, planning and implementation to address behavioral health issues (e.g. HIV/AIDS, Substance/Alcohol Use prevention).
- Provided technical expertise to communities in the areas of community based planning, developing community health profiles, program design, grant writing, proposal development, implementation planning, process and outcome evaluation design and implementation.

**Educational sabbatical to attend Graduate School, University of Hawaii.**

**August 1991 – December 1992**

**Albuquerque Area Indian Health Board, Inc.**

***Coordinator, HIV/AIDS Prevention***

**May 1989 – August 1991**

- Planned and implemented Native American HIV/AIDS outreach prevention education and training programs in NM and CO.
- Developed and implemented a needs assessment in the seven AAIHB, Inc. tribal communities.
- Coordinated tribal community participation in the design of a comprehensive community-based HIV/AIDS education and training program.
- Assisted tribes with community based planning, developing and implementing community service provider training, program design and program evaluation.
- Advocated and liaison on behalf of Native Americans to internal and external agencies of the federal, state and private service providers.

**Albuquerque Area Indian Health Board, Inc.**

***Director, Alcoholism Prevention Program***

**November 1986 – May 1989**

- Administered and managed the development and implementation of the first tribal community based prevention program in NM/CO in two tribal communities, Canoncito Navajo community and the Ute Mountain Ute community.
- Provided public health and prevention research related to community-based alcohol prevention models.
- Assisted the two communities with program planning, implementation and



evaluation.

- Provided technical expertise in relation to the implementation of the Omnibus Drug Bill P.L. 99-570. Served as a liaison between tribal communities and AAHIB Board of Directors.

### **Albuquerque Public Schools, Indian Education Program**

#### ***Native American Student Tutor***

#### **November 1983 – September 1986**

- Provided tutorial assistance to 20-25 Native American students from elementary to middle school in schools throughout the APS district.
- Interacted with school personnel including teachers, school counselors, school administrators and parents.
- Served as an advocate and liaison for the Native American students.

### **Santa Fe Indian School, Santa Fe, NM**

#### ***Student Living Advisor***

#### **November 1979 – September 1982**

- Administered and managed the activities of a dormitory that housed high school senior girls.
- Supervised 10 residential advisors.
- Coordinated and monitored the activities of the dormitory. Monitored compliance with school policies and procedures.
- Interacted with school administrators, teachers, and parents and served as a liaison between school and tribal community.

### **Patents and Publications**

2001 Morgan Davis, Linda; Garcia, Connie Z., Naseyowma, Joyce; Morley, Sarah Knox; Lafrado, Louis J. A Medical Library and American Indian Health Board Partnership: Development of a Culturally Relevant Literatures Database for Intimate Partner Violence.

### **Professional Memberships**

- Indian Health Service, Alcohol and Substance Abuse Workshop, 2002 to 2005
- Indian Health Service, Disparities Index/Level of Need for Funding Workgroup, 1999 to 2002.
- Indian Health Service, Indian Health Care Improvement Workgroup. P.L. 94-437, 2000 to 2002.
- National Indian Women's Health Steering Committee, Vice Chair, 1995 to 2001
- National Woman's Health Panel of Experts, 1967- to 2001
- Indian Health Service, Albuquerque Area Leadership Team, 2002 to 2003.
- NM Tribal Data Advisory Group, 2002 to 2003
- University of New Mexico, Center for Native American Health, 2002 to 2004.
- NM Dept. of Health, Public Health Capacity Assessment Steering Committee, 2002 to 2004.
- UNM Native American Advisory Committee, Sept. 2005 to present

- American Public Health Association 1992 to 2004
- Pueblo Health Committee October 2006 to present
- NM Medicaid Advisory Committee November 2006 to present
- Con Alma Community Committee August 2007 to present
- NM Dept. of Health, American Indian Health Advisory Committee, 2008 to present

**References**

Patricia Montoya, R.N., M.P.A.  
 (Former Cabinet Secretary, NM Dept. of Health)  
 6337 Ticket NW  
 Albuquerque, NM 87120  
 Phone: (505) 922-6259

Jim Toya, Director  
 Albuquerque Area Indian Health Service  
 US Public Health Service  
 5300 Homestead NE  
 Albuquerque, NM 87119  
 Phone: (505) 248-4501

Michelle Chino, Ph. D., Director  
 University of Las Vegas Institute for Children  
 American Indian Research and Education Center  
 4505 Maryland Parkway, Box 451046  
 Las Vegas, NV 89154-1046  
 Phone: (702) 895-2649

**Objective**

To use my public health knowledge, management skills, Native health network to advocate and find resources to enhance opportunities for improved the health of Native American people in New Mexico.

**Awards received**

1990 Department of Health and Human Services, Public Health Service, and Assistant Secretary for Health's Awards for Outstanding Achievement, James O. Mason.

2005 Indian Health Service, National Directors Award for outstanding team performance, Charles Grimm, M.D.



Office of the Vice President for HSC/UNM Finance  
and University Controller  
1 University of New Mexico  
MSCO1 1300  
Albuquerque, NM 87131

**MEMORANDUM**

**DATE:** January 6, 2011

**TO:** David W. Harris  
Executive Vice President

**FROM:** Ava J. Lovell, CPA  
Vice President for HSC/UNM Finance  
& University Controller

**RE:** Information Item for Board of Regents' Finance & Facilities Committee Meeting

The Monthly Consolidated Financial Report for the month ended October 31, 2010 will be presented at the January 6, 2011 Finance and Facilities meeting. In order to present the most-timely financial information at this meeting Financial Reports will be distributed at the F&F meeting in lieu of having them included in the bound agenda book.

# Executive Summary

## University of New Mexico Consolidated Financial Report

### FY 2011, 4 months ending 10/31/2010

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

This report displays the “**Benchmark Rate**” percentage. The Benchmark Rate is used as a guide to analyze how budgeted revenue is coming in or whether we are spending budgeted expenses too rapidly. For October, we would expect to see income and expense for 4 months of the year or 33% (4 months divided by 12 months) of the full year operating budget.

**Instruction and General** operations (approximately 90% of this operation resides on Main Campus) projected an unfavorable net margin of \$5.7M for the FY 2011 UNM Operating Budget. This unfavorable budgeted net margin is comprised of a \$5.0M use of balance at the Main Campus, a \$450K use of balance at the Branch Campuses and a use of balance at the HSC Campus of \$333K. The \$5.0M use of balance at Main Campus is primarily due to Academic Affairs budgeting balance forwards. As of 10/31/10 these operations produced a favorable net margin of \$46.8M. This results from recording actual tuition revenue on a semester basis, as opposed to a monthly basis, as shown by a 56% Benchmark rate for tuition revenue. In addition, F&A Revenues were up 5% overall compared to the operating budget and the total actual Instruction and General expenses are 4% less than budgeted.

The next block of information shows our **Unrestricted Research** operations. The activity in these operations is essentially 50% Main Campus and 50% HSC Campus. The FY 2011 UNM Operating Budget showed a use of balance of \$11.9M, of which a \$5.7M unfavorable net margin is related to Main Campus and a \$6.2M unfavorable net margin is related to HSC Campus. The \$5.7M use of balance at Main Campus is primarily due to Academic Affairs departments budgeting balance forwards. The budgeted use of balance at the HSC Campus primarily consists of \$3.8M of budgeted Plant Transfers for anticipated HSC renovations and \$1.1M budgeted for the School of Medicine Dean’s one-time support to SOM units. The actual unfavorable net margin is \$1.3M as of 10/31/10 and is primarily due to the timing of transfers to Unrestricted Research at the School of Medicine.

The third block of numbers on the first page is a summary of our **Clinical** operations. These operations are essentially all the patient care activities of the HSC Campus, including the UNM Hospitals, SOM physician professional services, Cancer Center operations and Housestaff/Medical Residents who are being trained in the UNM and VA hospitals. The FY 2011 UNM Operating Budget projected an unfavorable net margin of \$10.1M. The major factor contributing to this unfavorable net margin is the School of Medicine budgeting a use of balance of \$12.2M for FY 2011. The budgeted use of balance is primarily due to the SOM support of remodeling projects related to the Ortho Clinic and Tri-Services buildings, funding of Endowments and expenditure of prior year gift revenue received too late in FY 2010 to be spent in that fiscal year. Clinical operations show an unfavorable net margin of \$215K as of 10/31/10. UNM Hospitals produced a favorable net margin of \$109K and the HSC Campus had an unfavorable net margin of \$324K as of 10/31/2010. The results for UNMH alone are a positive net margin of \$1.4M, of which donation revenue represents \$1.3M of that amount. The combined results for the Behavioral operations are running at a loss of \$1.3M which is due to a decrease in inpatient census of an average of six patients from the same period prior year coupled with a slowdown in cash payments on Accounts Receivable balances. The Hospitals also had an overall reduction of \$404K in state appropriations in FY 2011. The HSC unfavorable net margin as of 10/31/10 can be primarily attributed to clinical services at the SOM.

The fourth business category shown on the first page of this report is **Unrestricted Public Service**. The operations in this category include special projects funded by State Appropriations, for example Project ECHO, and non-endowed gifts flowing from the UNM Foundation to departments and many small events funded by user fees. The FY 2011 UNM Operating Budget projected an unfavorable net margin of \$6.8M. This unfavorable

budgeted net margin is comprised of a \$6.0M use of balance at the Main and Branch Campuses and a budgeted use of balance of \$800K at the HSC Campus. The \$6.0M use of balance at the Main and Branch Campuses is primarily due to Academic Affairs departments budgeting balance forwards. There are \$3.2M of budgeted balance forwards within non-endowed spending indices and approximately \$1.0M of budgeted balance forwards within Arts and Sciences. Actual revenue is greater than expense by \$4.7M as of 10/31/10 with HSC Campus having a favorable net margin of \$292K and the Main and Branch Campuses producing a favorable net margin totaling \$4.4M. The favorable net margins at all Campuses are primarily due to gift revenue received as a result of the Treasury Operations Agreement with the University of New Mexico Foundation, Inc. that was executed in August 2010.

Page 2 of this report begins with the **Student Aid** function. The FY 2011 UNM Operating Budget projected an unfavorable net margin of \$8.0M. This unfavorable budgeted net margin is comprised of a \$7.9M use of balance at the Main Campus and a budgeted use of balance of \$141K at the HSC Campus. The budgeted use of balance at Main Campus is primarily due to Academic Affairs departments and Enrollment Management budgeting balance forwards for the payout of major and departmental scholarships in the new fiscal year. The actual unfavorable net margin is \$4.5M as of 10/31/10. The revenue and expenditures are both ahead of the budget benchmark because they are recorded on the semester basis for scholarships and need-based aid to students.

**Student Activities** are the operations of Student Government and Student organizations. The FY 2011 UNM Operating Budget shows a use of balance of \$312K. These operations show a favorable performance of \$968K as of 10/31/10. This results from recording actual fee revenue on a semester basis, as opposed to a monthly basis, as shown by a 49% Benchmark rate for fee revenue.

#### **Auxiliaries and Athletics**

The FY 2011 UNM Operating Budget for Auxiliaries and Athletics projected a use of balance of \$304K. This use of balance is primarily due to a combination of Athletics budgeting a \$198K use of balance, Student Health Center budgeting a use of balance of \$100K, the Branch Campuses budgeting an unfavorable net margin of \$8K and all other units budgeting a favorable net margin of \$2K.

Actual performance as of October 31, 2010 for the Auxiliaries and Athletics is a favorable net margin of \$598K. The Athletics unfavorable net margin of \$3.18 million results, in part, from the timing of Football expense versus Football revenue; however it is expected that overall Football revenue will not meet the budgeted level. UNM Athletics will receive some BCS revenue from the Mountain West Conference bowl games and Basketball revenue should be healthy enough to offset the first debt service interest payment due on December 1, 2010 for the UNM Bonds that were used to fund the renovation of the PIT. The Financial Services Division and the UNM Athletics Finance Team will be monitoring the forecasted business plan for the PIT against actual results very closely. Auxiliary Units with a positive net operating income through October are: Bookstore, Parking and Transportation, AVP Ops/Student Life, Housing and Food Service, Student Health Center, Student Union and the CE Conference Ctr.

**Sponsored programs** operations are our contract and grant research and public service projects funded by outside agencies and companies. These operations will always record 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.

The **total net** favorable revenue over expenses for UNM current operations is \$47.1 million for the four months ending 10/31/10, primarily driven by the favorable net margin of \$46.8M in Instruction and General Operations.

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents  
For the Four month period ended October 31, 2010  
Preliminary and Unaudited

**University of New Mexico - Consolidated Total Operations Current Funds**

	FY 2011 Full Year Operating Budget	FY 2011 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 33%
<b>Instruction and General</b>				
Tuition and Fees Revenues	139,717,741	78,233,179	(61,484,562)	56%
State/Local Appropriations	264,821,848	84,757,201	(180,064,647)	32%
F & A Revenues	37,700,000	14,369,928	(23,330,072)	38%
Transfers	(51,381,880)	(17,077,830)	34,304,050	33%
Other Revenues	20,018,290	7,361,649	(12,656,641)	37%
Total Instruction and General Revenues	410,875,999	167,644,127	(243,231,872)	41%
Salaries	259,128,889	79,886,150	179,242,739	31%
Benefits	80,919,361	23,300,681	57,618,680	29%
Other Expenses	76,572,698	17,689,613	58,883,085	23%
Total Instruction and General Expenses	416,620,948	120,876,444	295,744,504	29%
Net Instruction and General Revenue/(Expense)	(5,744,949)	46,767,683	52,512,632	
<b>Research</b>				
State/Local Appropriations	11,458,608	3,554,495	(7,904,113)	31%
Transfers	23,569,677	6,571,468	(16,998,209)	28%
Other Revenues	4,065,284	1,236,022	(2,829,262)	30%
Total Research Revenues	39,093,569	11,361,985	(27,731,584)	29%
Salaries and Benefits	25,797,642	7,837,022	17,960,620	30%
Other Expenses	25,171,028	4,786,364	20,384,664	19%
Total Research Expenses	50,968,670	12,623,386	38,345,284	25%
Net Research Revenue/(Expense)	(11,875,101)	(1,261,401)	10,613,700	
<b>Clinical Operations</b>				
State/Local Appropriations	25,443,700	7,589,627	(17,854,073)	30%
Physician Professional Fee Revenues	94,437,574	27,265,928	(67,171,646)	29%
Hospital Facility Revenues	605,936,905	203,857,727	(402,079,178)	34%
Other Patient Revenues, net of Allowance	86,928,493	28,236,014	(58,692,479)	32%
Mil Levy	87,560,907	29,308,713	(58,252,194)	33%
Investment Income	2,437,234	1,073,244	(1,363,990)	44%
Gifts	2,797,693	1,591,391	(1,206,302)	57%
Housestaff Revenues	30,929,031	10,640,448	(20,288,583)	34%
Other Revenues	7,903,608	6,045,448	(1,858,160)	76%
Total Clinical Operations Revenues	944,375,145	315,608,540	(628,766,605)	33%
Salaries and Benefits	537,898,311	176,730,549	361,167,762	33%
Debt Service	8,133,709	2,725,325	5,408,384	34%
Housestaff Expenses	30,929,031	10,019,259	20,909,772	32%
Other Expenses	377,494,963	126,348,818	251,146,145	33%
Total Clinical Operations Expenses	954,456,014	315,823,951	638,632,063	33%
Net Clinical Operations Revenue/(Expense)	(10,080,869)	(215,411)	9,865,458	
<b>Public Service</b>				
State/Local Appropriations	5,436,600	1,692,485	(3,744,115)	31%
Sales and Services Revenues	11,800,301	3,890,752	(7,909,549)	33%
Gifts	6,679,710	11,022,135	4,342,425	165%
Transfers	1,091,504	(1,592,505)	(2,684,009)	-146%
Other Revenues	4,962,217	1,199,302	(3,762,915)	24%
Total Public Service Revenues	29,970,332	16,212,169	(13,758,163)	54%
Salaries and Benefits	16,427,087	5,394,167	11,032,920	33%
Other Expenses	20,311,134	6,090,355	14,220,779	30%
Total Public Service Expenses	36,738,221	11,484,522	25,253,699	31%
Net Public Service Revenue/(Expense)	(6,767,889)	4,727,647	11,495,536	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents  
For the Four month period ended October 31, 2010  
Preliminary and Unaudited

**University of New Mexico - Consolidated Total Operations Current Funds**

	FY 2011 Full Year Operating Budget	FY 2011 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 33%
<b>Student Aid</b>				
Gifts	2,416,550	1,562,901	(853,649)	65%
State Lottery Scholarship	28,876,160	14,438,080	(14,438,080)	50%
Transfers	12,857,669	4,705,230	(8,152,439)	37%
Other Revenues	36,944	116,531	79,587	315%
Total Student Aid Revenues	<u>44,187,323</u>	<u>20,822,742</u>	<u>(23,364,581)</u>	47%
Salaries and Benefits	2,893,335	1,045,926	1,847,409	36%
Other Expenses	49,316,911	24,265,305	25,051,606	49%
Total Student Aid Expenses	<u>52,210,246</u>	<u>25,311,231</u>	<u>26,899,015</u>	48%
Net Student Aid Revenue/(Expense)	<u>(8,022,923)</u>	<u>(4,488,489)</u>	<u>3,534,434</u>	
<b>Student Activities</b>				
Fee Revenues	5,286,346	2,602,588	(2,683,758)	49%
Sales and Services Revenues	1,108,966	541,988	(566,978)	49%
Transfers	374,548	246,574	(127,974)	66%
Other Revenues	481,357	31,575	(449,782)	7%
Total Student Activities Revenues	<u>7,251,217</u>	<u>3,422,725</u>	<u>(3,828,492)</u>	47%
Salaries and Benefits	3,888,479	1,527,259	2,361,220	39%
Other Expenses	3,675,115	927,001	2,748,114	25%
Total Student Activities Expenses	<u>7,563,594</u>	<u>2,454,260</u>	<u>5,109,334</u>	32%
Net Student Activities Revenue/(Expense)	<u>(312,377)</u>	<u>968,465</u>	<u>1,280,842</u>	
<b>Auxiliaries and Athletics</b>				
Branch Campuses Auxiliary Revenues	2,787,630	1,515,013	(1,272,617)	54%
Main Campus Auxiliaries Revenues	66,032,161	22,573,786	(43,458,375)	34%
Athletics Revenues	29,220,683	7,428,913	(21,791,770)	25%
Total Auxiliaries and Athletics Revenues	<u>98,040,474</u>	<u>31,517,712</u>	<u>(66,522,762)</u>	32%
Branch Campuses Auxiliary Expenses	2,796,026	1,399,249	1,396,777	50%
Main Campus Auxiliaries Expenses	66,130,161	18,911,315	47,218,846	29%
Athletics Expenses	29,418,783	10,609,260	18,809,523	36%
Total Auxiliaries and Athletics Expenses	<u>98,344,970</u>	<u>30,919,824</u>	<u>67,425,146</u>	31%
Net Auxiliaries and Athletics Revenue/(Expense)	<u>(304,496)</u>	<u>597,888</u>	<u>902,384</u>	
<b>Sponsored Programs</b>				
Federal Grants and Contracts Revenues	197,680,649	96,978,515	(100,702,134)	49%
State and Local Grants and Contracts Revenues	37,793,111	9,962,134	(27,830,977)	26%
Non-Governmental Grants and Contracts Revenues	20,509,544	8,849,219	(11,660,325)	43%
Gifts	242,246	80,811	(161,435)	33%
Transfers	960,166	2,183,929	1,223,763	227%
Other Revenues	-	(1,805,462)	(1,805,462)	N/A
Total Sponsored Programs Revenues	<u>257,185,716</u>	<u>116,249,146</u>	<u>(140,936,570)</u>	45%
Salaries and Benefits	127,966,406	42,386,968	85,579,438	33%
Other Expenses	129,219,310	73,862,178	55,357,132	57%
Total Sponsored Programs Expenses	<u>257,185,716</u>	<u>116,249,146</u>	<u>140,936,570</u>	45%
Net Sponsored Programs Revenue/(Expense)	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Contingencies</b>				
Total Contingency Revenues	18,451,832	-	18,451,832	0%
Total Contingency Expenses	(12,810,979)	-	(12,810,979)	0%
Net Contingencies Revenue/(Expense)	<u>31,262,811</u>	<u>-</u>	<u>31,262,811</u>	
<b>Net Current Revenue/(Expense)</b>	<u>(11,845,793)</u>	<u>47,096,382</u>	<u>121,467,797</u>	
<b>Beginning Net Assets Unrestricted</b>		<u>258,994,997</u>		
<b>Ending Net Assets Unrestricted</b>		<u>306,091,379</u>		

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents  
For the Four month period ended October 31, 2010  
Preliminary and Unaudited

**University of New Mexico - Consolidated Total Operations Current Funds**

	FY 2011 Full Year Operating Budget	FY 2011 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 33%
<b>University of New Mexico - Results of Athletics and Auxiliary Operations</b>				
<b>Results of Athletics Operations:</b>				
Athletics Revenues	32,469,528	8,558,497	(23,911,031)	26%
Athletics Transfers	(3,248,845)	(1,129,584)	2,119,261	35%
Total Athletics Revenues	<u>29,220,683</u>	<u>7,428,913</u>	<u>(21,791,770)</u>	<u>25%</u>
Athletics Expenses				
Salaries and Benefits	13,382,324	4,506,796	8,875,528	34%
Grant-in-Aid	3,193,027	1,626,721	1,566,306	51%
Other Expenses	12,843,432	4,475,743	8,367,689	35%
Total Athletics Expenses	<u>29,418,783</u>	<u>10,609,260</u>	<u>18,809,523</u>	<u>36%</u>
Net Athletics Revenue/(Expense)	<u>(198,100)</u>	<u>(3,180,347)</u>	<u>(2,982,247)</u>	
<b>Results of Auxiliary Operations:</b>				
<b>VP for Institutional Support Services</b>				
Bookstore Revenues	17,940,999	9,165,414	(8,775,585)	51%
Bookstore Transfers	(530,025)	(116,669)	413,356	22%
Total Bookstore Revenues	<u>17,410,974</u>	<u>9,048,745</u>	<u>(8,362,229)</u>	<u>52%</u>
Total Bookstore Expenses	17,410,974	7,943,658	9,467,316	46%
Net Bookstore Revenue/(Expense)	<u>-</u>	<u>1,105,087</u>	<u>1,105,087</u>	
Public Events Revenues	7,574,250	879,115	(6,695,135)	12%
Public Events Transfers	149,730	49,912	(99,818)	33%
Total Public Events Revenues	<u>7,723,980</u>	<u>929,027</u>	<u>(6,794,953)</u>	<u>12%</u>
Total Public Events Expenses	7,723,980	1,287,014	6,436,966	17%
Net Public Events Revenue/(Expense)	<u>-</u>	<u>(357,987)</u>	<u>(357,987)</u>	
Golf Courses Revenues	2,595,127	793,820	(1,801,307)	31%
Golf Courses Transfers	(39,252)	(13,084)	26,168	33%
Total Golf Courses Revenues	<u>2,555,875</u>	<u>780,736</u>	<u>(1,775,139)</u>	<u>31%</u>
Total Golf Courses Expenses	2,555,875	972,758	1,583,117	38%
Net Golf Courses Revenue/(Expense)	<u>-</u>	<u>(192,022)</u>	<u>(192,022)</u>	
Parking and Transportation Revenues	7,729,958	3,628,095	(4,101,863)	47%
Parking and Trans Transfers	(2,438,497)	(1,039,668)	1,398,829	43%
Total Parking and Trans Revenues	<u>5,291,461</u>	<u>2,588,427</u>	<u>(2,703,034)</u>	<u>49%</u>
Total Parking and Trans Expenses	5,291,461	1,785,608	3,505,853	34%
Net Parking and Trans Revenue/(Expense)	<u>-</u>	<u>802,819</u>	<u>802,819</u>	
Ticketing Services Revenues	926,295	246,151	(680,144)	27%
Ticketing Services Transfers	75,348	25,116	(50,232)	33%
Total Ticketing Services Revenues	<u>1,001,643</u>	<u>271,267</u>	<u>(730,376)</u>	<u>27%</u>
Total Ticketing Services Expenses	1,001,643	271,980	729,663	27%
Net Ticketing Services Revenue/(Expense)	<u>-</u>	<u>(713)</u>	<u>(713)</u>	
Faculty Club Revenues	50,400	15,417	(34,983)	31%
Faculty Club Expenses	50,400	21,346	29,054	42%
Net Faculty Club Revenue/(Expense)	<u>-</u>	<u>(5,929)</u>	<u>(5,929)</u>	
Young Ranch Revenues	55,536	-	(55,536)	0%
Young Ranch Expenses	55,536	17,482	38,054	31%
Net Young Ranch Revenue/(Expense)	<u>-</u>	<u>(17,482)</u>	<u>(17,482)</u>	
Taos & Lawrence Ranch Revenues	98,763	-	(98,763)	0%
Taos & Lawrence Ranch Expenses	98,763	18,469	80,294	19%
Net Taos & Lawrence Ranch Revenue/(Expense)	<u>-</u>	<u>(18,469)</u>	<u>(18,469)</u>	
Total VP for Institutional Support Services Revenues	<u>34,188,632</u>	<u>13,633,619</u>	<u>(20,555,013)</u>	<u>40%</u>
Total VP for Institutional Support Services Expenses	<u>34,188,632</u>	<u>12,318,315</u>	<u>21,870,317</u>	<u>36%</u>
Net VP for Institutional Support Services Revenue/(Expense)	<u>-</u>	<u>1,315,304</u>	<u>1,315,304</u>	



Statements of Revenues, Expenses and Changes in Net Assets Format for Regents  
For the Four month period ended October 31, 2010  
Preliminary and Unaudited

**University of New Mexico - Consolidated Total Operations Current Funds**

	FY 2011 Full Year Operating Budget	FY 2011 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 33%
<b>VP for Student Affairs</b>				
AVP Ops/Student Life Revenues	2,170,545	865,135	(1,305,410)	40%
AVP Ops/Student Life Transfers	(238,006)	(79,335)	158,671	33%
Total AVP Ops/Student Life Revenues	1,932,539	785,800	(1,146,739)	41%
Total AVP Ops/Student Life Expenses	1,932,539	342,887	1,589,652	18%
Net AVP Ops/Student Life Revenue/(Expense)	-	442,913	442,913	
Housing and Food Service Revenues	24,843,830	4,932,317	(19,911,513)	20%
Housing Transfers	(4,037,394)	(1,345,798)	2,691,596	33%
Total Housing and Food Service Revenues	20,806,436	3,586,519	(17,219,917)	17%
Total Housing and Food Service Expenses	20,806,436	3,016,435	17,790,001	14%
Net Housing and Food Service Revenue/(Expense)	-	570,084	570,084	
Student Health Center Revenues	6,669,064	3,226,291	(3,442,773)	48%
Student Health Center Expenses	6,769,064	2,152,292	4,616,772	32%
Net Student Health Center Revenue/(Expense)	(100,000)	1,073,999	1,173,999	
Student Union Revenues	2,147,429	1,238,965	(908,464)	58%
Student Union Expenses	2,147,429	968,189	1,179,240	45%
Net Student Union Revenue/(Expense)	-	270,776	270,776	
Lobo Cash Revenues	38,830	(31,438)	(70,268)	-81%
Lobo Cash Expenses	24,330	19,222	(5,108)	79%
Net Lobo Cash Revenue/(Expense)	14,500	(50,660)	(65,160)	
Total VP for Student Affairs Revenues	31,594,298	8,806,137	(22,788,161)	28%
Total VP for Student Affairs Expenses	31,679,798	6,499,025	25,180,773	21%
Net VP for Student Affairs Revenue/(Expense)	(85,500)	2,307,112	2,392,612	
<b>Provost and Other Units</b>				
CE Conference Ctr Revenues	246,000	62,743	(183,257)	26%
CE Conference Ctr Transfers	(71,769)	35,709	107,478	-50%
Total CE Conference Ctr Revenues	174,231	98,452	(75,779)	57%
Total CE Conference Ctr Expenses	174,231	56,309	117,922	32%
Net CE Conference Ctr Revenue/(Expense)	-	42,143	42,143	
Art Museum Revenues	-	-	-	N/A
Art Museum Expenses	-	300	(300)	N/A
Net Art Museum Revenue/(Expense)	-	(300)	(300)	
Maxwell Museum Revenues	25,000	15,200	(9,800)	61%
Maxwell Museum Expenses	27,500	16,842	10,658	61%
Net Maxwell Museum Revenue/(Expense)	(2,500)	(1,642)	858	
Other Revenues	50,000	20,378	(29,622)	41%
Other Expenses	60,000	20,524	39,476	34%
Net Other Revenue/(Expense)	(10,000)	(146)	9,854	
Total Provost and Other Units Revenues	249,231	134,030	(115,201)	54%
Total Provost and Other Units Expenses	261,731	93,975	167,756	36%
Net Provost and Other Units Revenue/(Expense)	(12,500)	40,055	52,555	
<b>Auxiliary Totals</b>				
Total Auxiliary & Concessions Revenues	66,032,161	22,573,786	(43,458,375)	34%
Total Auxiliary & Concessions Expenses	66,130,161	18,911,315	47,218,846	29%
Net Auxiliary Revenue/(Expense)	(98,000)	3,662,471	3,760,471	
Net Athletics Revenue/(Expense)	(198,100)	(3,180,347)	(2,982,247)	
Net Auxiliary and Athletics Revenue/(Expense)	(296,100)	482,124	778,224	
Net Branch Campuses Aux Revenue/(Expense)	(8,396)	115,764	124,160	
Net All Auxiliary and Athletics Revenue/(Expense)	(304,496)	597,888	902,384	

# UNM Debt Service Schedule

As of October 31, 2010

\*Includes Hospital Debt

Description	Interest Rate	Original Issue	Current Balance	Current Balance	Current Balance	Current Balance	Current Balance
Sub Lien System Imp Revenue Bonds <b>Series 2007 A&amp;B:</b> Interest Range 4.0% to 5.95% Final Maturity Year 2036	Fixed Rate	\$136,710,000	\$136,710,000	\$0	\$3,386,860	\$3,386,860	\$6,773,720
Sub Lien System Imp Revenue Bonds <b>Series 2005:</b> Interest Range 3.0% to 5.0% Final Maturity Year 2035	Fixed Rate	\$125,575,000	\$122,125,000	\$1,870,000	\$2,791,704	\$2,791,704	\$7,453,408
***Hospital Mortgage Revenue Bonds <b>Series 2004:</b> Interest Range 2.0% to 5.0% Final Maturity Year 2032	Fixed Rate	\$192,250,000	\$179,005,000	\$4,570,000 (\$2,260,000 paid 7/1/2010) (\$2,310,000 due 1/1/2011)	\$4,277,788 (due 1/1/2011)	\$4,330,491 (paid 7/1/2010)	\$13,178,278
Sub Lien System Rfdg Revenue Bonds <b>Series 2003 A:</b> Interest Range 2.0% to 5.25% Final Maturity Year 2018	Fixed Rate	\$21,660,000	\$12,665,000	\$2,080,000	\$329,856	\$379,606	\$2,789,462
Sub Lien System Rfdg Revenue Bonds <b>Series 2003 B&amp;C:</b> Interest Range 1.35% to 5.625% Final Maturity Year 2033	Fixed Rate	\$11,805,000	\$10,285,000	\$250,000	\$249,904	\$249,904	\$749,808
Sub Lien Sys Rfdg & Imp Revenue Bonds <b>Series 2002 A:</b> Interest Range 2.5% to 5.25% Final Maturity Year 2032	Fixed Rate	\$58,860,000	\$47,570,000	\$2,045,000	\$1,214,163	\$1,214,163	\$4,473,326
Sub Lien Sys Rfdg Revenue Bonds <b>Series 2002 B:</b> Synthetic Fixed Int. Rate 3.83% Final Maturity Year 2026	Variable Rate	\$25,475,000	\$25,090,000	\$200,000	\$480,474	\$480,474	\$1,160,948
Sub Lien System Rfdg Revenue Bonds <b>Series 2002 C:</b> Synthetic Fixed Int. Rate 3.94% Final Maturity Year 2030	Variable Rate	\$37,840,000	\$36,740,000	\$350,000	\$723,778	\$725,748	\$1,799,526
Sub Lien System Imp Revenue Bonds <b>Series 2001:</b> 1/2 True Variable Rate <b>Series 2001:</b> 1/2 Synthetic Fixed Interest at 4.16% and 4.19% Final Maturity Year 2026	Variable Rate	\$52,625,000	\$41,020,000	\$1,835,000	\$820,400	\$820,400	\$3,475,800
Sub Lien System Imp Revenue Bonds <b>Series 2000 A&amp;B:</b> Interest Range 4.65% to 6.35% Final Maturity Year 2029	Fixed Rate	\$53,231,671	\$3,886,946	\$582,231	\$258,169	\$278,814	\$1,119,214
System Revenue Rfdg Bonds <b>Series 1992 A:</b> Interest Range 3.25% to 6.25% Final Maturity Year 2021	Fixed Rate	\$36,790,000	\$22,365,000	\$1,535,000	\$674,906	\$720,063	\$2,929,969
<b>Grand Total</b>		<b>\$752,821,671</b>	<b>\$637,461,946</b>	<b>\$15,317,231</b>	<b>\$15,208,002</b>	<b>\$15,378,227</b>	<b>\$45,903,459</b>

Note: See attached matrix for funding sources.

\*\*\* Source: UNM Hospital - Both UNM Hospital Principal and Interest payments are made on July 1st and January 1st.

## FY11 UNM Debt Service - Source of Funds

As of October 31, 2010

	Series 2007A&B	Series 2007B	Series 2007C	Series 2007B&C	Series 2007A	Series 2007C	Series 2007B	Series 2007A	Series 2007	Series 2007A&B	Series 2007A
Student Fees- Facility	X	X			X	X	X	X			X
Student Fees - IT		X						X			
Capitalized Interest	X										
Parking Services	X	X				X		X			X
UNM Hospital			X		X		X				X
Bookstore					X	X					X
Housing & Dining Services					X	X		X			
Building R&R					X		X	X			X
Real Estate Department	X			X			X	X			
Physical Plant Department	X	X						X	X		
Telecommunications		X						X			
Athletics	X										
Information & Technology Funds		X				X					
KNME											X
Popejoy Hall						X					
MTTC Bldg.							X				
Opto Bldg (CHTM Res Park)							X				
CRTC							X				
Continuing Education							X				
Equipment R&R		X									
Golf Course - North & South						X					
HSC *	X							X			
UNM Development Revenues	X										
Interest on Reserve Funds					X	X	X	X			

Note: Capitalized Interest was the funding source for the 2007A&B bonds through FY2010. Beginning FY2011, the other sources of funds identified above will be used to service debt associated with the Series 2007A&B bonds.

\* Recent addition - proceeds will be used for various HSC projects.

University of New Mexico  
Instruction and General by Organization Level 3  
For the four month period ended October 31, 2010  
Preliminary and Unaudited

<b>MAIN CAMPUS</b>		<b>(A)</b>				<b>(B)</b>						<b>(B-A)</b>	
<b>Organization Level 3</b>		<b>Pooled Revenues</b>	<b>Transfers</b>	<b>Other Revenues</b>	<b>Total Revenues</b>	<b>Faculty Salaries</b>	<b>Staff Salaries</b>	<b>Student Salaries</b>	<b>Benefits</b>	<b>Other Expenditures</b>	<b>Total Expenditures</b>	<b>Net Revenues/ (Expenditures)</b>	<b>Burn Rate</b>
<b>Instruction, Academic and Student Support Services</b>													
AAC	UNM West and Branch Initiatives	593,694	0	(33,556)	560,139	77,194	87,546	0	46,093	123,393	334,226	225,912	59.67%
ABA	Provost Administrative Units	17,569,599	(197,334)	(3,096,321)	14,275,944	471,869	1,328,946	403,965	57,795	2,066,662	4,329,238	9,946,707	30.33%
ABB	University College	3,185,114	42,862	39,548	3,267,524	485,830	423,949	36,764	297	133,680	1,080,520	2,187,004	33.07%
ABC	School of Public Administration	902,968	0	179,155	1,082,123	237,287	44,870	17,906	0	27,259	327,321	754,801	30.25%
ABD	VP for Equity & Inclusion	1,891,415	167,472	(363,657)	1,695,230	67,667	337,271	64,294	16,689	74,378	560,299	1,134,931	33.05%
ABE	VP Division of Enrollment Mgmt	6,232,906	0	112,487	6,345,392	49,324	1,480,615	49,801	0	405,507	1,985,246	4,360,146	31.29%
ABG	College of Fine Arts	10,253,810	(37,807)	533,954	10,749,958	2,186,244	757,274	299,288	150,515	584,227	3,977,547	6,772,411	37.00%
ABH	College of Arts Sciences	51,599,508	(28,873)	2,647,031	54,217,665	10,243,589	2,369,680	2,961,663	1,005,525	1,058,752	17,639,210	36,578,455	32.53%
ABI	Anderson Schools of Management	9,187,450	(70,209)	344,609	9,461,850	2,133,094	509,596	221,846	157,074	380,298	3,401,908	6,059,942	35.95%
ABJ	College of Education	13,174,897	2,227	915,211	14,092,336	2,675,306	806,183	334,918	114,061	294,406	4,224,875	9,867,461	29.98%
ABK	School of Engineering	13,690,938	(44,839)	368,536	14,014,635	2,904,957	788,806	229,604	80,953	253,370	4,257,691	9,756,944	30.38%
ABL	School of Law	8,747,553	0	67,207	8,814,760	1,379,284	605,667	45,296	0	456,402	2,486,650	6,328,111	28.21%
ABM	School of Architecture Planning	3,181,252	0	249,106	3,430,358	734,651	151,084	73,850	11,343	115,946	1,086,875	2,343,483	31.68%
ABN	University Libraries	13,344,072	(50,237)	109,664	13,403,499	770,787	1,327,254	167,559	0	1,295,014	3,560,614	9,842,885	26.56%
ABO	Continuing Education	1,319,685	(61,860)	61,588	1,319,413	563,681	479,573	20,735	(237,275)	386,158	1,212,872	106,541	91.93%
ABP	Extended University	6,385,683	(508,074)	(1,558,483)	4,319,126	124,359	1,017,242	83,527	118,253	338,158	1,681,539	2,637,587	38.93%
ABQ	VP Research & Economic Development	93,720	0	0	93,720	0	19,736	0	0	6,923	26,659	67,061	28.45%
ACA	VP Student Affairs Administration	1,474,062	(44,600)	26,800	1,456,262	63,028	265,833	13,567	0	96,122	438,550	1,017,712	30.11%
ACB	VP Student Affairs Indpdnt Dept	47,700	0	0	47,700	0	15,900	0	0	0	15,900	31,800	33.33%
ACC	Associate VP Student Services	1,724,481	7,198	20,984	1,752,663	5,963	437,367	86,597	17,364	163,369	710,680	1,041,983	40.55%
ACD	Associate VP Student Life	897,000	12,000	10,210	919,210	1,596	220,017	6,774	0	89,897	318,284	600,926	34.63%
<b>Sub-Total</b>		<b>165,497,506</b>	<b>(812,073)</b>	<b>634,074</b>	<b>165,319,506</b>	<b>25,175,709</b>	<b>13,474,410</b>	<b>5,117,955</b>	<b>1,538,687</b>	<b>8,349,941</b>	<b>53,656,703</b>	<b>111,662,804</b>	<b>32.46%</b>
<b>University Support Services</b>													
AAA	President Admin Indpnt Office	5,017,656	(1,000)	3,429	5,020,085	182,250	1,041,449	17,081	0	242,644	1,483,425	3,536,660	29.55%
ADA	EVP Administration	1,385,885	0	1,934,141	3,320,026	0	164,501	4,376	5,000	566,414	740,291	2,579,735	22.30%
ADB	EVP Administration Independent Offices	8,392,916	(5,232,880)	542,424	3,702,460	0	1,636,073	26,676	0	140,459	1,803,208	1,899,252	48.70%
ADD	Controller	7,930,904	26,000	(13,042)	7,943,862	0	2,525,033	44,970	0	271,512	2,841,516	5,102,346	35.77%
ADE	Associate VP for Facilities Mgmt	0	0	(9,615)	(9,615)	0	0	0	0	2	2	(9,617)	-0.02%
ADF	Human Resources	1,830,192	0	12,152	1,842,344	0	559,587	6,168	0	75,278	641,033	1,201,311	34.79%
ADG	VP Institutional Support Services	30,939,393	916,991	(1,088,579)	30,767,805	0	3,296,613	21,501	1,020,661	2,014,959	6,353,735	24,414,071	20.65%
ADI	Government & Community Relations	165,958	0	(3,565)	162,393	0	55,319	890	0	212	56,421	105,972	34.74%
ADJ	Information Technologies	315,201	296,829	(412,243)	199,787	0	151,861	1,881	0	16,492	170,235	29,552	85.21%
AEA	VP Institutional Advancement	1,204,207	0	71,797	1,276,004	0	334,870	16,892	0	97,732	449,494	826,510	35.23%
<b>Sub-Total</b>		<b>57,182,312</b>	<b>(3,994,060)</b>	<b>1,036,899</b>	<b>54,225,151</b>	<b>182,250</b>	<b>9,765,308</b>	<b>140,436</b>	<b>1,025,661</b>	<b>3,425,705</b>	<b>14,539,360</b>	<b>39,685,791</b>	<b>26.81%</b>
Non-Operational Monitoring Activity		(136,579,107)	(11,443,640)	3,323,545	(144,699,201)	0	0	0	0	(92,429)	(92,429)	(144,606,772)	
Fringe Benefit Pool		46,637,299	(80,560)	0	46,556,739	28,950	0	0	13,788,599	12,956	13,830,505	32,726,234	
<b>Sub-Total</b>		<b>(89,941,808)</b>	<b>(11,524,200)</b>	<b>3,323,545</b>	<b>(98,142,463)</b>	<b>28,950</b>	<b>0</b>	<b>0</b>	<b>13,788,599</b>	<b>(79,473)</b>	<b>13,738,076</b>	<b>(111,880,539)</b>	
<b>TOTAL MAIN CAMPUS</b>		<b>132,738,010</b>	<b>(16,330,333)</b>	<b>4,994,518</b>	<b>121,402,195</b>	<b>25,386,909</b>	<b>23,239,719</b>	<b>5,258,391</b>	<b>16,352,948</b>	<b>11,696,172</b>	<b>81,934,139</b>	<b>39,468,056</b>	

**INTERCOLLEGIATE ATHLETICS**

		(A)				(B)						(B-A)	
Organization Level 3		Pooled Revenues	Transfers	Other Revenues	Total Revenues	Faculty Salaries	Staff Salaries	Student Salaries	Benefits	Other Expenditures	Total Expenditures	Net Revenues/ (Expenditures)	Burn Rate
ADC	Intercollegiate Athletics	713,871	0	(36,186)	677,685	0	144,649	0	0	131,383	276,032	401,653	40.73%
<b>TOTAL ATHLETICS</b>		<b>713,871</b>	<b>0</b>	<b>(36,186)</b>	<b>677,685</b>	<b>0</b>	<b>144,649</b>	<b>0</b>	<b>0</b>	<b>131,383</b>	<b>276,032</b>	<b>401,653</b>	<b>40.73%</b>

**BRANCH CAMPUSES**

AGA	Gallup Branch	2,280,184	(486,858)	36,865	1,830,191	1,447,854	1,117,501	33,722	9,812	655,967	3,264,856	(1,434,665)	178.39%
AGB	Los Alamos Branch	466,971	(45,249)	16,518	438,240	362,151	327,194	2,490	6,447	185,479	883,761	(445,522)	201.66%
AGC	Taos Branch	831,746	(29,684)	46,000	848,062	591,204	460,487	14,066	5,518	428,621	1,499,895	(651,833)	176.86%
AGD	Valencia County Branch	1,195,694	(1,235,784)	116,026	75,937	706,059	781,602	55,331	3,393	492,227	2,038,612	(1,962,676)	2684.63%
<b>Sub-Total</b>		<b>4,774,595</b>	<b>(1,797,575)</b>	<b>215,409</b>	<b>3,192,429</b>	<b>3,107,268</b>	<b>2,686,783</b>	<b>105,608</b>	<b>25,170</b>	<b>1,762,294</b>	<b>7,687,124</b>	<b>(4,494,695)</b>	<b>240.79%</b>
Fringe Benefit Pool		5,979,122	(76,296)	(55,000)	5,847,826	0	0	0	1,584,196	0	1,584,196	4,263,630	
<b>Sub-Total</b>		<b>5,979,122</b>	<b>(76,296)</b>	<b>(55,000)</b>	<b>5,847,826</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,584,196</b>	<b>0</b>	<b>1,584,196</b>	<b>4,263,630</b>	
<b>TOTAL BRANCH CAMPUSES</b>		<b>10,753,717</b>	<b>(1,873,871)</b>	<b>160,409</b>	<b>9,040,255</b>	<b>3,107,268</b>	<b>2,686,783</b>	<b>105,608</b>	<b>1,609,367</b>	<b>1,762,294</b>	<b>9,271,321</b>	<b>(231,066)</b>	

**HEALTH SCIENCES CENTER**

		(A)				(B)						(B-A)	
Organization Level 3		Pooled Revenues	Transfers	Other Revenues	Total Revenues	Faculty Salaries	Staff Salaries	Student Salaries	Benefits	Other Expenditures	Total Expenditures	Net Revenues/ (Expenditures)	Burn Rate
AFA	VP HSC Administration	18,133,343	3,066,556	(226,982)	20,972,917	254,513	2,642,725	10,575		1,925,064	4,832,877	16,140,040	23.04%
AFB	HS Library and Informatics Center	5,305,743	(312,830)	(64,584)	4,928,329	343,453	758,746	16,046	8,109	570,248	1,696,602	3,231,727	34.43%
AFC	School of Medicine	47,106,201	(2,420,796)	(2,514,728)	42,170,677	7,699,125	4,548,002	275,563	59,723	914,888	13,497,301	28,673,376	32.01%
AFD	College of Nursing	6,604,048	(26,854)	(130,956)	6,446,238	1,267,660	418,407	50,671	14,183	177,893	1,928,814	4,517,424	29.92%
AFE	College of Pharmacy	6,024,116	(162,198)	(336,297)	5,525,621	1,180,886	305,369	141,257	91,605	243,402	1,962,519	3,563,102	35.52%
AFI	HSC-VP Research	24,460	(155,826)	0	(131,366)	0	0	0	0	0	0	(131,366)	0.00%
<b>Sub-Total</b>		<b>83,197,911</b>	<b>(11,948)</b>	<b>(3,273,547)</b>	<b>79,912,416</b>	<b>10,745,637</b>	<b>8,673,249</b>	<b>494,112</b>	<b>173,620</b>	<b>3,831,495</b>	<b>23,918,113</b>	<b>55,994,303</b>	<b>29.93%</b>
Non-Operational Monitoring Activity		(71,177,511)	1,138,856	6,086,139	(63,952,516)	0	0	0	0	251,913	251,913	(64,204,429)	
Fringe Benefit Pool		21,134,310	(534)	(569,684)	20,564,092	0	43,824	0	5,164,746	18,356	5,224,926	15,339,166	
<b>Sub-Total</b>		<b>(50,043,201)</b>	<b>1,138,322</b>	<b>5,516,455</b>	<b>(43,388,424)</b>	<b>0</b>	<b>43,824</b>	<b>0</b>	<b>5,164,746</b>	<b>268,269</b>	<b>5,476,839</b>	<b>(48,865,263)</b>	
<b>TOTAL HEALTH SCIENCES CENTER</b>		<b>33,154,710</b>	<b>1,126,374</b>	<b>2,242,908</b>	<b>36,523,992</b>	<b>10,745,637</b>	<b>8,717,073</b>	<b>494,112</b>	<b>5,338,366</b>	<b>4,099,764</b>	<b>29,394,952</b>	<b>7,129,040</b>	
<b>GRAND TOTAL</b>		<b>177,360,308</b>	<b>(17,077,830)</b>	<b>7,361,649</b>	<b>167,644,127</b>	<b>39,239,814</b>	<b>34,788,225</b>	<b>5,858,111</b>	<b>23,300,681</b>	<b>17,689,613</b>	<b>120,876,444</b>	<b>46,767,683</b>	

University of New Mexico  
 Compensation Analysis by Organization Level 3  
 For the four month period ended October 31, 2010  
 Preliminary and Unaudited

Organization Level 3	YTD Faculty Compensation	YTD Staff Compensation	Ga Ta Ra Pa Salaries	Housestaff Salaries	Student Employment	Workstudy	YTD Student Compensation	YTD Total Compensation	% of YTD Total	Full Year Compensation Original Budget	Benchmark (33%) YTD Total Compensation to Total Budget
<b>Instruction, Academic and Student Support Services (Main &amp; Branches)</b>											
Anderson Schools of Management ASM	2,295,990	537,463	206,355	-	48,651	747	255,753	3,089,206	4.03%	9,950,972	31.02%
Assoc. VP Student Life (ACD)	3,345	2,038,977	26,101	-	419,404	24,185	489,090	2,612,114	3.28%	8,231,829	30.52%
Associate VP Student Services	6,845	683,246	20,717	-	226,787	9,164	256,668	946,758	1.24%	2,816,319	33.62%
College of Arts Sciences A-S	10,652,291	2,758,776	2,912,638	24,101	157,157	36,757	3,139,853	16,439,721	21.47%	51,217,999	32.10%
College of Education COE	2,677,684	928,940	321,520	14,280	85,289	5,689	426,779	4,033,403	5.27%	13,160,103	20.65%
College of Fine Arts CFA	2,254,832	799,534	276,074	-	61,891	15,306	353,271	3,407,637	4.45%	9,862,550	34.14%
Continuing Education Cont Ed	571,741	520,698	5,065	-	15,022	648	20,735	1,113,174	1.45%	4,514,244	24.66%
Extended University Ext Univ	124,359	1,017,242	17,393	-	53,581	12,573	83,527	1,225,126	1.60%	5,693,281	33.17%
Gallup Branch	1,455,594	1,156,152	-	-	10,321	25,215	35,535	2,647,281	3.46%	8,998,363	29.42%
LosAlamos Branch	362,501	346,447	-	-	-	2,490	2,490	711,838	0.93%	2,257,026	31.54%
Provost Administrative Units	487,292	2,054,036	369,367	-	131,830	30,994	632,191	3,073,519	4.01%	10,619,975	28.94%
School of Architecture Planning	765,263	161,733	64,616	-	13,893	1,571	80,082	1,007,079	1.31%	3,044,167	33.08%
School of Engineering	3,272,337	826,667	320,286	8,750	123,510	(182)	452,365	4,551,369	5.94%	14,135,581	32.20%
School of Law LAW	1,460,356	997,895	400	-	55,010	12,453	67,663	2,526,114	3.30%	8,076,267	28.14%
School of Public Administration	237,287	44,870	20,540	-	1,573	312	22,425	304,582	0.40%	956,869	31.83%
Taos Branch	599,274	504,042	-	-	7,019	22,072	29,091	1,132,407	1.48%	3,584,026	31.09%
University College UC	530,630	423,949	40,749	-	3,411	6,742	50,901	1,005,380	1.31%	3,092,269	32.51%
University Libraries	662,761	1,355,829	98,469	-	134,447	89,765	272,691	2,591,260	3.36%	8,821,728	29.37%
UNM West and Branch Initiatives	77,194	87,546	-	-	-	-	-	164,740	0.22%	453,200	36.35%
Valencia County Branch	712,488	853,054	11,025	-	29,380	24,230	64,635	1,630,177	2.13%	5,771,926	28.24%
VP Division of Enrollment Mgmt	49,324	1,512,986	1,582	-	68,731	31,722	102,035	1,664,346	2.17%	5,359,376	31.05%
VP for Equity & Inclusion	73,091	345,938	34,298	26,879	21,545	6,816	89,639	508,477	0.66%	1,390,692	35.85%
VP Resrch & Econ Developmt	398,525	1,195,155	54,093	(20,030)	31,708	3,747	69,518	1,663,198	2.17%	5,222,817	31.84%
VP Student Affairs Administration	66,028	284,165	8,560	-	12,103	1,082	21,779	371,973	0.49%	1,278,969	29.08%
VP Student Affairs Indpdnt Dept ID	32,176	1,125,309	3,900	-	88,907	1,338	94,145	1,251,630	1.63%	4,083,233	30.65%
<b>Sub-Total Instruction, Academic and Student Support Services (Main &amp; Branches)</b>	<b>30,029,417</b>	<b>22,558,750</b>	<b>4,813,771</b>	<b>53,980</b>	<b>1,801,153</b>	<b>315,457</b>	<b>6,984,361</b>	<b>59,572,528</b>	<b>77.78%</b>	<b>191,621,260</b>	<b>31.09%</b>
<b>University Support Services (Main &amp; Branches)</b>											
Controller	-	2,767,653	5,700	-	43,247	5,385	54,333	2,821,966	3.68%	8,446,623	33.41%
EVP Admin Independent Offices	-	1,638,073	-	-	25,668	1,009	26,677	1,662,749	2.17%	5,474,202	30.37%
EVP Administration	28,950	232,787	-	-	4,376	-	4,376	266,113	0.35%	799,613	33.28%
Government & Community Relations	-	58,082	-	-	4,008	-	4,008	62,090	0.08%	183,247	33.88%
Human Resources HR	-	559,587	-	-	5,089	1,079	6,168	565,755	0.74%	1,667,996	29.97%
Information Technology Services	-	151,861	-	-	1,881	-	1,881	153,743	0.20%	453,588	33.89%
President Admin Indpdnt Office	182,250	1,130,787	-	-	14,961	2,120	17,081	1,330,116	1.74%	4,362,925	30.49%
VP Institutional Adv College	-	334,870	-	-	14,524	2,968	16,892	351,762	0.46%	1,136,209	30.98%
VP Institutional Support Services	2,100	5,868,250	-	-	279,098	8,006	287,104	6,157,453	8.04%	19,802,560	31.09%
<b>Sub-Total University Support Services (Main &amp; Branches)</b>	<b>213,300</b>	<b>12,739,951</b>	<b>5,700</b>	<b>-</b>	<b>392,862</b>	<b>19,966</b>	<b>418,519</b>	<b>13,371,770</b>	<b>17.46%</b>	<b>42,547,053</b>	<b>31.43%</b>
<b>Intercollegiate Athletics</b>											
Intercollegiate Athletics	6,923	3,534,613	52,172	-	46,385	3,295	101,852	3,643,387	4.76%	10,449,804	34.87%
<b>Sub-Total Intercollegiate Athletics</b>	<b>6,923</b>	<b>3,534,613</b>	<b>52,172</b>	<b>-</b>	<b>46,385</b>	<b>3,295</b>	<b>101,852</b>	<b>3,643,387</b>	<b>4.76%</b>	<b>10,449,804</b>	<b>34.87%</b>
<b>TOTAL Compensation (Main, Branches and Athletics)</b>	<b>30,249,641</b>	<b>38,833,314</b>	<b>4,871,643</b>	<b>53,980</b>	<b>2,240,390</b>	<b>338,718</b>	<b>7,504,731</b>	<b>76,587,685</b>	<b>100.00%</b>	<b>244,618,117</b>	<b>31.31%</b>

University of New Mexico  
 Compensation Analysis by Organization Level 3  
 For the four month period ended October 31, 2010  
 Preliminary and Unaudited

Organization Level 3	YTD Faculty Compensation	YTD Staff Compensation	Ga Ta Ra Pa Salaries	Housestaff Salaries	Student Employment	Workstudy	YTD Student Compensation	YTD Total Compensation	% of YTD Total	Full Year Compensation Original Budget	Benchmark (33%) YTD Total Compensation to Total Budget
<i>Health Sciences Center</i>											
College of Nursing	1,333,711	448,098	50,833	-	6,738	796	58,367	1,840,176	2.44%	6,332,502	29.06%
College of Pharmacy	1,275,930	773,642	128,453	24,517	13,804	1,308	168,082	2,217,554	2.94%	7,416,936	29.89%
HS Library and Informatics Center	343,453	866,545	-	-	15,149	896	16,045	1,228,043	1.02%	3,863,581	31.73%
School of Medicine	40,199,111	16,158,824	300,407	9,288,070	250,412	13,322	9,852,211	66,201,146	87.72%	196,691,241	33.66%
VP HSC Administration	502,320	2,941,532	7,330	12,456	9,037	137	28,960	3,472,612	4.80%	10,661,696	31.91%
HSC VP Research	87,907	464,473	-	-	22,728	-	22,728	515,108	0.68%	1,934,502	26.63%
<i>Sub-Total Health Sciences Center</i>	<i>43,733,432</i>	<i>21,593,114</i>	<i>487,023</i>	<i>9,325,043</i>	<i>317,868</i>	<i>16,459</i>	<i>10,146,393</i>	<i>75,472,939</i>	<i>100.00%</i>	<i>227,120,658</i>	<i>33.23%</i>
<i>Sponsored Programs</i>	<i>11,928,195</i>	<i>13,693,345</i>	<i>5,056,423</i>	<i>1,924,829</i>	<i>976,564</i>	<i>1,074,980</i>	<i>9,032,795</i>	<i>34,654,335</i>		<i>125,280,744</i>	
<i>TOTAL Compensation (Main, Branches, Athletics, HSC and Sponsored Programs)</i>	<i>85,911,267</i>	<i>74,119,773</i>	<i>10,415,088</i>	<i>11,303,852</i>	<i>3,534,822</i>	<i>1,430,157</i>	<i>26,683,919</i>	<i>186,714,959</i>		<i>597,019,519</i>	



## MEMORANDUM

**To:** Clinical Operations Board

**From:** Stephen McKernan  
Chief Executive Officer

**Date:** August 2, 2010

**Subject:** Monthly Hospital Activity Update

The Hospital has been involved in a variety of activities.

**Activities Levels:** The final statistics showed a slight increase in patient days over the prior year, with adult and children's days having increased and women in obstetrics having decreased significantly. Discharges tracked similarly to days. Births decreased about 7 percent. Surgeries increased about 4 percent. The Emergency Department visits were essentially equivalent to the prior year. Ambulatory visits increased about 6 percent. The CMI Adjusted All patient days and discharges increased by 5 and 3 percent.

**Finances:** The Hospitals ended the year with a \$5 million positive net margin on \$715 million in revenues or a slightly less than 1 percent margin. Total revenues rose by about 2 percent when the Cancer Center revenues are eliminated. Most of the increase was due to pass through revenues on Upper Payment Limit and on Medical Education payments in Medicaid. Non pass through Medicaid revenues decreased about \$6 million or 4 percent due to the decrease in contract rates from the MCO's. Otherwise revenues were basically flat in all other categories. Expenses, net of the Cancer Center increased about 3 percent over the prior year, with most of the increase in salaries and supplies.

**Strategic Planning:** Strategic Planning is progressing, especially with the Master Facility Plan. The new information will be presented at the closed session of the Board. The SRMC project is making progress but is about 6 weeks behind original schedule.

**Human Resources:** Vacancy factor is about 2 percent overall and close to zero with nursing. The hospital is very cautious about any new FTE's and its employment has leveled off the past 4 months. The turnover rate overall is about 11 percent and with nursing, it is around 10 percent. The Hospital is still in negotiations with the Unions and the parties are working with mediators to come to final agreement.

**Information System:** The Hospital has committed to a new scheduling and surgical information system. It will take about 14 months to bring the systems live. The Hospital has evaluated the meaningful use criteria and is very close to qualifying under the Federal requirements. An update will be presented soon. The Hospital was again recognized as one of the 100 Most Wired Hospitals in America.

**Quality Initiatives:** The focus for the coming year will be on improving the current areas of focus, especially the mortality rate and the readmission rate. The readmission rate becomes a very important parameter under health reform and we would like to target a 10 percent reduction in this rate over the next year.

UNMH Hospital and its adult primary care providers have been designated by the NCQA as having met Level 1 criteria to serve as Patient Centered Medical Homes. They are the only physicians in the state that have met this criteria.



**SCI:** The number of patients enrolled in the program has dropped close to 10,000. We are meeting with the State to try and stabilize this program enrollment. The payment rate has also been reduced about 5 percent by the State. This is a vital program for UNM and efforts are being made to enhance it.

**Behavioral Health**

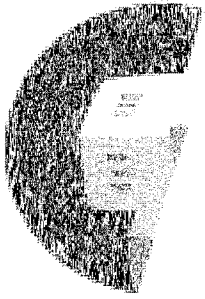
**Carrie Tingley Hospital**

If there are any questions on this or other matters, please feel free to contact me.



Finance and Audit Committee Dashboard Report  
Year To Date as of October 2010

	Actual	Target	Budget	YTD	YTD	YTD	Comments
Patient Days (includes newborn) for UNMH		↑	-	51,787	52,260	51,526	Med/Surg and Pediatric days up from prior year
Discharges for UNMH		↑	↓	9,343	9,544	9,480	Adult, Med/Surg & SAC up; Pediatric, OB & Newborn Nursery discharges down from prior year
Average Length of Stay for UNMH		< 5.48		5.54	5.48	5.44	
Outpatient Clinic Visits for UNMH		↑	↓	156,837	163,084	157,071	Includes 10,214 Flu Shots YTD
Emergency Department Visits for UNMH		-		25,621	26,044	25,753	
Urgent Care		↑	-	1,659	4,324	-	New location opens December 2010
Operations		↑	↑	6,413	6,068	6,115	Improved from prior year and budget
Births		↑	-	1,257	1,260	1,339	In line with peer hospital trends and budget
Days for all Behavioral Operations		↑	↓	9,032	9,436	9,739	Trend reflects shift to Outpatient services
Visits for all Behavioral Operations		↑	↑	48,295	47,208	40,439	Improved from prior year and budget
UNM Care Enrollment		↑	↑	30,217	32,000	24,222	Total enrollment 39,899
UNMCI Enrollment		↑	↓	9,682		12,528	Includes retroactive adjustment by HSD for changes in re-enrollment policy, no new enrollments allowed
Income Before Non-Recurring items for all Operations (in thousands)		> \$0	↑	\$109	\$16	(\$64)	
Net Income (Loss) for all Operations (in thousands)		> \$0	↑	\$109	\$16	(\$64)	
Case Mix Index (CMI) - w/o newborn		↑	↑	1.573	1.524	1.507	Improved from prior year and budget
Days Cash on Hand for UNMH		↑	↑	69.98	42.50	50.13	Improved from prior year and budget
<b>Summary</b>							
FTEs (Worked) per adj patient day for all Operations				5.44	5.40	5.55	
Hours of Care - UNMH Nursing				19.51	18.40	17.94	
Paid FTE's for all Operations				5,292	5,345	5,231	



THE UNIVERSITY of  
NEW MEXICO

Presentation to  
UNM Board of Regents'  
Audit Committee

January 11, 2010

Presented by:

OFFICE OF UNM FINANCE AND  
UNM CONTROLLER

# FY10 Audit Report Summary

## Roles of Moss Adams and KPMG

- ❖ Moss Adams is primary auditor for UNM and for component units.
- ❖ Moss Adams also responsible for entity-wide Single Audit
- ❖ KPMG engaged to audit certain departments of UNM:
  - ◆ UNM Hospital (UNMH)
  - ◆ UNM Behavioral Health Operations (UNMBH)
- ❖ KPMG also audits the blended component unit: UNM Medical Group (UNMMG)
- ❖ Moss Adams' reports on financial statements and internal controls refers to portions of UNM Audited by KPMG

# FY10 Audit Report Summary

## Roles of Moss Adams and KPMG - CONTINUED

- ❖ **Financial Statement Audits** – Audits performed in accordance with:
  - ◆ General Accepted Auditing Standards
  - ◆ Government Auditing Standards
  - ◆ New Mexico State Auditor Rule 2.2.2 NMAC
- ❖ **Federal Grant Compliance Audit** – Moss Adams also conducts audit of federal grants under requirements of OMB Circular A-133

# FY10 Audit Report Summary

## Financial Statement Opinions

- ❖ Moss Adams –
  - ◆ Unqualified Opinion on Government-wide Financial Statements (page iv)
  - ◆ Unqualified Opinions on 7 Component Units (SRMC not audited)
- ❖ KPMG –
  - ◆ Unqualified Opinion on UNM Hospital
  - ◆ Unqualified Opinion on UNM Behavioral Health Operations
  - ◆ Unqualified Opinion on UNM Medical Group

# FY10 Audit Report Summary

## Internal Control Reports

- ❖ No reported material weaknesses or material non-compliance (page 136)

# FY10 Audit Report Summary

## A-133 (Single Audit) Reports

- ◆ Unqualified A-133 Compliance opinion (page 140)
- ◆ No material weaknesses or findings over A-133 internal controls or compliance (page 148)



# FY10 Audit Report Summary

## Management's Discussion and Analysis (page 2 through 17)

- ◆ Condensed Financial Statements
- ◆ Plain language summary of the results of operations
- ◆ FY2010 highlights and issues

# Summary of Audit Findings

## Prior Year Findings Repeated in Current Year

### Lobo Club:

- ❖ Financial Statements and Close Process (p. 149)
- ❖ General Ledger Access (p. 150)
- ❖ Agency Account Reconciliation (p. 151)

## New Current Year Findings

### Lobo Club:

- ❖ Debit Card Process (p. 152)
- ❖ Contributions for the PIT Renovation (p.153)
- ❖ Accounts Payable Recording and Payment Practices (p. 154)
- ❖ Restricted Contributions Payable Reconciliation (p. 155)
- ❖ Lack of Supporting Documentation (p. 156)
- ❖ Cash Receipting Process (p. 157)

# Summary of Audit Findings

## New Current Year Findings - CONTINUED

### UNMH

- ❖ Cerner and Siemens Systems Edit/Exception/Error Report Review – UNMH – (p. 158)

### UNM Cancer Center

- ❖ Process for Estimation of Contractual Discounts and Bad Debt Allowances for Cancer Center Patient Receivables (p. 161)

### UNM

- ❖ Physical Inventory of Capital Assets (p. 160)
- ❖ Over-expenditure of Budgetary Authority (p. 162)

# FY10 Audit Summary

## Significant Accounting Estimates

- ❖ Valuation of Student Tuition Receivables (p. 66)
- ❖ Actuarial Valuation – OPEB (pgs. 81-83 and 88)
- ❖ Patient revenues and related patient receivables (pgs. 66 and 76)
- ❖ Valuation of estimated third-party payor settlements (p. 76)
- ❖ Estimate of self-insured claims liability for healthcare benefits (p. 79)

# FY10 Audit Report Summary

## Uncorrected and Corrected Misstatements

- ❖ All audit adjustments and reclasses have been discussed and recorded by management and have been or will be presented to the applicable committees
- ❖ There were no uncorrected misstatements

# FY10 Audit Report Summary

## Significant or Unusual Transactions

- ❖ Postemployment Benefits Other Than Pensions (OPEB) obligation (pgs. 81-83 and 88)
  - ◆ Unfunded Actuarial Accrued Liability
    - ◆ UNM – \$131 M
    - ◆ UNMH and UNMBH – \$20.2 M
  - ◆ Annual Required Contributions (expense recorded for OPEB in the year)
    - ◆ UNM – \$12.2 M
    - ◆ UNMH and UNMBH – \$3 M
- ❖ Self-insured health care (p.79) – first year for UNM
  - ◆ UNM – \$16.5 M liability
  - ◆ UNMH and UNMBH – \$3.2 M liability
- ❖ Alternative Investments (p. 44)
  - ◆ UNM – \$66 M

# FY10 Audit Report Summary

## Significant or Unusual Transactions - CONTINUED

### ARRA Funding

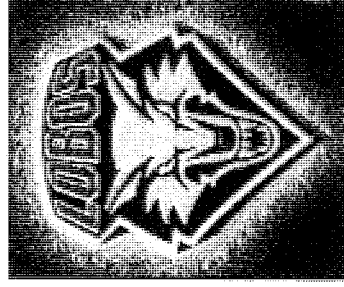
- ❖ Required additional testing in Single Audit
- ❖ All ARRA programs default to high risk programs that require special auditor consideration

### UNM Hospitals and UNMMG

- ❖ The UNM PC and UNM CPC were consolidated for financial reporting purpose
- ❖ Compliance with HUD loan guarantee (\$183 M)
- ❖ State Coverage Initiative revenue recognition (\$42M)
- ❖ Pledged collateral for public deposits and credit risk- All ratable investments and securities at Fitch AAA or Moody's Aa3 and all public funds properly collateralized.
- ❖ UNMMG continues on the development of the SRMC. HUD financing letter received late Sept and a \$6M receivable recorded from SRMC related to the costs that UNMMG has paid on behalf of SRMC's.

# FY10 Audit Report Summary


- ❖ Audit Report in its entirety can be found on the UNM website at
  - ◆ <http://www.unm.edu/~conweb/finrep.html>





## MEMORANDUM

**TO:** Raymond G. Sanchez, Esq., President of the Board of Regents  
Members, Board of Regents

**FROM:** Paul B. Roth, M.D., M.S., F.A.C.E.P.,  Chairman of the Board of Directors,  
UNM Medical Group, Inc.

**DATE:** January 6, 2011

**RE:** Nominations to the UNM Medical Group, Inc. Board of Directors

---

Pursuant to the Amended and Restated Bylaws of UNM Medical Group, Inc. ("UNMMG"), approved by the Board of Regents on December 14, 2010, I am submitting the following nominees to serve as Directors of UNMMG in the classes indicated adjacent to their names and am asking the Regents to appoint each of them to such Board:

Positional Directors:

Paul B. Roth, M.D., M.S., F.A.C.E.P., Dean of the UNM School of Medicine -- *Class B*

Carolyn Voss, M.D., Senior Associate Dean for Clinical Affairs, UNM School of Medicine --  
*Class A*

Nominees from the UNM School of Medicine Committee of Chairs:

1. Tom Williams, M.D., Chair, Department of Pathology, UNM School of Medicine -- *Class A*
2. Cheryl Willman, M.D., Executive Director, UNM Cancer Center -- *Class B*
3. Pope Moseley, M.D., Chair, Department of Internal Medicine -- *Class C*
4. Martha McGrew, M.D., Chair, Department of Family & Community Medicine -- *Class A*
5. Loretta Cordova de Ortega, M.D., Chair, Department of Pediatrics -- *Class B*
6. John Russell, M.D., Chair, Department of Surgery -- *Class C*

Nominees from the UNMMG Physician Advisory Group:

1. Christopher L. Taylor, MD, Assistant Professor, Department of Neurosurgery (with a joint appointment in the Department of Radiology) -- *Class B*

2. Donna Sigl, M.D., Associate Professor, Vice Chair for Administration and Finance,  
Department of Psychiatry – *Class C*

Community Member Nominee:

Christopher Pacheco, Esq., Attorney at Law, Rio Rancho, New Mexico.

I will distribute biographies for each of these candidates at the Board of Regents meeting to be held on January 11, 2011. Thank you for your thoughtful consideration of these matters.